

Around the Nation

## L.A. Checks Theft Is Linked to Mafia

LOS ANGELES—A municipal employee stole 18 blank checks on the city treasury and funneled them to the Mafia in a plot meant to rake in \$9 million, according to a congressional organized crime informant.

One check, filled in for \$902,121, was cashed by a reputed international swindler. Nine stolen checks are still missing.

The tipster, Michael Raymond, told a court hearing Monday he could not find out the identity of the contact inside City Hall. But city officials have said only about 30 persons had access to the checks, which already bore the city comptroller's signature.

Raymond, an admitted former swindler hired to "launder" the checks, revealed he had negotiated a 45,000 reward for himself from the city for his role in breaking up the scheme. He revealed the plot to the staff of the Senate Permanent Committee on Investigations. The Senate probers put him in touch with Los Angeles authorities, leading to the arrest of Yonkers, N.Y., accountant Bernard R. Howard, 52, and Morton Freeman, 47, an unemployed salesman who recently moved here from New York. Senate investigators have described Howard as linked with Mafia leaders in New York.

According to Raymond, the city employee "developed a cover story" that involved faking a serious illness and using it "to phase himself out of the city administration" and quietly slip away with his portion of the money.