

Police Infiltrator Details Lif

By Ronald Kessler

Washington Post Staff Writer

WATERTOWN, Mass. — Until recently, Michael Pellicci was the New England Mafia operative in charge of gambling, loansharking, and political payoffs in this largely suburban section of Boston.

As such, Pellicci reported to the underboss of the New England Mafia family and had dealings with Raymond Patriarca, boss of one of the 26 Mafia families in the country.

Pellicci's career in the Mafia came to at least a temporary end last year after he tried to bribe Watertown Police Lt. Edward J. Vaughan. Vaughan took the bribes, but turned them over to the FBI. Unknown to Pellicci, Vaughan had assumed the undercover role of a corrupt police officer.

During his year as a double agent, Vaughan met with Pellicci weekly, sometimes daily. Over Seagram's V. O. and water in Pellicci's colonial home, and in bars and restaurants in the Boston area, Vaughan learned how Pellicci conducted Mafia business.

Pellicci is now serving a five-year prison term. He was convicted last June of gambling on the basis of Vaughan's testimony and Pellicci's conversations as picked up by FBI wiretaps and bugs in his home and his office.

For the first time, Vaughan, 39, is able to discuss without restrictions his year in proximity to Pellicci, 57. This is the story he tells.

He first met Pellicci when the police officer accepted an off-duty assignment to keep crowds away from a Sunday morning fire at the Bemis Cafe here.

Vaughan had been a Watertown police officer for 12 years, having risen from patrol duty to the rank of sergeant in the vice squad.

During this time, Vaughan had learned that the police department was not overly concerned about vice. Gambling, if not condoned, was at least tolerated by his colleagues.

Vaughan was not about to change any of this. He had been told by colleagues what happens when you go after gamblers: The bosses are being taken care of, and so are the politicians; they'll come down on you, they'll "deep-six" any charges. You don't mess with the Mafia.

So Vaughan bided his

time. A new police chief was appointed, and the chief was unhappy. Word filtered into his office that there were bookies around and nothing was being done about them.

The new chief, Joseph P. Kelly, asked his sergeant on the vice squad to clean up the town. So when Pellicci approached the handsome, baby-faced police officer at the Watertown cafe fire, Vaughan was ready.

Vaughan knew that Pellicci was connected with the victim of a recent gangland slaying. And he knew that Pellicci recently had offered a bottle of Scotch to another police officer, mistaking him for Vaughan.

If Pellicci wanted to be cozy with Vaughan this Sunday morning, Vaughan determined he would play along.

Pellicci was dressed in a dark blue suit and a dark, three-button jersey. He drove up with another gambling figure, Anthony (Butch) Russo, in Pellicci's Oldsmobile 98.

Russo wandered off to look at the fire, and Pellicci started a conversation with Vaughan, acting as though he had known Vaughan all his life.

Pellicci wanted to know what Vaughan was doing for lunch. Pellicci said his wife had made meatballs and sausages. "I'll bring it down for you," he said.

Vaughan accepted a meatball sandwich and a bottle of Cambos, a Greek brandy, which Pellicci left on the front seat of Vaughan's car. The next day, Vaughan submitted a report on the incident to his chief, and he placed the brandy in his safe at the police station.

Over the next year, Vaughan accepted \$6,800 in cash, a car, a police radio receiver, a television set, a .25-caliber revolver, and countless dinners from Pellicci.

After each meeting, Vaughan reported to FBI agents, who supervised the investigation with the Justice Department's New England organized crime strike force.

In arranging the meetings with the FBI, Vaughan used the code name "Mr. Pepper," usually meeting the agents in a parked car in nearby Belmont.

Pellicci approached the purchase of a police officer with care. After the cafe fire, Pellicci invited Vau-

Organized Crime

Organized crime is a federation of criminal groups engaged in gambling, loan-sharking, labor racketeering, narcotics distribution, prostitution, extortion, and murder.

More than half of the revenue of organized crime comes from gambling which brings in more than \$30 billion a year, according to Justice Department estimates.

About half of this revenue is under the control of the Mafia, the Justice Department said.

The Mafia is a highly disciplined cartel of some 3,000 members, who are initiated into the organization with formal rites and oaths.

The members belong to one of 26 families, or gangs, each headed by a crime boss. A national commission composed of key bosses settles disputes among the families.

In many cities, gambling and other organized crime activity is controlled by groups that operate independently or give a cut of their profits to the Mafia.

Like the Mafia, these groups tend to break down along ethnic lines.

Since the end of Prohibition, organized crime has increasingly invested its profits in legitimate businesses, providing a cover for illicit activities.

Violence is employed in phases of organized crime. Most law enforcement authorities say political corruption goes hand-in-hand with organized crime.

In recent years, the Justice Department has set up special strike forces to concentrate on organized crime, the FBI has intensified its efforts, and many local police forces have created organized crime units.

William S. Lynch, chief of the Justice Department's organized crime section, said 250 of the 3,000 Mafia members have been convicted as a result of federal investigations in the past five years.

But many law enforcement officials concede that present laws are largely ineffective against organized crime.

From 1965 to 1970, only 100 persons were convicted and 25 persons went to jail as a result of 20,000 gambling arrests in New York state, according to James E. Ritchie, executive director of the National Commission on Gambling.

In the last fiscal year, which ended June 30, FBI investigations led to 1,387 convictions of hoolum, gambling, and vice subjects and confiscation of \$3.4 million in cash and property of organized criminals.

—Ronald Kessler

ghan for drinks at his home. Pellicci's wife, Regina, mixed V.O. and water while Pellicci advised Vaughan that he took his job too seriously and should relax.

In subsequent meetings, Pellicci told Vaughan his crackdown on gambling in town had begun to hurt, but Pellicci said the effort was useless. "Bookings been going on a long time," he said.

Pellicci told Vaughan he was planning to open a bar in Watertown and he wanted to make the police officer a partner. Vaughan said he had no money to invest. Pellicci said that would not be a problem. Vaughan controlled liquor licenses, didn't he? And Vaughan's ownership could be placed in someone else's name.

Pellicci also had a favor to ask. Some \$600 had been

confiscated by the police in a bookie raid. Could Vaughan recover it? He said he would try. (Vaughan later recovered the money; he did not get an interest in the bar.)

Over scampi at Greg's Grill, Pellicci told Vaughan there was a lot of money to be made. He could not yet say which bookies he wanted Vaughan to protect. For the first time, Pellicci referred to "our organization"—he later called it the Mafia—and mentioned "the man," who he identified as Gennaro J. (Gerry) Angiulo.

Angiulo is identified by the Justice Department as the underboss of the New England Mafia family, second in command to the boss, Raymond Patriarca.

In the weeks that followed, Vaughan proved him-

e in the Mafia

self by returning to Pellicci the confiscated \$600 as well as a list of debts owed to a loan shark who had been arrested.

At a restaurant near Fresh Pond in Cambridge, Pellicci got down to business:

Pellicci would pay Vaughan \$500 a month. In return Vaughan would give protection to certain gambling figures by informing Pellicci when police raids were planned. In addition, Vaughan would tip Pellicci when outside agencies—especially the FBI—requested information from the police on any Mafia figure or obtained search warrants or wiretap authorizations.

To give Vaughan the facade of an honest police officer, Pellicci said he would tip him when he could arrest drug dealers or bookies operating independently of the Mafia.

Pellicci told Vaughan that he expected that a bookie under protection occasionally might be arrested by accident. "But then you can take care of it when it goes to court," Pellicci said.

And Pellicci gave Vaughan some advice about spending his additional income: He should keep it in a bank safety deposit box or in a wall safe at home, and he should not spend lavishly, lest people become suspicious.

Pellicci did not always take his own advice. Although his Waltham, Mass., home was outwardly modest, it had a sauna bath in the basement and an enclosed patio with horseshoe bar and fish tanks in the backyard.

Mrs. Pellicci once asked Vaughan if he could dissuade her husband from buying a new Lincoln Continental because it might raise eyebrows at the Internal Revenue Service. (Pellicci reported 1972 income for tax purposes of \$5,600, Vaughan said.)

While Pellicci's home did not lack for amenities, his office was an unremarkable, white cement-block building wedged between a parking lot and a bar. Until Pellicci went to jail, it was identified by a notary public sign.

Wiretaps and bugs show that Pellicci conducted a loan shark business there, charging annual interest rate of 260 to 416 per cent. As in all loan shark business, collateral was the borrower's life, and the electronic surveillances reveal Pellicci and his associates

were not shy about threatening debtors with a bullet in the head or a beating with a baseball bat if they got behind in payments.

In addition to loan-sharking, Pellicci told Vaughan he was assigned by Angiulo to supervise gambling in Watertown, Newton, and Waltham.

This job primarily entailed keeping independent numbers operators out of the area and providing protection to those in the organization.

Vaughan could be helpful in both areas. At one point, he showed Pellicci a betting list confiscated from an independent operator. Making quick calculations from the list, Pellicci remarked, "This Armenian bastard is doing \$250,000 a year action. But that's going to be ours. We're going to control it. Wait till the man in town (Angiulo) sees this."

When a bookie was arrested by mistake, Vaughan assured Pellicci he would fix the case when it got to court. But the bookie was convicted, and Pellicci had to pay the \$3,000 fine himself.

Vaughan explained the incident by saying the wrong judge had been assigned to the case.

In addition to the control he thought he had over Vaughan, Pellicci boasted he had influence with politicians and could even obtain a pardon.

Pellicci told Vaughan that many politicians owed him favors because they had borrowed from him.

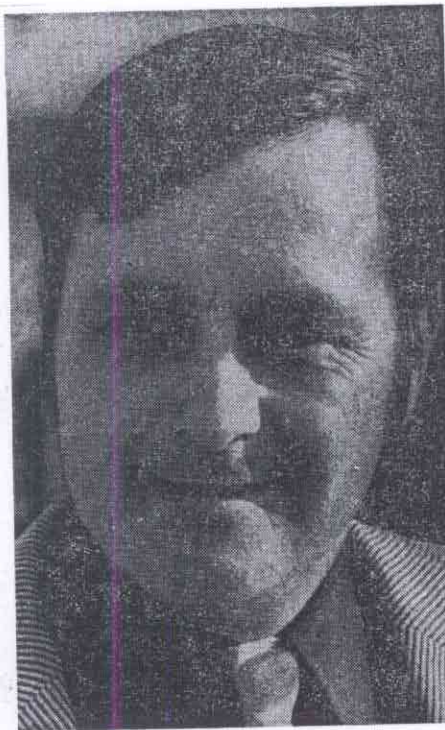
As Christmas approached, Pellicci told Vaughan he wanted to give a party for underprivileged children. Police and bookies would contribute, Pellicci said.

In jest, Vaughan suggested staging a Christmas parade through the center of town. Pellicci liked the idea, and the FBI told Vaughan he would have to go along.

What followed was the largest parade in Watertown in recent memory. Although Pellicci had claimed he wanted to remain in the background, he insisted that the parade start in front of his office.

After another image-polishing session at a cocktail lounge, Pellicci complained that the mob-controlled owner of the establishment had failed to impress Pellicci's guests by sending a free round of drinks.

"I should have wiped him



Associated Press

Undercover police agent Edward Vaughan feared for his life.

out," Pellicci told Vaughan. "He didn't pay me any tribute."

Although Pellicci did not become personally involved in violence while Vaughan knew him, FBI interceptions of conversations between Pellicci and his friends picked up a number of references to violence.

Alfred Sylvestri, who is identified by the FBI as having run a loan shark business in the area controlled by Pellicci, told Pellicci in one conversation that he hoped a debtor who owed him \$15,000 did not pay him, so he could kill him, according to the FBI.

One of his former collection men, Sylvestri said the man would smile as he killed his victims, the FBI said.

Vaughan was in constant danger during his year as a double agent. He wore a body recorder and he worried that Pellicci would notice the slight bulge in the small of his back. Because Pellicci sometimes wanted Vaughan to use his sauna, Vaughan did not wear the recorder in Pellicci's home.

Pellicci liked to boast that he had bought a police officer, and Vaughan's six children began hearing rumors at school that their father was on the take. Only Vaughan's

wife, the FBI, and a handful of police officers knew of Vaughan's undercover role.

Vaughan still receives threatening telephone calls at home, and he has developed hypertension, which his doctor attributed to his year of stress.

Many of Vaughan's colleagues think he is a publicity-seeker or a wild man. The police chief of a neighboring town berated Vaughan for testifying during Pellicci's trial that Pellicci had criticized that chief's men for being too open about the fact they were on the take.

Forgetting that it was Vaughan's life that was on the line, a high-ranking Watertown police officer told Vaughan, "Do you know what you've done? You've endangered every policeman's life and family."

As Vaughan sees it, he was doing his job. "The police are afraid to say there's corruption. They think it's a reflection on them. That's why the Mafia is so successful," he said.

Vaughan angrily recalled a Watertown youngster who appeared to admire a local bookie. "If somebody doesn't stand up to these people," he said, "they'll take over. You'll never get them out."