

2/14/77 Lag In Lucier Case Laid To FBI Inquiry

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LAST IN A SERIES

It might have been a matter of priorities between solving a murder and prosecuting a massive international fraud that prompted the Federal Bureau of Investigation to apparently withhold critical information in the 1970 bombing of Phillip J. Lucier, a telephone company executive, sources told the Post-Dispatch.

Two swindlers who feared for their lives told the Post-Dispatch that they consulted the FBI within 48 hours after the Lucier bombing because they had been giving the agency information about multimillion-dollar frauds in which they had participated. They said they met secretly in Forest Park with an agent.

They said they told agent Howard Kennedy, with whom they had been dealing, that they had just swindled a New Orleans gambler, Santo J. DiFatta, now a suspect in the Lucier killing, out of \$200,000 in a phony loan commitment scheme. They said that he was threatening them if they did not return his money. They said they told Kennedy they believed that the bomb was meant for one of them or for their attorney, and not for Lucier.

But the FBI apparently did not forward the information to investigators of the Lucier killing and they did not learn of the possible suspect and the possible motive for five years when it was almost too late for federal prosecution.

Stories revealed in the Lucier murder

action speculated that the FBI withheld the information because to disclose existence of the frauds as a possible motive for the murder would identify killing of Lucier prematurely might have damaged the FBI investigation of the frauds.

The FBI at the time was involved in a widespread investigation of the Dank of Sark and related frauds that covered the globe. Some of the frauds involved the solicitation of lenders fees by the swindlers for obtaining loans from lenders banks, like the Dank of Sark on the Isle of Sark in the English Channel.

The DiFatta swindle had its seeds in the Dank of Sark fraud in that DiFatta received loan commitments from one of

the phony companies used by the Dank of Sark mastermind, Phillip M. Wilson, a former St. Louisan now serving a prison sentence.

Harlan C. Phillips, special agent in charge of the St. Louis FBI office, told the Post-Dispatch that Kennedy did not meet with the swindlers in Forest Park within 48 hours of the Lucier killing. He said that to infer that the FBI or Kennedy had withheld vital information was inaccurate. He said also that the FBI did not have primary jurisdiction in the bombing.

"To say that we deliberately withheld information certainly is not true," Phillips said. "If we come across informa-

tion that we think is helpful to another agency, our policy is to disseminate that information as widely as possible."

Phillips said the two swindlers had been furnishing information to Kennedy and that he had talked to them on several occasions.

He continued that at a meeting with Kennedy about 10 months after the Lucier bombing, the swindlers did give the agent some information about the swindle of DiFatta.

"They did furnish some information about the bombing, but it was not all that specific or direct," Phillips said. "Nothing of any significance was discussed. I'm confident that the information about

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Lucifer

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Difatta was widely known."

The two swindlers, one a University City accountant and the other a Chesterfield financial consultant, agreed to cooperate with the Post-Dispatch in return for anonymity. They said they feared for their safety.

The financial consultant told the Post-Dispatch that on the day of the Lucier bombing, Difatta called him and said that the bomb had been meant for one of the swindlers.

"I called Kennedy and said, 'I got a problem,'" the consultant said. "We met in Forest Park. I told him about Difatta and that he was threatening us. He (Kennedy) said, 'I'll look into it.'"

The consultant said he recalled that the meeting was several days after the bombing. He said he and his partner had met with Kennedy because "we had talked to him before."

The accountant told the Post-Dispatch that the consultant were providing information to the FBI about various firms, including the Pink of S&K.

In 1973 the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury and the Federal Organized Crime Study Center, which the lawyer for the swindlers and their attorney, Theodore F. Schwartz, had offices in the Pierre Lacleux Building, 791 Forsyth Boulevard, Clayton, where Lucier was killed. The swindlers told investigators that Difatta said they had given

the information to the FBI five years earlier.

The new investigation led authorities to conclude that Lucier was killed because of mistaken identity and that the bomb might have been meant for Schwartz as a warning. Schwartz and Lucier drove black automobiles having many similarities.

Kennedy was interviewed by investigators on Sept. 8, 1973, and he admitted that he had interviewed the swindlers in Forest Park on the day of the bombing or on the next day.

Kennedy is quoted as saying that one of the swindlers told him he believed that the bomb was meant for one of them and that they were frightened. He said he was aware that Difatta had been awarded cut of \$150,000 in cash and \$110,000 in collateral notes.

The accountant gave a similar statement to investigators in 1973. Phillips said this statement attributed to Kennedy was not accurate because "Kennedy keeps very good records. We have records to support this."

In the absence of a possible motive and a possible suspect, investigators stem a possible suspect for the Lucier bombing. "If you don't clean up a bombing in the first 48 hours, you've got a lot of trouble," one law enforcement official said. "You don't have much physical evidence left. It is because it is blown up by the bomb. The trail gets cold pretty fast."

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The investigators say that if they had had the FBI's information shortly after the Lucier killing, their chances of solving it would have been vastly improved.

The information the two swindlers gave the FBI shortly after the bombing was especially critical because the investigators already had an eyewitness who in 1973 was to positively identify Difatta as the man he saw in Lucier's car a few minutes before the bomb exploded.

Even with the new information about the swindlers, federal authorities were unable to prosecute. The federal statute of limitations for bombing is five years.

The Government's information was given to St. Louis County Prosecuting Attorney Courtney Goodman Jr. for prosecution under the state's murder statutes. There is no state statute of limitations for murder.

Goodman said the Government offered him "any help I might need." He said he believed the services of a Government attorney to help prosecute might also have been offered.

Goodman said he still had the Lucier case under a cloud. "I've got a lot of searching for corroborating evidence and witnesses."

"I need more hard evidence," he said. "When I have completed the investigation, then I'll proceed accordingly." Government forces said there was a \$25,000 check on for success in prosecution.

But Goodman said he would not go into court with odds like that.

Difatta admitted to the Post-Dispatch that he was a suspect in the Lucier killing, but denied emphatically that he had any knowledge of it. He said, "To the best of my ability, I don't recall being in St. Louis on that day." He said he was here shortly afterward.

His lawyer at the time of the bombing, Courtney Goodman Jr. of St. Louis, said he could not have been in St. Louis on July 24 when Lucier was killed. Gill showed a reporter a typed time sheet indicating that from 10 a.m. until 12:20 p.m. that day Difatta was in his office. He said that they had made several telephone calls.