



His friends and influence can take care of almost anything—except perhaps a trial

## The Hotshot One-Man Roy

Last Oct. 8, as the polls showed Richard Nixon running substantially ahead in the campaign for the Presidency, Roy Cohn moved to lend a hand. With his law associate, Thomas Bolan, he convened a luncheon meeting of perhaps a dozen wealthy New Yorkers at the quietly genteel Lotos Club in Manhattan's East 60s. Prominent among those present were two leading Nixon campaigners: chief fund-raiser Maurice Stans, who would become Nixon's Secretary of Commerce, and Louis Nichols, a former assistant director of the FBI and, until late last year, executive vice president of Schenley Industries.

Cohn, a registered Democrat, was blunt about his interest in the campaign. He had been having a lot of legal troubles and court actions. What, he asked the visitors, would a Nixon administration do about his two chief tormentors, Chairman Manuel Cohen of the Securities and Exchange Commission, and Robert Morgenthau, U.S. Attorney for the southern district of New York? Both Nichols and Stans disclaim any recollection of the discussion, but others present recall that their re-

sponse was forthright: Nichols guaranteed that Morgenthau would be replaced, and Stans gave assurance that a way could be found to force Cohen to resign. The luncheon group dispersed after signing checks and pledges to the Nixon-Agnew campaign totaling more than \$40,000. Seven months ago, Hamer H. Budge replaced Cohen as head of the SEC. Morgenthau is still U.S. Attorney in New York City, but rumors of his imminent replacement have recurrently appeared in the press.

It is known that Nixon had expressed dissatisfaction with Cohen long before his election and Morgenthau, in spite of a distinguished record as a prosecutor, is a Democrat and can hardly be classed as a Nixon man. Thus Cohn can hardly claim to have engineered anything with a campaign contribution. (His share of the kitty, \$9,000, was paid by three bad checks on an account in a bank he controlled in Illinois; only after a number of urgent exchanges between Cohn's partner Bolan and bank officials was the check honored, after enough funds had been telegraphed to cover it.) But extent of influence aside, at this

point in his remarkable career nothing could be more to Roy Cohn's wishes than the dismissal of Morgenthau. In a few weeks Cohn is scheduled to come to trial on charges of conspiracy, mail fraud, bribery, extortion and blackmail. The case was developed by Morgenthau's office. Thanks mainly to Cohn's noisy insistence that the attorney is persecuting him, the trial—whose issues will not be weighed here—shapes up as the critical confrontation of a long-run grudge match.

The battle between the two men goes back almost to the start of Morgenthau's first term as U.S. Attorney in 1961, when an investigation of swindler Alexander Guterman happened to turn up Cohn. Guterman went to prison and ultimately Cohn himself was indicted for obstructing justice. His first trial, in 1964, ended in a mistrial; his second in acquittal.

It was then that Cohn raised the cry of "vendetta" he has been repeating ever since. As he tells it, he had, during his McCarthy Committee days, "exposed" the involvement of Mor-





## Cohn Lobby by WILLIAM LAMBERT

genthau's father, Secretary of the Treasury Henry Morgenthau, in the decision to let the Soviet Union use the U.S. occupation currency printing plates at the end of World War II. (Robert Morgenthau's unprintable reply to that charge, freely translated: "Poppycock!")

There is no question that Morgenthau's pursuit of Cohn has been uncommonly tenacious—comparisons have been drawn to Robert Kennedy's stalking of Teamster Boss Jimmy Hoffa. But the U.S. Attorney's supporters—and these include some of the country's best law enforcement people—insist that a Morgenthau investigation of suspected wrongdoings is *always* uncommonly tenacious. None of these supporters, however, would go so far as to claim that Morgenthau lacks personal feelings about Cohn. Legally and ethically enjoined from trying his case in the press, Morgenthau has been quoted only as saying about Cohn that "a man is not immune from prosecution merely because a U.S. Attorney happens not to like him."

Last June 3, in denying one of Cohn's numerous attempts to get the indictments against

him thrown out, U.S. District Judge Inzer Wyatt held "the motives and the feelings of the United States Attorney are of no moment. . . . Assuming . . . that Mr. Morgenthau harbors a 'personal animosity' toward Mr. Cohn and also has a 'dislike' for him, this cannot in any way affect the propriety or vitality of an indictment returned by a grand jury."

Cohn recognizes no such inhibitions as those binding Morgenthau. He has publicized the vendetta theme wherever he has found a forum. He has appeared as a guest on radio talk shows, lectured at law and journalism schools and held press conferences, generally on the subject of his "persecution" by Morgenthau.

**R**oy Marcus Cohn has had a busy time in the 15 years since he and his wealthy young sidekick, G. David Schine, helped polarize the nation's views on domestic Communism with their far-flung and flamboyant investigations in Senator Joe McCarthy's behalf. When the show ended, Cohn, the son of a well-respected New York judge, moved back to New York,

entered private law practice and quickly became head of his own firm and a corporate manipulator of the first order. He took over Lionel Corporation, lost it, gained control of Fifth Avenue Coach Company in New York and became involved with a succession of financial sponsors in a dizzying variety of other business ventures. In the process he left behind a trail of stunned, embittered and in some cases financially flattened ex-friends. In the past year substantial sections of his financial structure have begun to buckle faster than they can be re-riveted. Lawsuits have piled up, and more than \$1 million in judgments have followed. In large part, these have left Cohn personally untouched, for virtually all his assets—including his elegant Manhattan town house, his telephone-equipped limousine with its "RMC" license plates and his 99-foot yacht *Defiance*—are leased or held in separate corporations headed by his nominees.

A great deal has been written about—and by—Roy Cohn as the consummate political and financial operator. Whatever his qualities in these fields, there is no doubt that he is a mas-

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## Dirksen helped choose his bank directors

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terful lobbyist, a lobbyist who manipulates—with considerable success—press, politicians and the other power centers, a lobbyist with but a single client: Roy Cohn.

Through the years since he first tasted glory as chief inquisitor of the McCarthy Committee, Cohn has carefully cultivated important men. He entertains them, praises them effusively, sets up organizations and foundations to give them awards and campaign contributions. Many—by no means all—are conservatives, dating back to the McCarthy Committee days. Some are liberals, identified in many instances with New York's organization Democrats. His friends include Senators Everett Dirksen of Illinois, Thomas Dodd of Connecticut, James Eastland of Mississippi and Edward Long of Missouri (LIFE, May 26 and Nov. 10, 1967), who was defeated in the 1968 Democratic primary. On the House side of Capitol Hill, Cohn has had a warm relationship with many influential congressmen, including the venerable Emanuel Celler of Brooklyn, chairman of the House Judiciary Committee, and the wide-ranging and busy Cornelius E. Gallagher of New Jersey (LIFE, Aug. 9 and Dec. 25, 1968). After Cohn's 1964 acquittal, he was heard to exult at a Stork Club victory party. "Cardinal Spellman sent me congratulations from Hyannis Port, Mass., where he's on vacation. Senator Dirksen phoned from San Francisco and Senator Eastland phoned from Mississippi. And what my friends are saying. . . . What more can a man want?" Both liberal Congressman Celler and arch-conservative Senator Eastland went to Attorney General Ramsey Clark in Cohn's behalf during Morgenthau's investigations into the case now pending before the court. Clark ignored their pleas.

As a model modern lobbyist, Cohn has made sure of having friends in the press, too. One of these is the conservative columnist William F. Buckley Jr. In a column last December, Buckley suggested that Morgenthau, in his pursuit of Cohn, suffered from a "devil fixation." He referred to Cohn's indictment the previous month on a charge of attempting to bribe a public official as "merely one more offensive by a punchdrunk official [Morgenthau] who remembers that he is supposed to keep on charging for as long as he can stand up and who somewhere along the way in the mists of time came to identify the defense of the law with the persecution of Roy Cohn." Without identifying Cohn as the source, Buckley recounted as fact several of a list of allegations made by Cohn concerning Morgenthau.

Buckley and Cohn, although not known to be socially close, have been friendly allies since the McCarthy days in the persistent battle of the right wing against the Red Menace. In 1966, the American Jewish League Against Communism (Roy M. Cohn, president and prime mover) gave its "George Sokolsky Me-

morial Award" to three men. Buckley was one. The others were Dirksen and Lewis Rosenstiel, then head of Schenley Industries and another pervasive figure in Roy Cohn's affairs.

The Cohn-Buckley relationship has other aspects. Beginning in 1966, Cohn and some of his associates took control of four Chicago banks, in some cases using funds from one bank to buy the next. One was state-chartered Guaranty Bank & Trust Co. The others, Gateway National, University National and Mercantile National, were federally chartered. Cohn immediately began to use his control position to finance his corporate activities and help his friends, among them Columnist Buckley

**W**ithout bothering to inform his partners, Cohn in September 1967 ordered the president of Gateway National to grant a loan to enable Buckley, a man of substantial wealth, to purchase a boat. The bank official objected, pointing out that standard banking practice prohibited making such loans outside their service area. Cohn was furious, and the banker's obduracy ultimately cost him his job.

"That was at the time," recalled another of Cohn's associates, "when the bank examiners were raising hell with Roy for making loans outside the 100-mile radius of the bank. Why, he even lent one of his friends \$69,000 to buy a house in Connecticut."

Ultimately, LIFE has learned, Cohn prevailed on his hand-picked president of Guaranty Bank & Trust, Norman A. Simon, to arrange for a \$65,000 loan on a 60-foot sloop, which Buckley subsequently purchased and named Cyrano. To get around the bank examiners' objections to distant financing, Buckley,



Ex-FBI man Louis Nichols triggered transfers of three agents who helped the Cohn prosecution.



During the McCarthy hearings in 1954, young counsel Roy Cohn (left) exchanged pleasantries

with Cohn's guidance, set up an Illinois corporation, Caribbean Enterprises Inc., to hold title to Cyrano. The loan then went to the Illinois corporation, although Cyrano was registered at Miami, Fla.

Just how good a deal Buckley got is open to question. The instalment note finally signed by Buckley, and secured by a mortgage on the boat, was for \$83,200, and he received only \$65,000. The transaction provided for a 28% discount—i.e., interest in advance based on the original amount of the loan, over a four-year period. Buckley has kept his payments current and the debt has been reduced to \$66,560. Indeed, the proceeds have proved so fat and regular that even the bank examiners have not objected—other than in principle.

Other writers and journalists have publicly supported Cohn and in turn been blessed with his generosity. One is syndicated New York Columnist Jack O'Brian, who never knowingly passes up a chance to say something nice about his friend. O'Brian holds a minority interest in a Cohn-controlled radio station at Atlantic City, N.J. Other newsmen enjoy recurrent Cohn favors, and Cohn in turn has had, with few exceptions, a consistently good New York press. In some instances his cries of vendetta directed at Morgenthau have been given greater play than the news of his indictments. Even Cohn's enemies, while sneering at his business judgments, concede his mastery of the art of space-grabbing.

Far more impressive than his press-agentry is Cohn's skill at moving among the seats of power and influence in government and politics. He was busily present at Miami during the G.O.P. Convention, and at the Chicago





with a man who would become one of his warmest political friends, Senator Everett Dirksen.

Democratic Convention he and a companion at one point simply appropriated the vacant box which had been assigned to, of all people, Senator Eugene McCarthy.

One of Cohn's most active political puppets, until his unceremonious dumping by Democratic voters in the Missouri primaries last year, was Edward V. Long, the rotund senator who was caught misusing his investigating committee to help Teamster Boss Jimmy Hoffa. Cohn, his friend Lewis Rosenstiel and his law associate, Bolan, were all received gra-



At Cohn's urging, Distiller Lewis Rosenstiel hired Nichols at \$100,000 a year, plus stock options.

ciously when they testified publicly before Long's subcommittee in early 1965 about alleged harassment by Post Office Department and Internal Revenue Service agents. Robert Kennedy had been Attorney General at that time, and Cohn and Bolan took this opportunity to potshot at him. In those days, Kennedy shared equal billing with Morgenthau on Cohn's roster of demons.

Long's efforts on Cohn's behalf were amply rewarded. Cohn arranged for one of his Chicago banks to make an unsecured loan for more than \$100,000, repeatedly renewed, to help finance the senator's chain of high-interest small loan companies in Missouri.

**C**ohn also found a job for Long's son-in-law, Frank Miller. It was quite a job for a young man just out of the Navy: chairman of the board of the Guaranty Bank, starting Oct. 1, 1967 at an annual salary of \$17,500. For this, Miller put in roughly one day a month at the bank. By the following spring some of Cohn's banking partners were getting disgusted. On May 31, 1968 the directors cut Miller's pay back to \$12,000 a year—or \$1,000 per working day. Six weeks later, as Senator Long was losing his job and his political leverage in the primary, they boldly reduced Miller's salary to \$1 a year. Miller was furious, but by this time his father-in-law was in a bad position to do much good, even with Cohn. Finally, to settle the matter, the bank paid Miller \$3,000 and accepted his resignation effective Oct. 31, 1968.

In his Illinois banking ventures, Cohn invoked the offices of another old friend, Senator Dirksen, to help select the board for Mercantile National Bank. Five directors, including longtime Dirksen aide Harold Rainville, were chosen at a meeting in Dirksen's office. Later Dirksen wrote Cohn emphasizing the care taken to select the directors. He wound up with a note of thanks for unspecified favors: "You certainly were a jewel when I was in New York and I am grateful for everything."

Cohn has cultivated a long friendship with Edwin Weisl, President Johnson's hand-picked ambassador to New York's Democratic party. Weisl—a law partner, incidentally, of Whitney North Seymour Jr., reportedly the Nixon administration choice to replace Morgenthau—is a frequent Cohn luncheon companion. Cohn is often seen with influential New York politicians. It was on Cohn's yacht last summer that ex-Tammany Boss Carmine DeSapio and other Democratic sachems made their nominations for New York judgeships.

One of Cohn's most powerful and oldest New York associates was the late Francis Cardinal Spellman, whose friendship derived from their mutual battles against Communism. The cardinal's nephew, Ned Spellman, still is associated with various Cohn enterprises. When Spellman's successor, Archbishop Terence Cooke, was invested as cardinal in Rome, Cohn turned up for the ceremonies. Uninvited, he also breezed into a dinner for the new cardinal at a Rome hotel, said hello and left.

The latest and most awesome of Cohn's power plays has left some potential witnesses

against him badly shaken, and caused a major undercurrent of bitterness in the FBI's New York field office.

The trouble shooter in this instance was Cohn's old friend Lou Nichols, Nichols is almost a legend in the FBI, where he served for 23 years, the last 16 as Director Hoover's *de facto* and deeply—some said obsequiously—loyal public relations man with the eventual title of assistant to the director. Since Nixon's election he has been frequently mentioned as a successor to Hoover.

During the McCarthy inquisitions of the early 1950s, Cohn, as Senator McCarthy's chief counsel, had worked closely with Nichols and the FBI in developing cases against suspected Communists. Agents spent weeks screening FBI security files and extracting them in memos for Cohn during the prolonged hearings. Through these years Cohn's friendship with Director Hoover also developed, and this was further cemented by their mutual regard for the multimillionaire boss of the huge Schenley distillery complex, Lewis Rosenstiel. (Cohn to this day addresses Rosenstiel variously as "commander-in-chief" or "supreme commander" and Rosenstiel refers to his younger friend as "field commander" or "sergeant major.")

When Nichols decided to retire from the FBI in 1957, Cohn set out to land him a job with Schenley. He had the willing support of another Rosenstiel friend, the late conservative columnist George Sokolsky, for whom Nichols represented 100% anti-Communist Americanism. At a social evening in August 1967, Cohn and Sokolsky agreed to try to sell Nichols to Rosenstiel as prime executive timber.

The next night they made their pitch to Rosenstiel. Nichols, Cohn contended, was a genius, truly "one of the greatest men in America," whereupon Rosenstiel dispatched the Schenley private plane to Washington to fly Nichols and his wife to a conference at Rosenstiel's Greenwich, Conn. estate. Under Cohn's continued urging, Rosenstiel agreed to

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Columnist William Buckley got a \$65,000 boat loan from a Cohn bank after pressure was applied.



## Joe McCarthy's boy is still the champion of 'chutzpah'

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give Nichols a 10-year contract at \$100,000 a year, plus stock options, in addition to arranging for Schenley's to buy and furnish a Manhattan apartment for Nichols. The whole package had to be an impressive introduction to corporate business for a middle-aged FBI man who had spent most of his adult life as a modestly paid public servant. Nichols later became executive vice president in charge of corporate development and public affairs and was elected to the Schenley board.

During the next few years Nichols kept his contacts with Hoover and the top echelon of the FBI. He was instrumental in setting up the J. Edgar Hoover Foundation, which was funded largely by Rosenstiel. Along with Cohn, who was acting as counsel for the distillery magnate, he saw to it that Rosenstiel's own foundation helped subsidize two books about the FBI, one of which bore Hoover's name as author.

On Nixon's behalf Nichols ran a super-poll-watch called Operation Integrity which, he claimed, saved the election for Nixon by spotting and preventing voting frauds in several key states.

It was not until last April that Nichols had an opportunity to show his gratitude for Cohn's favors.

For Roy Cohn, developing his own case against Prosecutor Morgenthau, Milton (Mannie) Pollack was a key figure. A not-too-bright convict serving time for grand larceny and awaiting trial on a charge of possessing stolen securities, Pollack had stated in an affidavit that, among other improprieties, Mor-

genthau's office had promised to help him get a pardon if he in turn would assist the U.S. Attorney "in inveigling Roy Cohn into some transaction that could result in his prosecution." The document also contended that Morgenthau's assistants had told the convict of Cohn's personal and financial affairs, and had trained him in the use of electronic eavesdropping devices, presumably to be used to entrap Cohn. When Cohn walked into court earlier this year with a motion to dismiss the indictments against him, he presented Pollack's affidavit in support.

Morgenthau's aides all filed affidavits refuting the charges (one later testified under oath that Pollack's deposition contained "not a truthful sentence in any of [its] three pages"), and asked three New York FBI agents to submit sworn accounts of their own contacts with the convicted thief. Two of the three, Donald Jones and Russell Sullivan, were oldtimers with the Bureau, considered to be among the best agents in the New York office's organized crime and anti-racketeering section. Jones, an ex-Marine, had more than 20 years of service, Sullivan 15. The third was a relative newcomer to Bureau ranks, Jack Knox. All, in detailed sworn statements, refuted Pollack's charges, one by one.

Although they all knew Pollack, none of the three agents had been assigned to the Cohn case. Indeed, the FBI was singularly uninterested in investigating a known friend of the director's. (Morgenthau's case against Cohn was developed almost exclusively by two of his assistant U.S. Attorneys, Paul Perito and John Allee, using the grand jury as an investigative arm.) Unfortunately for Agents Jones, Sullivan and Knox, they made one mistake—trivial by ordinary standards but a cardinal violation of FBI practice: they failed to submit copies of their affidavits to the Washington FBI office before turning them over to the U.S. Attorney. Even then, the whole thing might have gone unnoticed had it not been for Lou Nichols.

The agents' affidavits were filed with the court last April. Cohn promptly turned his copies over to Nichols, who charged into the Washington headquarters of the Bureau demanding that the agents be censured. Nichols recently told LIFE that he thought the agents had acted improperly and that he felt the FBI headquarters "ought to know about it."

Hoover personally ordered the three agents transferred out of New York. On May 2, each received a letter of censure and was given 30 days to report to his new post—Jones to go to St. Louis, Sullivan to Louisville and Knox to Pittsburgh.

Bureau men are accustomed to being ordered around in a fairly peremptory way, but such disciplinary transfers usually have a gloss of logic. This time the men were being moved for doing what in essence they were paid to do

—helping a U.S. Attorney protect his case. The ensuing rumble of protest was so loud that it could be heard even outside the Bureau, which virtually never happens. Morgenthau was furious. He confronted Assistant FBI Director John F. Malone, the top man in the New York field office, and Malone promptly reported the confrontation to Washington. The next day Hoover personally directed the New York field office to inform the three wayward agents that they now had until midnight the following day—36 hours in all—to report to their new stations, which they did.

Needless to say, the episode not only added luster to the Cohn legend but thoroughly shook up some of Morgenthau's witnesses. If Cohn through Nichols could bring about the arbitrary transfer of three FBI agents, what chance had an ordinary citizen? Word leaked out of the U.S. Attorney's office that Morgenthau was having a hard time convincing prospective witnesses that the Cohn prosecution was going ahead as scheduled by the court.

So far Cohn's many attempts to block investigation, prevent indictment and delay trial have ultimately failed. The Nixon administration has shown no interest in interfering with Morgenthau's case against the 42-year-old bachelor lawyer-financier, and it seems probable that his fate will soon be in the hands of a jury, beyond the reach of the cleverest lobbying. But Cohn's resources are unpredictable. Years ago during the Army-McCarthy hearings, he sneered at the constitutional protection against self-incrimination by calling Major Irving Peress a "Fifth Amendment Communist." Yet he himself leaned on the same privilege repeatedly before a federal grand jury—and advised several of his friends called in the same investigation to do likewise.

Cohn's *chutzpah*, moreover, has thus far been adequate to any new situation. Not long ago, for example, when his law firm's account at one of his Chicago banks was vastly overdrawn and he needed cash for maintenance of his yacht, Cohn had a simple solution. He had some checks printed identifying a new "charter" account, notified a subordinate at the bank (the president was on vacation), and wrote \$50,000 worth of checks against what apparently was a nonexistent account. The \$50,000 was listed as a receivable on the books, and later covered by a hastily drafted note. At last report he still owed \$31,000.

Clearly, whether one endows him with charm, charisma or malevolence, Roy Cohn rarely evokes a neutral response. One former Cohn associate recalled being approached, shortly after meeting Cohn for the first time, by Daniel Driscoll, Cohn's law partner (who later was to plead—successfully—that he was temporarily insane when he failed for three years to file his income tax returns). Driscoll shook Cohn's new acquaintance somewhat by observing effusively: "Isn't Roy wonderful? He reminds me of Jesus Christ."

A veteran Washington lady columnist who has watched Cohn's machinations over the years saw Roy differently. "He's Rosemary's Baby," she snapped. ◀



U.S. Attorney Morgenthau has been investigating Cohn's financial dealings for seven years.





Roy Cohn's telephone-equipped Lincoln limousine, with license plate RMC, is his, just like his 99-foot yacht and Manhattan town house—but all are technically owned by various corporations.