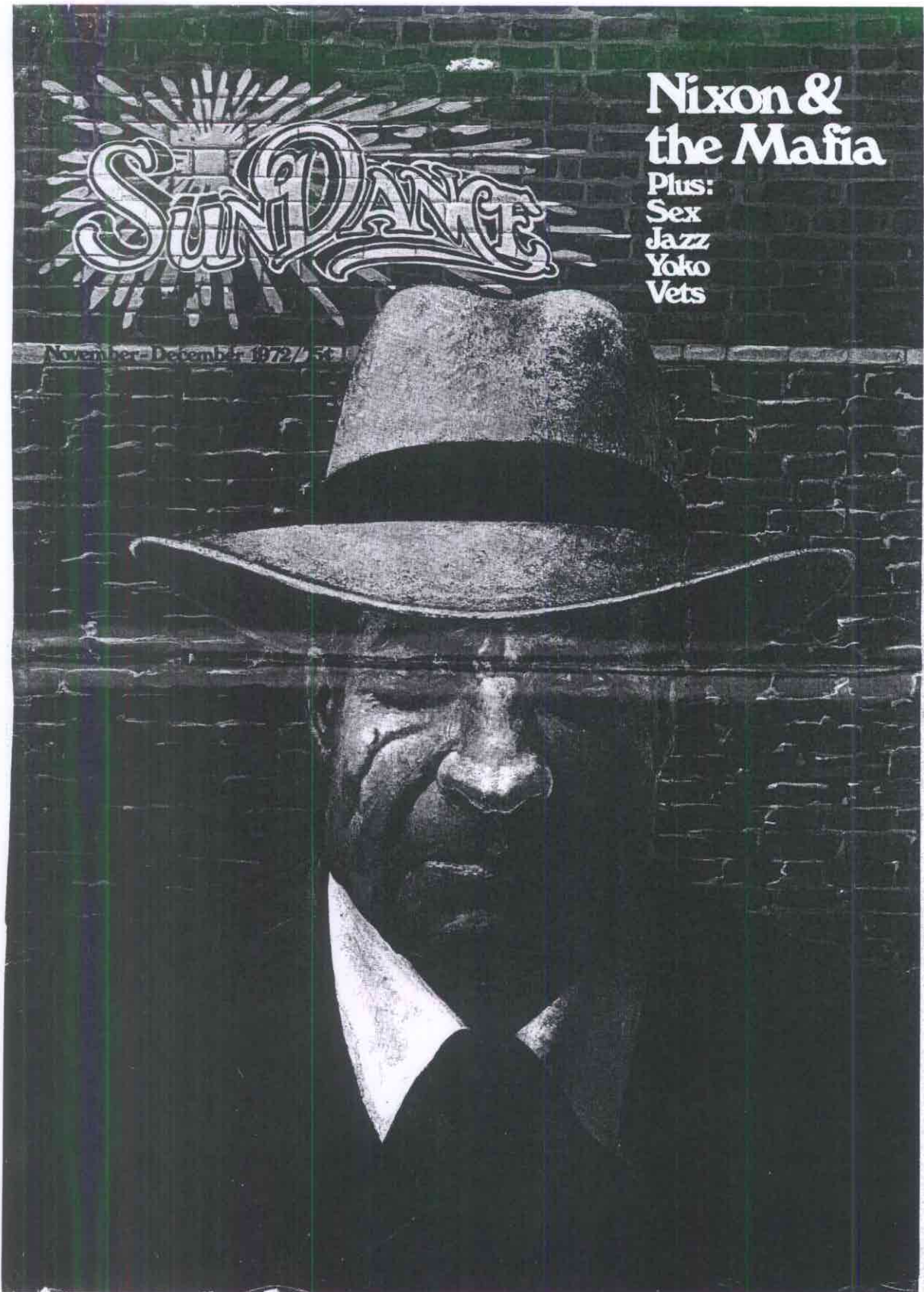




Nixon & the Mafia

Plus:
Sex
Jazz
Yoko
Vets

November-December 1972/51



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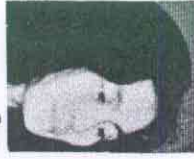
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"After a six-month investigation into the long career of Richard Nixon," writes Jeff Gerth in this issue's cover story "Nixon and the Mafia," starting on page 30, "one indisputable fact emerges—Richard Nixon's ascendancy to the pinnacle of American power has required twenty-five years of care and feeding by some very wealthy and reactionary men, and a substantial number of them have connections with organized crime."

Gerth's investigation took him to eleven cities, where he interviewed over a hundred people, and examined thousands of documents, including court files, National Archives records, and both private and government intelligence files on organized crime.


The evidence in the article is not "circumstantial" proof of any wrongdoing by Nixon. It is rather a clear, accurate portrait of a man whose closest personal, business, and political ties have been with a thoroughly intertwined circle of men who are directly and indirectly linked to organized crime.

Through his research, Jeff Gerth has become a premier authority

on Nixon and his ties to organized crime. A twenty-seven-year old researcher and free-lance writer, Gerth has extensive training in financial investigations, including a bachelor's degree in business from Northwestern and graduate-level study at Columbia.

"In light of his personal business dealings and the milieu in which he has traveled for more than twenty-five years," Gerth concludes, "it is accurate to say that organized crime has elected its own President in Richard Nixon."

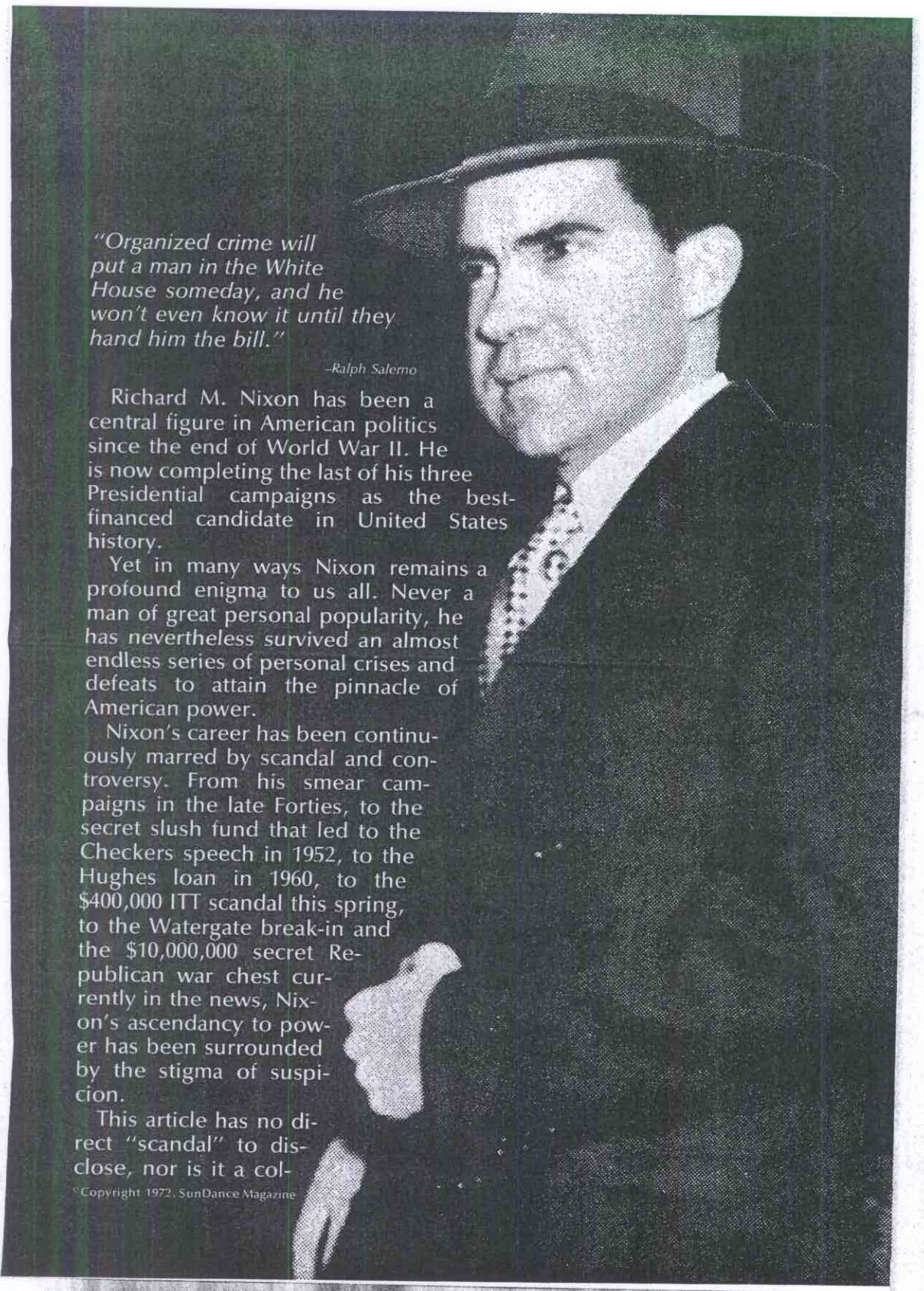
The major editing of the story was done by Contributing Editor Harvey Wasserman and Feature Editor David Weir.

NIXON  **N**

and the

MAFIA

BY JEFF GERTH



"Organized crime will put a man in the White House someday, and he won't even know it until they hand him the bill."

-Ralph Salerno

Richard M. Nixon has been a central figure in American politics since the end of World War II. He is now completing the last of his three Presidential campaigns as the best-financed candidate in United States history.

Yet in many ways Nixon remains a profound enigma to us all. Never a man of great personal popularity, he has nevertheless survived an almost endless series of personal crises and defeats to attain the pinnacle of American power.

Nixon's career has been continuously marred by scandal and controversy. From his smear campaigns in the late Forties, to the secret slush fund that led to the Checkers speech in 1952, to the Hughes loan in 1960, to the \$400,000 ITT scandal this spring, to the Watergate break-in and the \$10,000,000 secret Republican war chest currently in the news, Nixon's ascendancy to power has been surrounded by the stigma of suspicion.

This article has no direct "scandal" to disclose, nor is it a col-

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lection of circumstantial evidence designed to pin a specific wrong-doing on Nixon.

It is rather a direct, primary portrait of a man whose financial and political careers have rested on investments and contributions tainted by the involvement of organized crime. Richard Nixon's closest personal, business, and political ties have been with a tightly intertwined circle of men who are directly and indirectly connected with the underworld.

These connections have been unearthed in the course of a six-month investigation of Nixon's career, focusing on his business deals in Florida and the Caribbean since the late Forties.

A number of new facts have been discovered:

- Nixon visited Miami numerous times in the late Forties, contrary to all of his official biographies. While there, he yachted with Richard Danner, Bebe Rebozo, and Tatum "Chubby" Wofford of the syndicate-controlled Wofford Hotel. Danner also had mob connections at that time.
- Nixon has invested in two southern Florida land deals; others involved in both projects have had links with organized crime. Two men in particular—Leonard Bursten and Nathan Ratner—have had business connections with organized crime.
- Nixon concealed his ownership of a Key Biscayne lot for four years until a mortgage held by another Lansky-associate, Arthur Desser, was paid off.
- Nixon's closest friend, Bebe Rebozo, was a war profiteer in the early Forties in the tire recapping business. Three of his associates served on the Dade County tire allocation board, in clear violation of OPA regulation No. 3C-118. At the same time Nixon was working in the legal interpretations unit of the OPA in Washington, D.C.
- Nixon technically concealed his employment with the OPA until he was President.
- Nixon is linked to the "Havana Connection"—a funnel for organized crime and reactionary Cuban politics. Inditees in the Watergate case also figure in this connection.
- Nixon has received campaign contributions from two men who have had direct connections to organized crime.
- Nixon has appointed a number of men, including John Connally, William Rogers, and Will Wilson, who have indirect ties to organized crime.
- The mob-favored Miami National Bank was the chief creditor in a bankruptcy case which led to a \$300,000,000 suit, still pending, against Nixon and other members of his New York law firm for their alleged part in skimming over \$5,000,000 of the bankrupt firm's accounts.

Nixon's rise to wealth and power has required the silent loyalty of a wide range of personalities whose names only occasionally surface in the glare of scandal—with good reason. Richard Nixon would not be where he is today were it not for his uncanny ability to thrive on political crisis. As much as anything else it is his self-proclaimed poker-playing instincts—the cautious, calculating, close-mouthed style and the ability to keep a stone face in rough as well as smooth times—that has carried Nixon to the Presidency.

"A hundred Navy officers will tell you Nix never lost a cent at poker," says a buddy from World War II. "It's a matter of being in the right place at the right time," says Nixon, "and I'm always willing to take a chance . . . maybe it's that old poker-playing instinct."

It is in moments of vulnerability that the underworld inevitably makes contact. It is the loan shark who will loan you money when no one else will, and it is the mob that controls the pleasures and vices of escape—narcotics, gambling, pornography.

Accordingly, Nixon's closest contact with organized crime occurred during the most vulnerable periods of his political career—his start in the Forties, and his defeated years out of office in the Sixties.

With its gigantic power and resources, from the heroin traffic to inflated supermarket prices, from military PX frauds to black market currency manipulations, from gambling and prostitution to its long, powerful push into "legitimate" business and politics, organized crime constitutes one of the most powerful and pervasive forces in American life.

The Early Days in Florida

A major base for the wide network of organized crime is the Caribbean, and consequently a major capital is Miami. In the days of the Cuban dictatorship, Miami was the center of the "Havana connection"—a funnel for money flowing from the Caribbean gambling hotel, prostitution, and drug operations which centered in pre-revolutionary Cuba. The control exercised by organized crime over the city of Miami dates back to the Forties.

As of January 3, 1947, Richard Nixon was a Congressman from southern California. Mr. Nixon and his biographers have always maintained that he never showed up in Florida—the site of so many of his later dealings—until the early Fifties.

But information from two ex-FBI agents not only puts Congressman Nixon in Florida "numerable" times in the Forties, but also in close contact with Bebe Rebozo and other persons closely connected with organized crime.

Keeping Nixon out of Florida in the Forties is essential to the Nixon image, because in 1950 Senator Estes Kefauver opened his celebrated hearings on organized crime in Miami. In 730 pages of testimony Kefauver painted a shattering picture of nationally known gangsters working in harmony with Florida public officials ranging in rank from sheriff to governor.

Among other things Kefauver reported that the underworld took control of three Miami Beach hotels—the Wofford, the Sands, and the Grand—to centralize their gambling and book-keeping operations. The three hotels were within a block of each other and served as the capitol buildings of the crime empire.

It was into this formidable atmosphere, and into the companionship of Rebozo and the Wofford family, that Richard Nixon was introduced in the Forties. Travel plans were arranged by fellow-Congressman George Smathers and his first campaign manager Richard Danner.

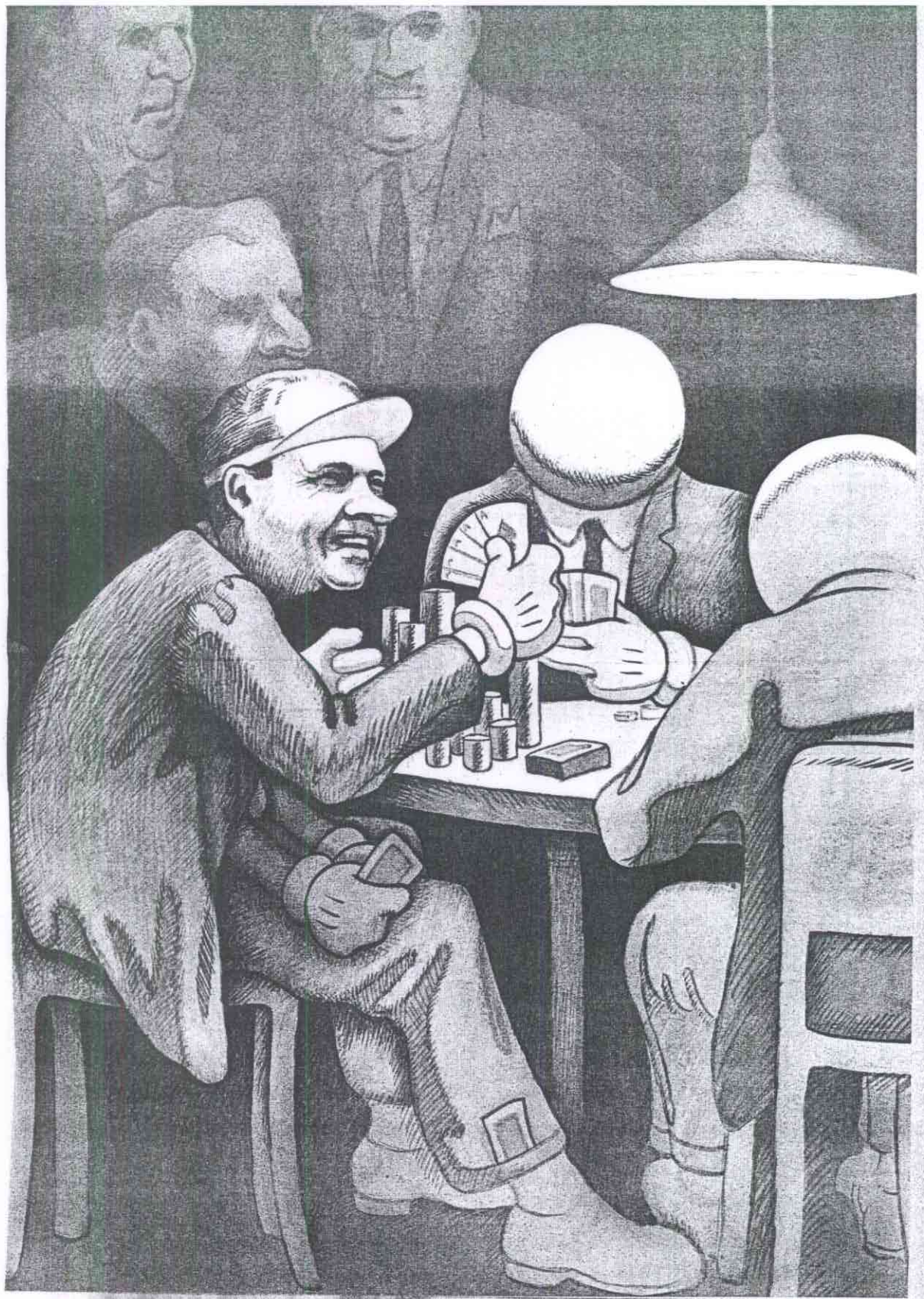
[NEW FRIENDS]

According to Danner, a former head of the Miami FBI office, and his FBI partner John Madala, many of Nixon's early Florida excursions found him fishing with Bebe Rebozo, an unknown gas station operator, and Tatum "Chubby" Wofford of the syndicate-controlled Wofford Hotel.

The Wofford was the headquarters for New York syndicate figures Frank Costello, Frank Erickson, and allies like Meyer Lansky [see chart, pp 38-9]. Erickson, described by law enforcement officials as the syndicate's "national betting commissioner," was a partner in the Wofford with the Miamian who managed the hotel and represented the New York interests on the Beach. The Woffords spread the action around and gave a piece of the hotel to John Angersola, a member of the Cleveland syndicate. Angersola and his Cleveland running mate "Big Al" Polizzi also owned large chunks of the Sands and Grand hotels, the other two headquarters for mob activity in Miami.

The manager of the Wofford was the Miami Beach "fund-raiser" for the political campaigns of mob-favored politicians, including Sheriff James Sullivan of Dade County. After the Kefauver hearings, Sullivan was charged on a six-count grand

"Nixon's dealings with the Miami National Bank may also have brought him into contact with one of its directors—James Lawrence King—for in October 1970, Nixon appointed King to be a judge in the U.S. District Court. King has said he has 'no comment' on Lansky's use of the Miami National."



"In January 1942 Price Administrator Leon Henderson recognized the problem. 'The public must be protected from exploitation...Profiteering in tires (retreads) already has reached serious proportions...Meanwhile, in his newly expanded gas station, Rebozo had become South Florida's largest tire recapper."

jury indictment with incompetency, corruption, taking bribes, and conducting raids on behalf of certain gambling interests, among other charges.

During an hour and a half conversation in early September, Danner recounted for me one of Nixon's Miami visits.

The time was 1948. Nixon was involved in prosecuting the Hiss Case, in which (in *Six Crises*) Nixon has confessed his "name, reputation, and career" were staked. In the middle of the prosecution Smathers called Danner from Washington to tell him, "Dick is on the verge of a physical breakdown. We're all concerned about him."

Smathers put Nixon on the train and Danner met him at the other end, in Miami. Danner remembers he thought Nixon looked "like a northern hick" coming off the train in his heavy overcoat.

After a week in Vero Beach, where Danner had a car dealership, the two headed for a Miami osteopath. Danner called Rebozo to say "Bebe, get your boat and meet us at the doctor's office." The three then went out on Rebozo's yacht.

From the sunny quiet of Miami Nixon returned to Washington rested and ready to continue his attack on Alger Hiss.

[BILLY GRAHAM AND MICKEY COHEN]

On other visits in the Forties, Nixon "spent time yachting with Wofford" (according to both Madala and Danner), and he also learned how to play golf. One of his companions on the golf links was evangelist Billy Graham.

In 1949, after his first golf outings with Nixon, Graham became famous by "converting" a convicted perjurer named J. Arthur Vans. Vans was a good friend of West Coast gambler and premier mob bookie Mickey Cohen. Some ten years later, during the course of an income tax evasion case, it was revealed in court papers that Graham and other "businessmen" had made "loans" to Cohen, helping the mobster explain to the IRS some of his unaccountable wealth.

Through the years Graham has tried unsuccessfully to convert Cohen to Christianity. Mickey, however, did feel sufficiently reformed by 1968 to give Nixon \$26,000 for his Presidential campaign.

Even so, Cohen's contribution was considerably smaller than the \$100,000 that passed through Danner and Rebozo's hands from a Howard Hughes casino that same year. Danner was repres-

enting Hughes' Las Vegas casino interests at the time. Not long after Nixon had set himself up at Key Biscayne—with the help of Rebozo—Danner located himself in Nevada to oversee the Hughes empire there. Danner's friendship with former FBI buddy Robert Maheu put him there in the first place, and it was Nixon's influence that kept him safe during Maheu's stormy, well-publicized departure.

Today, couched in his luxurious executive offices at the Sands Hotel, Danner speaks kindly of his "close friend" in the White House.

[THE DANNER PAST]

Danner's own past is hardly free of scandal. There was his friendship with corrupt officials like Dade County Sheriff James Sullivan during his 1940-46 FBI days and there was his stint in 1946 at the Miami Beach Hotel Owners Association with his friend Abe Allenberg, the association president. Allenberg also happened to be booking manager of the Wofford Hotel and local representative for the New York syndicate.

From 1946-48 Danner was city manager of Miami, and his term of office ended with him caught in the middle of a gangland dispute over control of the city police. In 1948 the city council dismissed Danner, accusing him of "playing both ends against the middle." Furthermore, one council member alleged that two years earlier Danner had accepted \$10,000 from gambling interests while managing the first Congressional campaign of George Smathers.

In the early Fifties Danner left Florida to join his friends in Washington. He opened shop as a lawyer and took out membership in the Burning Tree Country Club, where his golfing partners were Smathers and Nixon.

Danner managed to keep out of the public eye until the mid-Sixties, when General Motors used him to coordinate its snooping on Ralph Nader.

[YOU MUST HAVE BEEN A BEAUTIFUL BEBE]

Bebe Rebozo is the closest of all Nixon's friends, and probably the most mysterious. The life of this fifty-nine-year-old neatly dressed millionaire—whose face has adorned the cover of *Life*—has remained by and large a closed book. This doesn't seem to bother the President, for as *Life* said in 1970, "He's

ORGANIZED CRIME: THE GHOST IN THE MACHINE

The predominant characteristic of organized crime today is its shift from the crimes of violence to the business of crime. Images of rough-looking thugs totting machine guns in their suitcases have been replaced by pin-striped executives carrying attache cases stuffed with \$1000 bills. A 1971 IRS report disclosed that fully eighty-five percent of the nation's gangsters have investments in legitimate businesses.

Although there may have been a reduction in violence, there has not been a reduction in crime.

Ralph Salerno, an expert on organized crime, explains that "throughout the progression from simple extortion and mayhem to the penetration and control of sophisticated larger businesses, there is never an

abandonment of illegal enterprises. In organized crime a man never goes completely 'legit', though he may well move out of direct operation of illegal business."

Thus today, the underworld consists of a shadowy empire held together by mutual arrangements, influence, and money. It uses various fronts—dummy corporations, attorneys, and accountants—to protect itself in a maze of paperwork. This network has led to the creation of the most successful business of all: with yearly revenues of \$50 billion, organized crime takes in about two times as much money as General Motors.

With its economic power, international organization, and invisibility, organized crime is in business with everybody.

Recent revelations have shown its involvement with the CIA in heroin traffic in Southeast Asia, with high supermarket prices in New York City, and with the billion dollar frauds in U.S. and South Vietnamese military PXs and black market currency manipulations.

Since World War II, organized crime has been one step ahead of the major population shifts in the United States. Post-war Americans flocked to the sun, making California, Arizona, Nevada, Texas, and Florida the five fastest growing states during the last twenty years. Accompanying these changes in population patterns were qualitative shifts in the economy. A decline in real wealth (i.e., equipment and raw materials) was paralleled by an increase in "paper" capital

(stocks and finance). Organized crime again has been one step ahead, diversifying its products from the "vices" of gambling, liquor, and narcotics to the "services" of hotels, restaurants, insurance, real estate, and entertainment. The creation of a huge leisure industry, rooted in travel, recreation, entertainment, and escape—has further helped expand the coffers of organized crime.

As Donald Cressey, consultant to the Presidential commission on violence, concluded, "The penetration of business and government by organized crime has been so complete that it is no longer possible to differentiate 'upper-world' gangsters from 'upper-world' businessmen and government officials."

[Rebozo] the only person Nixon really trusts. He can talk to Rebozo, ask him questions. He knows Bebe will give him honest answers. They can talk about anything... And nothing Nixon says is going to go any further."

A man who knows them both says "Bebe and the President can sit together for hours and say practically nothing to each other."

Today Rebozo owns considerable real estate, has a financial interest in several small firms, and owns the only bank on Key Biscayne—the Key Biscayne Bank. Dubbed the unofficial mayor of the island, Rebozo drives around in his large green Continental with a bumper sticker that reads "The only issue is America."

While an American citizen (born of Cuban parents) Rebozo has close ties to the pre-Castro Cuban political scene. His business associates have included the former Cuban ambassador to Brazil under Batista, Burke Hedges, who was a heavy initial investor in Rebozo's bank, and the former mayor of Havana, Dr. Eduardo Buttari, who ran the "Cubans for Nixon" organization in 1968. Buttari presently holds a plush \$25,000 a year job in HEW doing little. According to a reliable source Buttari, a Cuban refugee, had his citizenship papers okayed rather quickly in August, 1971. He claims to have a "great friendship with Nixon and Rebozo."

Other of Rebozo's business associates are linked to organized crime. Dick Fincher, a Florida State Senator who invested in Lummus Island with Rebozo, has been a "character witness" for a number of underworld characters.

Another Rebozo business connection is "Big Al" Polizzi of Cleveland. In 1968 Rebozo chose the Polizzi Construction Company to build a shopping center in the Cuban community in Miami. "Big Al" claims to be a retired gangster, and probably is by now. When he appeared before the Kefauver Committee in 1951, Polizzi also purported to be a retired mobster engaged in "legitimate" business.

Polizzi was convicted in 1943 of black market liquor violations arising from his and the Cleveland syndicate's efforts to smuggle rum from Cuba to Key West—with the help of Cuban President Batista.

Rebozo's friendship with Polizzi precedes their 1968 business transaction, but exactly how far it goes back is unclear. In 1965 Polizzi was one of several Coral Gables residents to sign a petition on behalf of Rebozo with regards to a zoning matter. In 1952 Rebozo's sister-in-law signed a petition used by Polizzi to get a Federal pardon, although she claims now that she doesn't remember signing it.

Polizzi moved to Coral Gables in 1944, putting his illicit cash into over 300 parcels of land there. Rebozo was also buying real estate in Coral Gables at the time, but there is no evidence linking Polizzi, Rebozo, and their Coral Gables purchases.

Among the raw data accumulated by the Miami Police Department is an Intelligence report dated Nov. 13, 1963, which lists the testimony of a gangster informant that Bebe Rebozo as owner of a coin laundry operation—Wash Well—out of which he was running a numbers racket, was "fronting in this operation for ex-Vice President Nixon." But this testimony is uncorroborated.

[WOULD YOU BUY A USED TIRE FROM THIS MAN?]

Rebozo's source of capital for his land purchases came from his war-time service station business, and it was his sideline in tires that brings the supposedly unconnected Forties careers of Smathers, Nixon, and Rebozo into curious intersection.

Following Pearl Harbor the Japanese had cut off the vast rubber reserves of Southeast Asia. By 1942 America was minus ninety-five percent of its rubber supply—tires became a scarce commodity.

Before the war had broken out, Rebozo was running a Shell gas station which also served as a hangout for such friends as Smathers and Sloan McCrea, Nixon's present finance chairman. By the end of 1941, with gas rationing already in effect for six months, service stations were not good investments. And, a

few weeks after Pearl Harbor, the government banned construction of any new stations.

Nevertheless, just two days after Pearl Harbor, Rebozo purchased the land next to his station to enlarge his facilities.

In Washington, the Office of Price Administration (OPA) was one of two agencies charged with managing the tire scarcity. Since original tires were unavailable to the public, recaps and retreads became precious commodities. Bootleggers, thriving on the scarcity, were to enjoy many years of profit.

In January 1942 Price Administrator Leon Henderson recognized the problem, declaring, "The public must be protected from exploitation... Profiteering in tires [retreads] already has reached serious proportions, a situation that cannot and will not be allowed to continue."

Meanwhile, in his newly expanded gas station, Rebozo had become South Florida's largest tire recapper. His profits showed up throughout the Forties in numerous real estate purchases.

Charged with enforcing OPA policy on the local level was the tire allocation board of the Dade County Defense Council. The chairman of the council and at least one other key member had direct links with members of organized crime.

Moreover, three men who served on the tire allocation board had ties to Rebozo. Frank Smathers, father of Rebozo's friend and associate George Smathers, Lucien Renuart of Renuart Lumber which had loaned Rebozo the money to expand his service station into the profitable tire recapping business; and C.W. Chase, Jr., of Chase Savings and Loan Association which employed Rebozo's sister Margaret Barker in an executive position (and which was a few years later to provide Rebozo with capital for his real estate ventures)—all served in clear violation of OPA policy (3C-118) which stated, "Persons connected with the production or distribution of tires and tubes, or with the recapping or retreading of tires should not be selected to serve on the Boards."

In the meantime, the OPA's tire rationing division had hired a few young attorneys to draft the multitude of necessary regulations and to set up regional offices to enforce these regulations. On January 9, 1942, Richard Nixon, just a few years out of Duke Law School, went to work in the interpretations unit of the legal section of the tire rationing branch of the OPA.

For Nixon the position must not have been a memorable one. He concealed his employment at the OPA until he became President. In his official biography in the Congressional Directory for the 80th Congress, he listed his employer from January-August 1942 as the Office of Emergency Management. While this was not technically incorrect, it is the equivalent of an FBI agent saying he works for the Justice Department.

On Jan. 29, 1942, George Smathers was in federal court for the case *United States vs. Standard Oil of Kansas*, involving U.S. Customs confiscating American-made tires coming into the country from Cuba in an "attempt to circumvent national tire rationing." When Smathers encountered a delay in the case he sought a ruling from the OPA in Washington on the legality of bringing tires in from Cuba.

OPA records in the National Archives reveal that one of Nixon's duties was handling all correspondence involving tire rationing. It was therefore his responsibility to answer Smathers, and it is relevant to know what he said.

Unfortunately, most OPA records were destroyed after the war. The court file for this case is supposed to be in the Atlanta Records Center, but a written request submitted to the clerk of the civil court in Miami on July 6, 1972 has not been honored, despite the usual one week response time. Contradictory excuses for the delay have been given.

Written questions submitted to President Nixon and Bebe Rebozo have also gone unanswered. Among the relevant questions is whether Miami was one of the regional offices Nixon set up. In the context of their later friendship, one is forced to ask just when did Nixon, Rebozo, and Smathers come into contact with each other, and under what circumstances?

War profiteering was the pastime of Nixon's other yachting host, "Chubby" Wofford. Wofford's hotel was one of the two

"While Nixon prosecuted the Hiss Case, Smathers called Danner in Miami to tell him, 'Dick is on the verge of a physical breakdown. We're all concerned about him.' Danner called Rebozo, 'Bebe, get your boat and meet us at the doctor's office.'"

"The intrigue in the Watergate affair is a throwback to the good old days of Cuban politics. It was ex-Cuban President Prio Socorras who led Cuban exile demonstrations for Nixon. Among the early planners were Watergate indictees Frank Sturgis and Eugenio Martinez. The real estate office of Bernard Barker—Watergate ringleader—is next door to the offices of Socorras...."

Miami Beach Hotels allowed to remain open during the war. According to Danner, Wofford made "tons of money" through the Navy's use of this hotel, but "that wild man blew it all away."

[FROM ANSAN TO WATERGATE]

Wofford's attorneys were Hunt, Salley and Roman, who also represented some mysterious Cuban interests—the Ansan group.

The Ansan group was a secretive investment group including Cuban businessmen and political figures, their Miami associates, and members of organized crime. The group had no official name, but will be referred to in this article as the Ansan group, after the name of its primary real estate front—Ansan Corp. The group's holdings in Florida real estate soon amounted to over \$50,000,000. Smathers' law firm protected the Ansan group from publicity, while the firm of Hunt, Salley and Roman held off the Internal Revenue Service.

In 1947 Richard Hunt resigned his position as a judge on the circuit court to become legal counselor for the corrupt Dade County Sheriff, Jim Sullivan. William Roman vacated the Miami office of the FBI and another lawyer named George Salley joined to form Hunt, Salley and Roman. According to a Miami Crime Commission memo (it was the Miami Crime Commission that did most of the investigative work for the Kefauver Committee in Miami) Hunt was the "brains for every public utterance made by [Sheriff] Sullivan." The source further alleged that Hunt was "involved with Sullivan in taking graft."

Roman also acted as attorney for the Keyes Realty Company. With a top Keyes official he set off a spin-off realty company to transact such deals as procuring a rent-free home for the sheriff. The IRS regarded the Keyes spin-off as a "dummy front for handling sub-rosa deals for Sullivan."

This wasn't the first time Keyes officials were involved in questionable ventures. Keyes himself—in conjunction with the Ansan group—set up a number of real estate fronts for acquiring land on Key Biscayne.

Nor was it the last time. In 1971 a Keyes vice president named Eugenio Martinez helped form a Miami real estate company called Ameritas, which has been used as a cover for the principals of the Watergate break-in. Martinez and his boss at Ameritas—Bernard Barker—are two of the seven men indicated in the espionage case that leads from the White House to the Democratic National Party Headquarters. The offices of Ameritas were originally located one floor below the headquarters for Keyes Realty.

[The indictees in the Watergate case have many other interesting links. The money Barker had with him when arrested was from his account in the Republic National Bank. The first president and father of the owner of Republic National was the former chairman of the syndicate-controlled Miami National Bank. Republic National's present director is a law partner of George Salley.]

And, according to Jack Anderson, it was President Nixon's best friend, Rebozo, who helped Barker arrange for the financing of some of his real estate ventures "as a personal favor."

Richard Nixon is also quite close to the Keyes associates. Nixon and Rebozo have been close friends and occasional investment partners with the top executives of the Keyes organization. For example, Keyes' successor as president, a man named Allen Morris, joined with Nixon and Rebozo in a land deal brokered by a Keyes realtor. Another top Keyes officer has been a director of Bebe Rebozo's Key Biscayne Bank for the last few years, and it was to the Keyes company that the White House turned to transact some of the business involved in establishing the Presidential compound at Key Biscayne.

The Havana Connection

The President and the principals of the Watergate break-in thus share a number of important links, especially through the Keyes land company. They also share an important link in Cuban politics.

It is not generally known that Nixon played an important role in conceiving the Bay of Pigs invasion, which, to the anger of people like Barker, was politically and strategically aborted by Kennedy in 1961. Nixon too was angered, enough so to visit Kennedy for the only time during his Presidency. And, according to recently revealed tapes from the JFK oral history library, it was Nixon's crony Smathers who was at the time advising Kennedy that Fidel Castro be "destroyed." At the same time, Robert Maheu enlisted the aid of notorious West Coast Mafia figure John Roselli with the idea of "eliminating" Fidel. Finally, also in 1961, Meyer Lansky put a \$1,000,000 price tag on Castro's head.

The plotters must certainly have been aware of each other's plans as evidenced by a secret Bahamian police report which disclosed that as the CIA-led Cuban exiles went ashore in the ill-fated invasion, the Mafia (in the person of the Florida-based Trafficante family) was waiting in Nassau with a fortune of gold, ready to move into Havana and re-open the casinos.

Those casinos had been frequented by a lot of Americans, including Richard Nixon. On one of those visits, in April 1952, Nixon was accompanied by Richard Danner and Dana Smith, administrator of the as yet unrevealed Checkers slush fund. Smith blew all his cash in the syndicate-run casino. Playing on credit he wrote a check for \$4,200 to cover his debts and stopped payment on the check when he returned to the States. The casino threatened to sue, so Smith turned to Senator Nixon to intervene. Nixon wrote a letter on August 21, 1952, in which, according to the State Department, he said he "would appreciate anything the Embassy might be able to do to assist Mr. Smith with his problem." The Embassy acknowledged Sen. Nixon's letter, stating that although it was prohibited by the foreign service regulations from giving legal advice, nevertheless it "wished to do anything possible to be helpful to Mr. Smith."

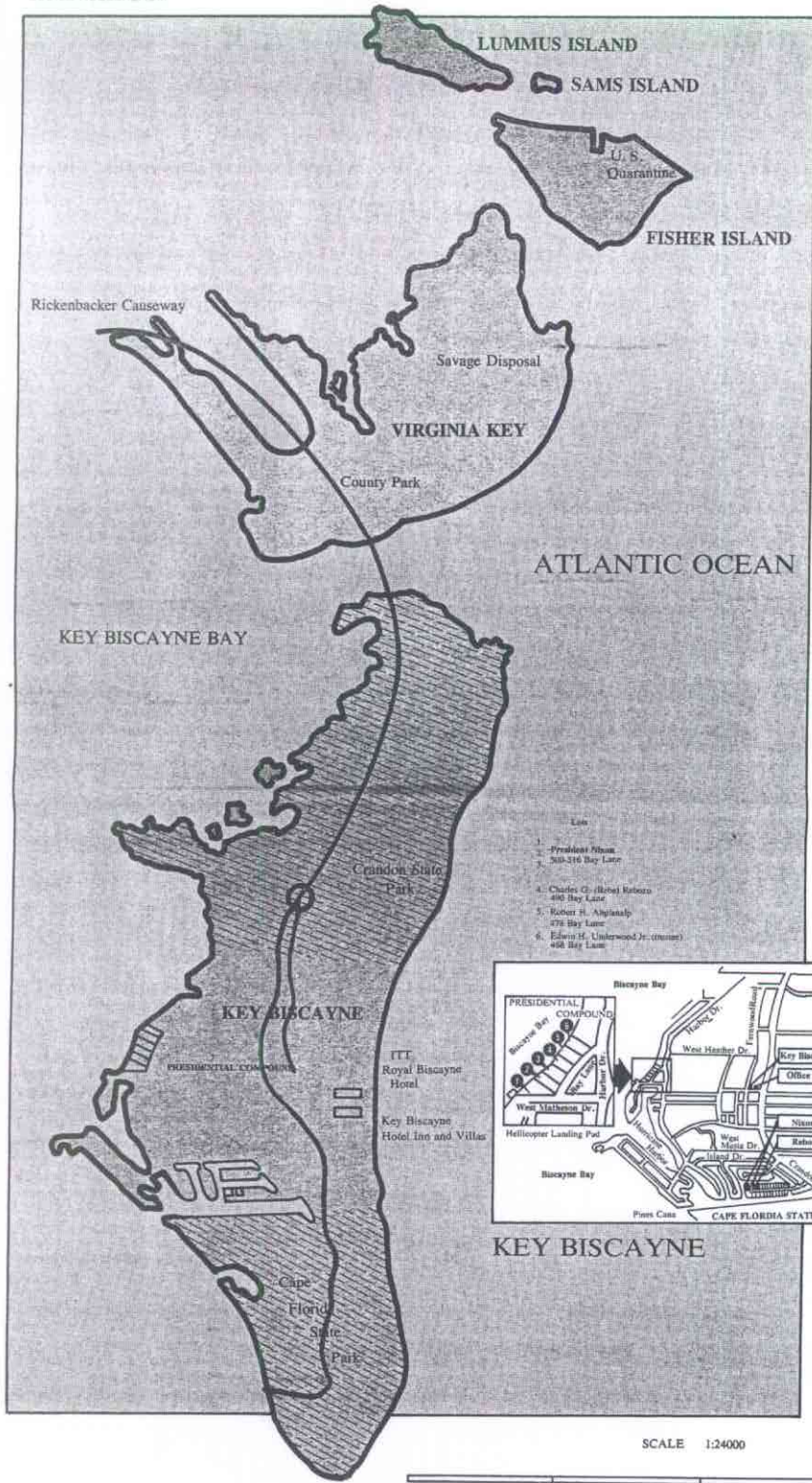
On other trips to Cuba, Nixon stopped off to see his friend President Fulgencio Batista. In 1955 Nixon visited Batista at his private palace, toasted the dictator and pinned an award on him. Batista's ambassador to the U.S., Nicholas Arroyo, made sure Cuban interests were well taken care of by keeping Nixon informed. Years later the same Cuban interests, now in exile, continued the relationship through Arroyo's \$17,000 contribution to Nixon's 1968 campaign, and through the activities of "Cubans for Nixon" in both 1968 and 1972. The loyal silence of Watergate leader Bernard Barker, himself a former employee of Batista's secret police, will also help the Presidential campaign.

The Miami-based intrigue in the Watergate affair—the secret bank accounts and real estate fronts—is a throwback to the good old days of Cuban politics. All three of Cuba's Presidents between 1940 and 1958 used Florida as a financial depository as well as a political base in exile.

Shortly after Batista took power in a military coup in 1952, Lansky "convinced" the dictator that gambling was the cure for the island's economic ills. Carlos Prio Socorras, who was President from 1948 to 1952, eventually migrated to Miami, his wealth reputed (according to the *New York Times*) to be in excess of \$50,000,000. At this summer's Republican Convention it was Prio who led the Cuban exile demonstrations. Among the early planners for those demonstrations were Watergate indictees Frank Sturgis and Eugenio Martinez. The real estate office of Bernard Barker—the Watergate ringleader—is next door to the offices of Prio Socorras.

[\$1,000 BILLS]

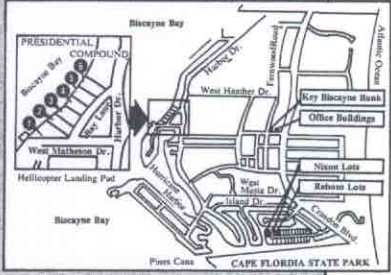
A good example of the unifying nature of the politics of corruption, Cuban style, are the vast investments during the Forties in south Florida real estate by the Ansan group. The group's visible partners were the Minister of Education, Jose Aleman, his wife Elena Santiero and Dr. Anselmo Alliegro, Batista's close friend and Minister of Finance in the Forties. Aided by Miami allies like Smathers' law firm, Keyes company, and the Hunt firm, the Ansan group managed to buy large chunks of real estate in anonymity. By failing to register changes in stock ownership with the state incorporation office, by presenting false ownership information, by paying for the land in cash,



ATLANTIC OCEAN

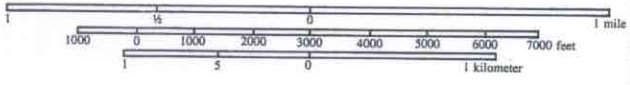
KEY BISCAYNE BAY

- Legend
- 1. Presidential Palace
 - 2. 500-516 Bay Lane
 - 3. Charles G. (Bob) Roberts
 - 4. 400 Bay Lane
 - 5. Robert H. Abington
 - 6. 478 Bay Lane
 - 7. Edward H. Underwood, Jr. (owner)
 - 8. 408 Bay Lane



KEY BISCAYNE

SCALE 1:24000



and by shielding the real ownership behind an elaborate maze of real estate fronts, the real roots of the Ansan group and their capital remained a mystery.

Aleman is considered responsible for the siphoning of between \$60,000,000 and \$174,000,000 from the Cuban Treasury in the years before his death in 1950. The story goes that Aleman simply pulled up to the Treasury with a truck and hauled off the loot. Aleman is guilty, of that there is no doubt. As for how much he took, that can never be answered, for all the pertinent records relating to the Cuban Treasury were later stolen and never recovered.

The Ansan group purse strings, swelled by the Cuban Treasury as well as Batista money (in the person of Alliegro) had one other source. That was what George C. Vilas, IRS Intelligence Special Agent, had in mind February 20, 1948 when he filed a report "with regards to large real estate purchases in the Miami area." The IRS report states:

"(1) At the time 'Lucky' Luciano was on board a ship at a New York dock prior to his deportation to Italy [Feb 1946] he was visited by Frank Costello, who is alleged to have carried suitcases on board containing around \$2,000,000, representing Luciano's share of gambling income during his incarceration. When Costello left the ship he did not have the suitcases.

"(2) When Luciano came to Cuba eighteen months ago [in violation of his deportation proceedings] he was visited by a number of underworld characters prior to his deportation to Italy by Cuban authorities. In connection with Cuban deportation charges Luciano employed Cuban Senator Santiero, the father of Elena Santiero y Garcia, the president of Ansan and other corporations that have made large investments in real estate in this area. It is believed that some of the funds being invested in this area by Mrs. Garcia may belong to Luciano or other underworld characters, which was turned over to Senator Santiero in Cuba."

Additional information reveals further contact between leading underworld figures and Cuban political officials connected to the Dade County investments. Meyer Lansky, who had helped arrange Luciano's deportation, paved the way for "Lucky's" illegal entry into Cuba, via Italy, then Mexico. Lansky had made

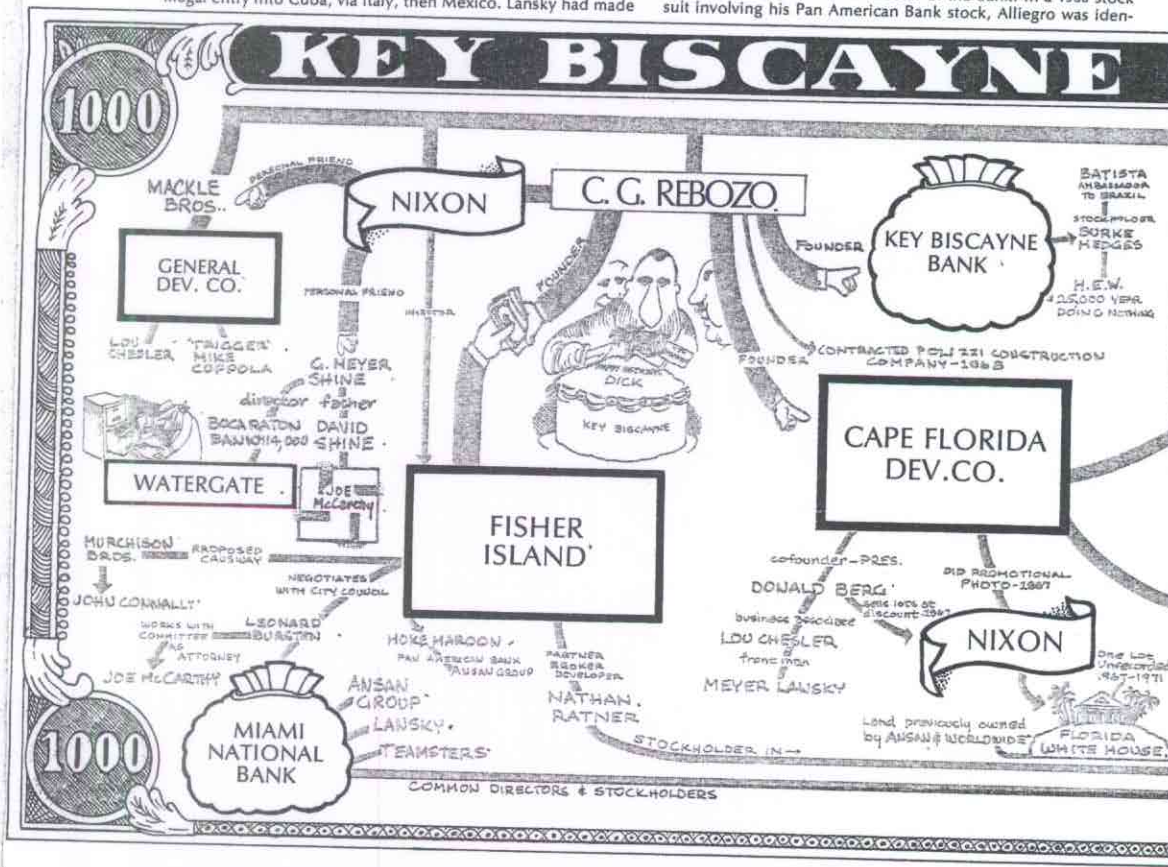
arrangements with the Cuban government "to receive Luciano warmly, though unofficially."

During his brief stay in Cuba, "Lucky" managed to move in all the right circles. A report by a Federal Narcotics Bureau agent operating undercover in Havana stated "that Luciano had already become friendly with a number of high Cuban officials through the lavish use of expensive gifts."

The IRS noted that the funds used for Ansan's purchases "consisted entirely of currency in bills of \$1,000 denomination." The IRS tried to ask Elena Santiero about the origin of the bills, many of which were consecutively numbered. She referred them to her lawyers, Hunt and Salley, who gave a simple response: the money had been "earned or acquired in Cuba." Of course they didn't mention how it was earned or acquired. The IRS's suspicions were increased when Vials noticed that Elena was "transferring this sum to Miami in currency, rather than through [normal] banking channels." (The money was deposited by the escrow agent in Ed Ball's Florida National Bank and Trust of Miami. Ball figures later in the development of Key Biscayne.)

Though shrouded in secrecy, the workings of the Ansan group remain a model of how the Miami/Havana connection operated. With the coming of Castro in 1959, and the subsequent emigration of gangsters and politicians alike, the Miami/Havana connection shifted its emphasis from corruption to espionage. Political espionage, be it gun-running, invasions of Cuba or snooping in Washington, or laundering money through Miami banks, is the byword since 1959 of the Miami/Havana connection.

A good example of a Miami bank linked to this Connection and Richard Nixon is the Pan American Bank. The bank was started in 1945 by George Salley of Hunt, Salley and Roman (attorneys for Wolford and Ansan). Early directors included Kenneth Keyes and William Roman, and down through the years leading executives of Keyes have been directors as well as Salley and Roman. The top fifteen stockholders in the Sixties included Anselmo, Alliegro, Hoke T. Maroon and Walter Frederich, the last two of whom are investment partners of Nixon and Smathers. In recent years, another Nixon/Smathers investment partner, Sloan McCrae, has been a director of the bank. In a 1960 stock suit involving his Pan American Bank stock, Alliegro was iden-



"One of Nixon's investment partners, Hoke T. Maroon, told friends: 'I wanted Nixon out. How can you pull a political deal when the President of the United States is your partner? Everyone in the world is looking over your shoulder.'"

tified as fronting for Batista. The judge said "All inferences point to the startling fact that—the stock may be in the property of Batista and is being held by the Plaintiff [Alliegro] to prevent Dictator Castro from seizing it." The bank was identified in the McClellan hearings as helping to finance in conjunction with some Teamsters officials in 1959 a proposed gun-running scheme that found weapons and ammunition going to Batista sympathizers.

The Key Biscayne Story

Before 1940 Key Biscayne was undeveloped and unlinked to the mainland, its land titles firmly in the hands of two wealthy northern estates—the Deerings, a family of Chicago industrialists and the Mathesons, a family of New York financiers.

In the Forties the Mathesons offered a large chunk of the Island—808 acres—as a county park if the county would finance a causeway to the mainland [see map]. Working behind the scenes to set up the details was Ed Ball.

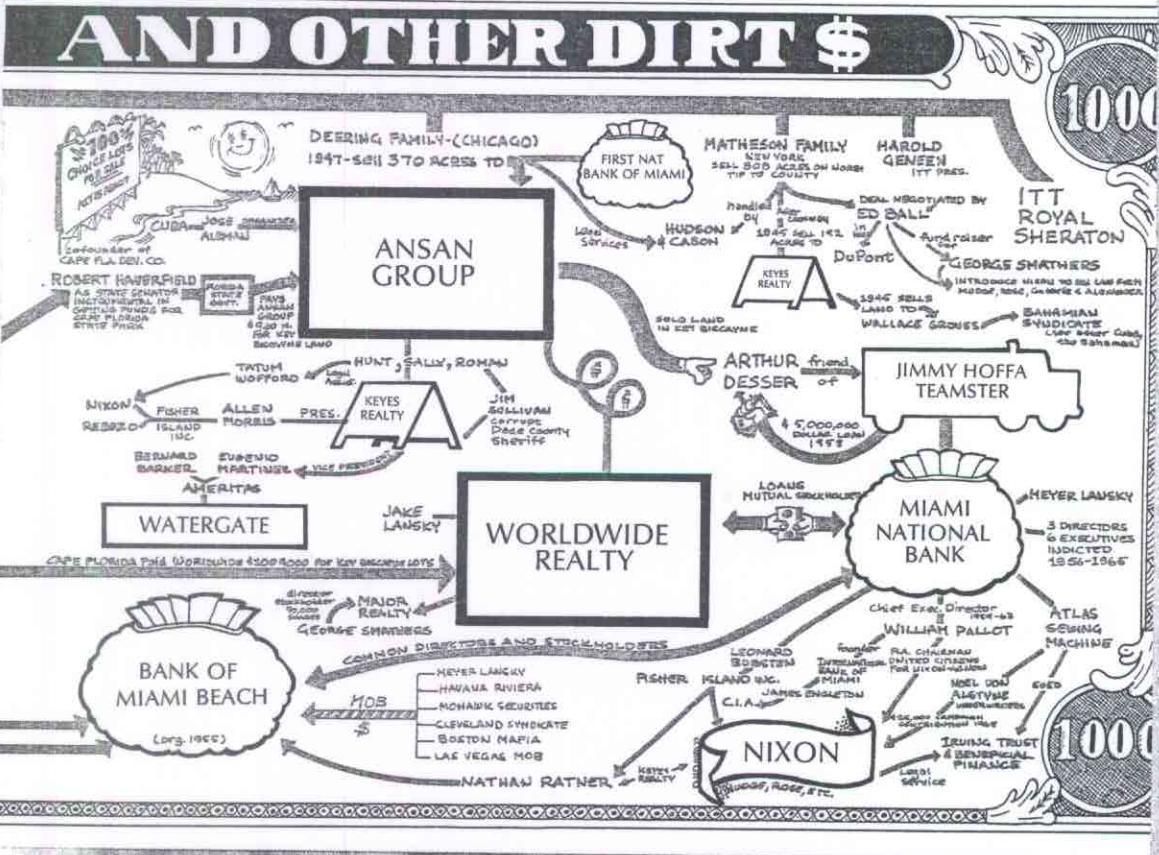
Ball is the brother-in-law of Alfred I. duPont, manager of the billion-dollar duPont empire in Florida. In 1950 Ball helped finance and organize the election of his close friend and vicious anti-Communist George Smathers to the U.S. Senate. Both men were friends with Smathers' old high-school buddy, Bebe Rebozo. In 1963 it was Ball, Rebozo, and another friend of Ball's—World War I flying ace, Eddie Rickenbacker—who "arranged the necessary introductions which led to Nixon joining a New York law firm" (Mudge, Rose, Guthrie and Alexander) according to a 1969 article on Rebozo in *Women's Wear Daily*. When the causeway was finished after World War II it bore the name Rickenbacker Causeway. The Causeway project brought skyrocketing land values to Key Biscayne, and it also brought some shady

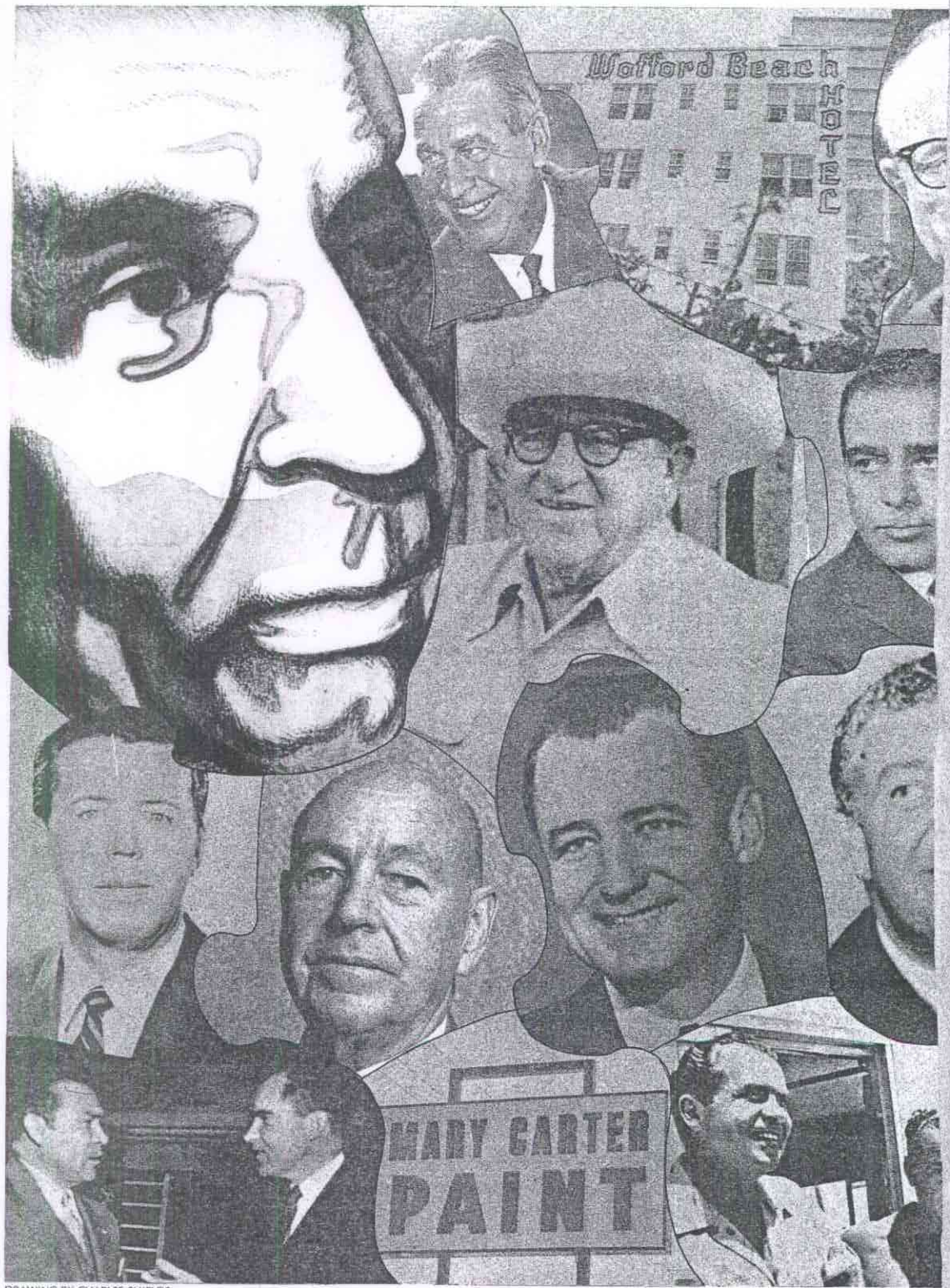
land deals. In March 1943, the Matheson estate sold 193 acres (tract six) on the southern end of the island to the head of Keyes Realty Company—Kenneth Keyes. Keyes created a special company especially for this transaction, its principals being himself and three Cuban clients. Tract six was described in 1946 by the Miami Herald as "probably one of the most valuable pieces of land in the United States, not excepting the financial district of Manhattan."

Keyes and his friend paid only \$200,000—barely ten percent of the assessed value—for land whose value was conservatively estimated at \$1,930,000. In 1946 Keyes set up a new affiliate company and transferred the title for \$10.

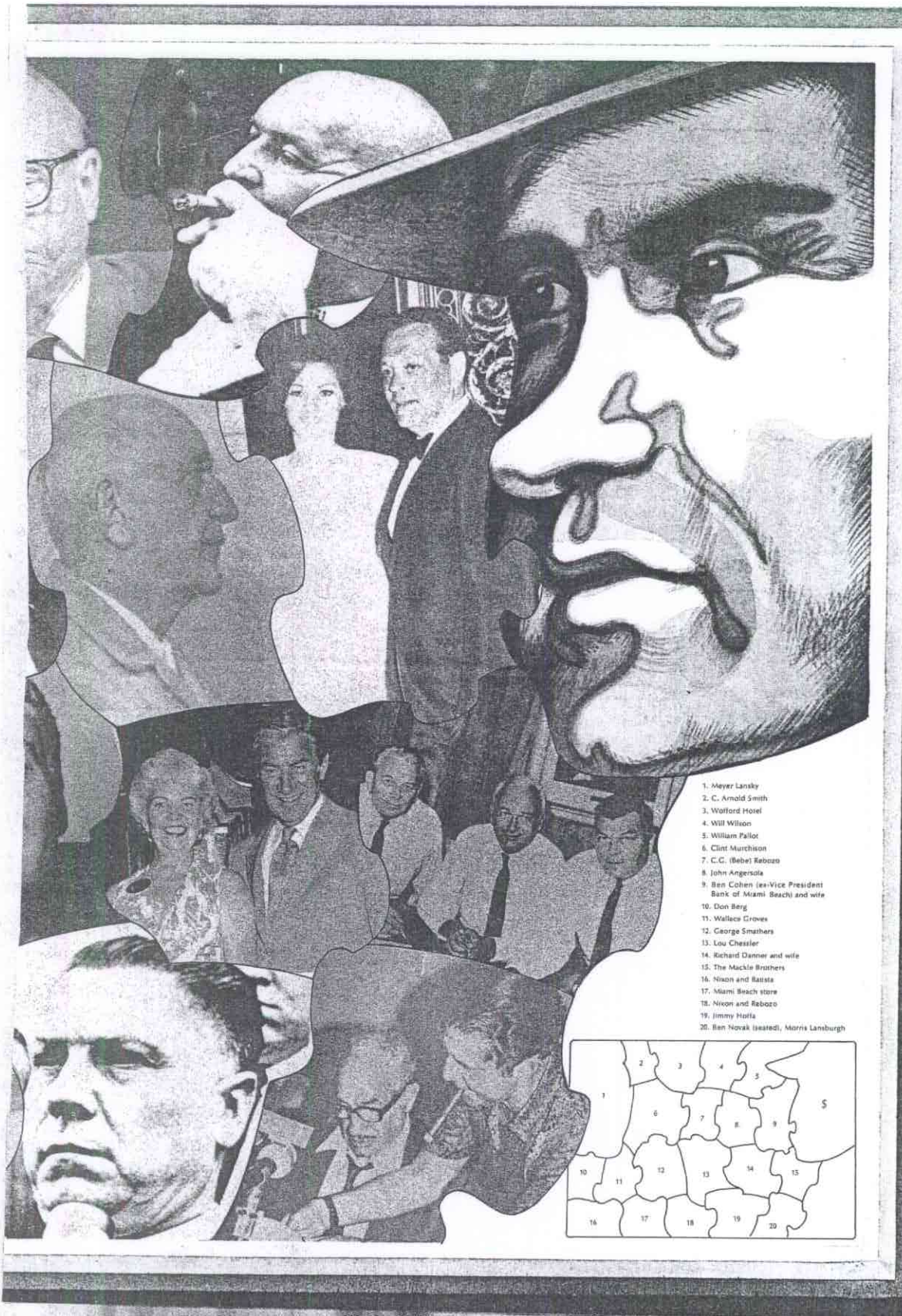
In 1947, a 370-acre parcel of land owned by the Deerings—a parcel covering the southern tip of the island and adjacent to the Matheson tract six—passed to the Ansan group. The attorneys for the Deering estate "negotiated" a price of \$1,700,000, well below the conservatively assessed value of \$4,000,000. The First National Bank of Miami Beach—owned by the Smathers family—acted as trustee for the Ansan group. The Smathers law firm "convinced" the Miami newspapers in 1948 to withhold from the public information concerning land deals in the Miami area—including those on Key Biscayne—until after the Cuban elections of that year.

But the alliance of the Smathers family with the Ansan group and with Ball were only part of the story. In 1945, amidst some of Kenneth Keyes' juggling acts, a man named Wallace Groves, fresh from a term in Federal prison for fraud, caught some of the land action on Key Biscayne. A few years later Groves turned up in the Bahamas, working for Meyer Lansky, finance minister of American organized crime, developing plans for Bahamian casinos to be linked with the American underworld. To this day government informants maintain that "Groves is under obliga-

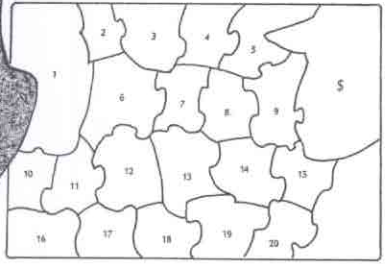




DRAWING BY CHARLES SHIELDS



1. Meyer Lansky
2. C. Arnold Smith
3. Wofford Hotel
4. Will Wilson
5. William Pallot
6. Clint Murchison
7. C.C. (Bebe) Rebozo
8. John Angersola
9. Ben Cohen (ex-Vice President Bank of Miami Beach) and wife
10. Don Berg
11. Wallace Crowes
12. George Smathers
13. Lou Chesler
14. Richard Danner and wife
15. The Muckle Brothers
16. Nixon and Balista
17. Miami Beach store
18. Nixon and Rebozo
19. Jimmy Hatla
20. Ben Novak (seated), Morris Lansburgh



tion to cut Lansky in on all deals."

In 1952 the *American Mercury* magazine of Miami identified the Key Biscayne holdings of the Chicago-based Deering family as a front for "Capone interests."

[THE MACKLE BROTHERS]

Meanwhile, the three Mackle brothers—Robert, Bruce, and Frank—were making their first millions through the development of housing tracts on Key Biscayne. The Mackles had received their land in large chunks in suspicious deals from the Matheson Estate. By 1953, with the opening of the Mackle's Key Biscayne Inn and Villas, Richard Nixon had become a regular visitor. The series of intimate villas bordering the ocean have proved to be a favorite retreat and meeting place for Nixon down through the years. Another frequent guest was FBI Director J. Edgar Hoover. (It was the F.B.I. that located Barbara Jane Mackle, daughter of Frank Mackle, buried in a box during a 1968 kidnapping. Both Hoover and Nixon personally visited Miss Mackle at the Villas shortly after the bizarre event.)

In December 1953 Nixon and William Rogers, then Deputy Attorney General, held a meeting at Key Biscayne with Joe McCarthy, telling the Wisconsin Senator to "ease off" on his attacks. (Interestingly enough, before the Key Biscayne resort opened, Nixon's visits to the Miami area, as well as those of Hoover, found them at two hotels owned by G. Meyer Schine, whose son David Schine was a prominent figure in the McCarthy hearings. Today the elder Schine is a director of the Boca Raton bank through which \$114,000 in mysterious Watergate funds passed. Twenty years earlier, Schine, as a witness before the Kefauver Committee reluctantly admitted that he had lease arrangements with bookmakers at his Miami Beach hotels.)

The Mackles had even closer connections with organized crime. In 1958 they entered into a partnership in the General Development Company with Lou Chester, a business associate of Meyer Lansky. Other investors in the land development company included two other Lansky business associates, one of whom—"Trigger Mike" Coppola—was a notorious syndicate "hit" man. The year the Mackles sold out, 1961, one of those Lansky associates was involved in the fraudulent trading of the company's stock, for which he was later convicted.

[ENTER THE TEAMSTERS]

In 1958 the Ansan group "found" a buyer for 547 acres of Key Biscayne. His name was Arthur Desser, a close friend of Jimmy Hoffa. That year—1958—Desser got a \$5,000,000 loan from the Teamsters which probably went to help cover the \$13,000,000 price of the Key Biscayne acquisition.

About this time the Teamsters were taking control of the Miami National Bank and within a few years Desser and the real estate company he controlled had become closely connected with the bank.

Also connected to the bank was Meyer Lansky. According to a 1969 Federal indictment of Lansky and some of his associates, the Miami National Bank was used between 1963 and 1969 as a depository for skimmed and illicit funds, money which also flowed in and out of the interlocking Exchange and Investment Bank of Switzerland.

In 1959—three years after its founding—the bank's control passed to the Teamsters Central, Southwest and Southeast States Pension Fund in the form of a loan. In 1964 a loan from Lansky front-man Sam Cohen (Cohen was indicted with Lansky in 1969) retired the Teamster loan and influence. With his foot already in the door, Cohen finished taking over the bank by 1966. Over that 1956-66 period of Hoffa-Lansky control, six top executives and three other directors of the bank were subjects of government indictments.

[WORLDWIDE REALTY]

By 1964 a company called Worldwide Realty shared three common directors with the Miami National Bank as well as some mutual large stockholders. Worldwide also took loans from the Miami National for five of its subsidiaries and owned the building in which both companies operated.

Major figures in Worldwide had conducted numerous transactions with John Lansky (Meyer's brother) and other Lansky associates, and it is the belief of some organized crime investigators that these Worldwide figures are "respectable" business associates of Lansky's.

Through a number of joint ventures Worldwide was closely connected in the early Sixties with another Florida realty company—Major Realty. In 1968, when the Lansky-connected people had disappeared from control of the company, it was revealed that a director and a large stockholder (94,000 shares) in Major Realty was then-Senator George Smathers.

[NIXON AND THE MIAMI NATIONAL BANK]

The worlds of Major and Worldwide Realty are marginally linked to Richard Nixon, but Nixon's links to the Lansky-related Miami National Bank are more direct.

There is, for example, a man named William Pallot, a Smathers-type Florida Democrat who was a chief executive officer and director of the Miami National Bank from 1959-1963. After leaving the Miami National, Pallot founded the International Bank of Miami, one of whose directors, James Angleton, is a member of the CIA. In 1968 Pallot headed the Florida State Chapter of United Citizens for Nixon/Agnew.

Furthermore, Miami National was the chief creditor in a bankruptcy case that resulted in a \$3,000,000 damage suit against Nixon and other members of his New York law firm in 1968. The suit, which is still pending, involves the Atlas Sewing Company of Miami. It alleges that Nixon and his firm negotiated a contract between Atlas and Nixon clients, the Irving Trust and Beneficial Finance Company. According to the suit, Irving assigned \$20,000,000 in Atlas accounts to Beneficial, which in turn "skimmed \$5-6,000,000."

The key figure in the case, Irwin Ray, the court-appointed trustee, got his job through the efforts of the president of the Miami National Bank. (According to the court papers, the trustee had "underworld connections.") Before bankruptcy, Atlas turned to a small New York investment firm for its underwriting, a firm whose partners have given more than \$25,000 to Nixon's Presidential campaigns.

Nixon's dealings with the Miami National Bank may also have brought him into contact with one of its directors—one James Lawrence King—for in October 1970, Nixon appointed King to be a judge in the U.S. District Court for Southern Florida. King has said he has "no comment" on Lansky's use of the Miami National.

One of King's first cases as a judge involved a suit against Bebe Rebozo's Key Biscayne Bank. It involved the passage of some stolen stock through the bank, and, according to several Miami reporters, King was in the process of quietly dismissing the case until the *Miami News* began looking into it.

[THE CAPE FLORIDA DEVELOPMENT COMPANY]

Not all the Key Biscayne corporations met with success. In 1962 Worldwide Realty lost most of its Key Biscayne holdings. The Ansan group foreclosed on Worldwide's Key Biscayne acreage after Worldwide failed to meet two year's mortgage payments. The Ansan group then put an \$8,000,000 price tag on their newly repossessed parcel.

Four years later the land was still unbought. That year Bebe Rebozo founded the Cape Florida Development Company. Other founders included Donald Berg, who became company president, Francisco Saralegui, a wealthy Cuban refugee newspaper publisher, Robert Haverfield, a Florida State Senator, and three others.

Largely through the efforts of Haverfield, the state of Florida decided to create a park on the southern end of Key Biscayne, to be called Cape Florida State Park. The state of Florida then forked over \$25,000/acre for land assessed at \$15,145/acre. Ansan and company received at least \$1,000,000 more than their \$8,000,000 asking price, even though the land had gone unbought for four years. In keeping with their history of sound government relations, the Ansan principals [Continued on page 64.]

"Today Key Biscayne's 'leading citizen' is Richard M. Nixon. The owner of its only bank is Rebozo; one of the island's largest landowners is Harold Geneen, president of ITT; and one of Nixon's newest neighbors is ITT itself."

Nixon and the Mafia

[Continued from page 42] and their lawyers "persuaded" Dade county officials to forego taxes during the option period of the sale in return for the granting of permission for public use of some of the property.

Thus twenty years after its northern end became a park through a deal tainted by conflict-of-interest, Key Biscayne's southern end also became a public park in a similar manner. Both deals involved Ed Ball, and both centered on land prices considerably out of line with their assessed value. While the causeway-park swap in the Forties benefited corrupt Cuban figures working within organized crime, the mid-Sixties' creation of the Cape Florida park benefited the organized crime-tainted Ansan group Worldwide Realty, and Bebe Rebozo's Cape Florida Development Company, which in 1966—the year the park was created—paid \$1,000,000 to Worldwide for one hundred prime waterfront lots adjacent to the park.

For a short time Rebozo's development company claimed it was having trouble selling its high-priced lots. But in 1967 Rebozo brought in Richard Nixon for a promotional photo and sales picked up quickly. In return Nixon got two lots at a "substantial discount." In the usual care-and-feeding tradition, Nixon was allowed to pay a little more than \$25,000 each for two lots worth \$75,000 total at the time, and now worth well over \$100,000.

Mysteriously, the yet-to-be President recorded only one of his new lots at the Dade County Courthouse. The other lot went unrecorded for four years—until June, 1971. The reason Nixon concealed his ownership of the lot for those four years was that there were two previous mortgages on the Cape Florida development held by Arthur Desser, who was associated with Lansky and Jimmy Hoffa through the mob-controlled Miami National Bank. The first of these mortgages was satisfied in February 1971, and the second in March 1971. Nixon waited until both mortgages were satisfied before he recorded his lot, thereby avoiding the stigma of a connection with Desser.

Nixon made another strange land purchase in Cape Florida about this time. He bought George Smathers' house (next door to Rebozo's) in 1968 for \$125,000. This would seem fair enough, but the very next year, 1969, the house was assessed at a value of only \$76,000, just sixty percent of the President's buying price.

[THE NIXONIZATION OF KEY BISCAYNE]

With Nixon's promotional photograph for Rebozo's development company and the establishment a year later of the Florida White House, the Nixonization of Key Biscayne was in full bloom.

The story of Key Biscayne is complex and shrouded in mystery, but there are some indisputable truths and some irrefutable suspicions.

Clearly, Nixon left one of his Cape Florida lots—on which the Florida White House now sits—unrecorded for four years because of the taint of a financial connection with Arthur Desser. He was therefore aware of Desser's connections with Mafia Kingpin Lansky, and he did not want the public to know that the President would become involved with such a man. The unrecorded lot is a good example of Nixon's attempts to cover his tracks whenever there is a threat of major scandal.

One wonders whether this explains why he concealed his employment with the OPA for so many years, or why the crucial court file in the Atlanta Records Center is so mysteriously unavailable.

One also wonders about Don Berg, the man who sold Nixon his lots. The Secret Service found Berg's "background" questionable enough to tell the President to stop eating at his Key Biscayne restaurant. Berg has told *Newsday* that he is "well-acquainted" with Lou Chesler, a Meyer Lansky business associate, and once entered a deal with Chesler, only to have it collapse because a third party died. Chesler then went ahead with the deal by enlisting the aid of another Cape Floridian, whose lot bordered Nixon's.

Berg's relationship with organized crime is of particular interest in light of the fact that the two previous owners of his subdivision in the previous twenty years—the Ansan group and Worldwide Realty—both have significant links with organized crime.

Now Nixon's island paradise seems more like a closed compound of corruption than the innocent resort home of an elected official. With the two ends of the island "reserved" as parks, the central district of homes is reserved for an elite group at least a few of whom reserved their places in highly questionable fashion. If you talk to enough residents of Key Biscayne you realize how tight the island is, how everybody knows what everybody else is up to.

For example, one local resident recounted for me in a long-winded forty-five minute rap, the history of just about every parcel of land in the island. Large pieces of land exchange hands rarely, rarer still among strangers.

For Richard Nixon, like most of the other Key Biscayne property owners, life on the island is fat and secure. The only bank is owned by the President's closest friend, Rebozo. The largest landowners are also good friends; for

"The four-year 'war' on organized crime by the Nixon administration bears more resemblance to the 'peace' in Vietnam than a sincere effort to get at the mob."

example, Harold Geneen, president of ITT and recent purchaser of six new lots. The ITT conglomerate itself also became an official Nixon neighbor recently, purchasing the last large (thirty-eight acre) tract of undeveloped land there.

On August 22 this year, as he drove from the island to a jam-packed "Youth-for-Nixon" rally following his coronation at the Republican Convention in nearby Miami, Nixon must have felt quite secure as he drove by the homes of men like Geneen, past Rebozo's bank, past the MacKie brother's Key Biscayne Inn and Villas, past ITT's Royal Sheraton, all on land handled so profitably by people like the Ansan group, the Deering family, Donald Berg, Kenneth Keyes, Robert Haverfield, George Smathers, and all overshadowed by Meyer Lansky.

The rootless Mr. Nixon seems to have found a fitting home on Key Biscayne.

The Denixonization Of Fisher Island

Nixon's Cape Florida deal wasn't his first private Floridian land venture, nor was it the first one cloaked in secrecy.

Sometime after his defeat in the 1962 California gubernatorial election, Richard Nixon began acquiring land in Fisher Island Inc., a secretive investment syndicate headed by Bebe Rebozo, whose sole holding was Fisher Island, an undeveloped 220-acre island just off the southern tip of Miami Beach. The dealings of Fisher Island Inc. are so secretive that there is no definite date as to when Mr. Nixon began buying it. The common guess is 1962, but the authors of *American Melodrama* put the date at 1960.

Nixon's Fisher Island investment was apparently intended to be a long-

range one. Seemingly out of politics, Mr. Nixon could afford to do a little wheeling and dealing, particularly as he had left the Vice-Presidency with only \$49,000.

As Nixon began to re-enter the national political scene in the late Sixties, discontent broke out in the ranks of Nixon's fellow investors, most of whom were close associates of Smathers and Rebozo. By 1968 Nixon's presence in the syndicate and the exact circumstances surrounding his investments became a liability. One investor, Hoke T. Maroon, told friends: "I wanted Nixon out. How can you pull a political deal when the President of the United States is your partner? Everyone in the world is looking over your shoulder."

Immediately after becoming President, Nixon maintained he "had no plans to sell the stock." But soon thereafter leaks—presumably from fellow investors—found their way into the *Miami News*. By February 1969, Nixon sold his 185,291 shares in the Fisher Island venture. It is said that despite stockholder resistance Nixon was paid two dollars per share, double his money. The exact circumstances of Nixon's "investment" and "return" in Fisher Island remain a mystery.)

The political deal that Hoke Maroon complained Nixon's presence would hamper involved the building of a causeway linking Fisher Island to the Florida mainland, a maneuver requiring taxpayer assistance, and one that would provide a spectacular increase in the value of the real estate.

Interest in the causeway was intensified when Rebozo acquired most of the island in 1957, and with the progress of his plans for a resort-style develop-

ment there. Testimony in the Bobby Baker hearings a few years later disclosed that Baker's business associates, the Texas Murchisons, were involved in the proposed building of that causeway.

Clint and John Murchison are Texas multi-millionaires who multiplied their father's \$300,000,000 fortune in oil through construction, recreational concerns like the Dallas Cowboys, and publishing, among other ventures. The Murchisons are close friends of Lyndon Johnson and were featured guests at the John Connally's Texas barbeque, held this summer for Nixon's benefit.

A Murchison associate named Thomas Webb testified at the Baker hearings that "we had been working on it [the causeway] for over a year. The purpose of the meetings [Webb's meeting with Murchison and others in the winter of 1959] there was with the city council and county commissioners whom we had been working with for quite a while...[sic]"

Fisher Island Inc. had a lot of good friends in government to help swing the deal. Members of Miami city council included Robert Haverfield, later a Rebozo business partner and principal in the Key Biscayne deals, and Grant Stockdale, an aide to George Smathers. The city manager was Ira Willard, who later became the first president of Rebozo's Key Biscayne Bank.

[LEONARD BURSTEN]

In his testimony, Webb identified a man named Leonard Bursten as "one of the people we were working with on this causeway."

Bursten's reputation as a man with "important connections" made him a logical choice for behind-the-scenes negotiating. Bursten was a Milwaukee attorney who was brought to Washing-

ton by Joe McCarthy to work on McCarthy's Senate Investigating Committee. The year 1959 was an exciting one for him, for while he was trying to swing the Fisher Island causeway deal he also concocted a scheme to get the ousted Cuban dictator Batista asylum in the U.S. and at the same time managed to get involved in an income tax evasion case which later led to his conviction. Bursten eventually gave up on the causeway, although Rebozo and friends are still trying.

Bursten is also close friends with Jimmy Hoffa and helped found the Miami National Bank, which Hoffa and the Teamsters controlled while Bursten was a director. Bursten has been indicted twice this past year in connection with the scandal-ridden Teamster financed Beverly Ridge Estates project in Los Angeles.

The Beverly Ridge project is not far from another Teamster financed project, the Truesdale Estates, in Beverly Hills. This choice development, built by the Murchisons, was where Nixon established his California residence in 1961. Bursten thought enough of Nixon to distribute anti-Catholic literature in Nixon's 1960 campaign against John Kennedy.

[NATHAN RATNER]

While Bursten has strong links to the Fisher Island project and to the Teamster's dealings in the Miami National Bank and elsewhere, a man named Nathan Ratner has even closer links to both Nixon and organized crime.

The son of a prominent Cleveland builder, Ratner arranged and brokered the sale of Fisher Island to Rebozo. He handled plans for its development, owned land with Nixon, and helped Nixon and Rebozo distribute pieces of Fisher Island as favors to friends. Ratner was also a broker for Keyes Realty, which was deeply involved in Key Biscayne land, and a former president of the Keyes Company was also an investor in the Fisher Island project.

But it is Ratner's holding of 3,140 shares in the Bank of Miami Beach that is most interesting.

The Bank of Miami Beach was organized in 1955 to service organized crime based in the Havana gambling empire. Its incorporation papers were drawn up in Havana the same year that Casino Internacional opened there under the guidance of the Cleveland syndicate. The stock in the casino was transferred to Mohawk Securities Corp., a Panamanian company. Mohawk then opened an account at the Bank of Miami Beach, and thereafter cash from Havana and skimmed funds from the Las Vegas syndicate flowed into the account. There is considerable evidence that checks were drawn on Mohawk's account at the Bank of Miami Beach as a device for laundering black money and distributing it to syndicate members.

Meyer Lansky used the bank as a vehicle for funds from his Havana Riviera operations, among other things. On one occasion Meyer's brother Jake was searched by customs officials on returning to Miami from Cuba. Apparently Jake was on his way to make another deposit at the Bank of Miami Beach, as he was carrying \$50,000 in checks.

Sworn testimony before the 1967 Royal Commission of Inquiry in the Bahamas showed that Lansky's Bahamian casinos continued to use the Bank of Miami Beach. For example, the Commission disclosed one case where over \$500,000 in checks laundered through the bank by Lansky couriers in 1964, turned up with different names on them after they were cashed.

By 1963 the bank had changed hands, but the new "owners," continued the bank's fine service to organized crime. An FBI memo dated July 29, 1964 details a story of Boston

Mafia gangsters bringing "hot money" to the bank and arranging "loans" in return, in reality it was their own money they were getting back, but the "loans" made it possible for them to explain the possession of extra cash.

The Bank of Miami Beach had a fraternal relationship with another syndicate-favored Miami bank, the aforementioned Miami National Bank. Not only have the banks shared many of the same directors and stockholders, but one person has served as chairman of both banks simultaneously.

In 1965 Ratner, already a long-standing large stockholder, tried unsuccessfully to gain control of the Bank of Miami Beach. Like most mob-related ventures, the Bank of Miami Beach was at tight operation with very few stockholders. It would be difficult to believe that Ratner was unaware of, if not involved in, the activities of the bank in which he held so much stock and which he wanted to control.

In keeping with the traditions of Nixon business associates, Ratner has refused to comment on his role in the Bank of Miami Beach.

After Cuba, The Bahamas

The shift of organized crime's accounts at the Bank of Miami Beach from Cuban sources to Bahamian ones is symbolic of the major underworld realignments that took place after the Cuban revolution.

By mid-1959 most syndicate figures had left Cuba. With them went Frank Sturgis, a leading figure in the Watergate affair, who had overseen the Cuban casinos for Castro for a brief period in 1959. Sturgis later obtained U.S. citizenship with the help of George Smathers.

From its southern capital in Miami, organized crime sought a new home for its crucial Caribbean operations—smuggling, gambling, prostitution, narcotics, gun-running, and the passage of illicit funds. With its lush tropical climate ideal for the "legitimate" hotel/casino front operations, and with its legal structure loose enough to permit plenty of back door escapes, the Bahamas became the next underworld "gem" of the Caribbean.

Among others who found the Bahamas a suitable substitute for the "good old days" in Cuba was our old gambling friend, Richard Nixon. Nixon made three trips to the Bahamas between 1960 and 1962, two of them coming right after his election defeats.

As a result of many governmental investigations the story of organized crime in the Bahamas up to 1967 has received widespread publicity in the American press. The investigations have demonstrated the astounding influence of organized crime in the islands, and a brief synopsis of how it was all put together makes for a good case study in governmental relations as practiced by Meyer Lansky.

In 1960 Lansky turned up at the office of Sir Stafford Sands, Minister of Finance and Tourism for the Bahamas. Lansky offered him \$1,000,000 to "see what he could do" about setting up some casinos on the islands.

Sands turned down the money but liked the idea, and when it was all over Sands managed to collect at least \$1,800,000 in "fees." In 1967, in a somewhat comic gesture, Sands told the Royal Commission of Inquiry that Lansky's original offer had actually been \$2,000,000.

In 1960, the year that Lansky made his original offer to Sands, Wallace Groves, the free-wheeling promoter who was cut in by Kenneth Keyes in 1945 on Key Biscayne land, began setting up the Bahamas Amusement Company for Lansky. This company became

the prime corporate vehicle for a gambling operation that would eventually include three casinos—the Freeport Casino, the Lucayan Beach Casino, and Nassau's Bahamian Club. Groves' attorney was Sir Stafford Sands.

Enter in 1960 also one Lou Chesler, a wheeler-dealer Canadian with all the right connections and \$12,000,000. In the Fifties Chesler had worked with Lansky on some Canadian mining deals and was a partner with Lansky courier John Pullman in the MPC Corporation. The ensuing Chesler/Groves/Lansky marriage left the first two up front, with Lansky in the shadowy back stage. In its 1967 series on the Bahamas, Life magazine disclosed that "Groves' silent partner in all three gambling saloons and spokesman for the syndicate is Meyer Lansky." The article went on to explain that "Lansky front men" received thirty percent of the net profits at the Lucayan Beach Casino and fifteen percent of the gross at Nassau's Bahamian Club.

By 1963 the Bahamian Amusement Company had procured a "certificate of exemption" from Bahamian gambling laws and the long-drawn blueprints were transformed into garish palaces. Running government interference was Sir Stafford Sands. In one of his tougher assignments the 300-pound Sands, acting as attorney for the Bahamas Amusement Company, negotiated a deal with the Minister of Finance and Tourism—himself.

Syndicate influence in the Bahamas had already reached its zenith by 1967 when the wave of press and government investigators began warming up

finkle, both of whom are friends of Nixon's, have mutual connections directly tied to organized crime. According to FBI files, Garfinkle has employed high-level Mafia members in his newspaper distribution business; in 1970 he attended—upon the invitation of President Nixon—a White House evening of champagne and entertainment for "official and personal friends of the President."

Both Garfinkle and Rabb were founders and large stockholders in International Airport Systems Inc. Among the company's other early major stockholders were Meyer Lansky, Morris Landsburgh, and other Lansky associates. Rabb is currently a director of a New York City bank which in 1969 helped found an SBA loan to a top figure in the New York Mafia.

• **William Safire:** Safire is one of the President's most trusted speechwriters. According to Julie Nixon (who worked with Safire on a book of Nixon family photographs) the Safire-Nixon friendship dates back to their days at the Moscow summit in the Fifties. Safire also worked as a PR official for Nixon in his 1960 campaign.

Safire learned his public relations trade as a "protege" of Tex McCrary, and it was the connection to McCrary that led Safire to PR work in the Bahamas in the years Nixon was out of office. According to a 1971 article in the Las Vegas Sun Safire had the public relations account for the Lansky-connected Lucayan Beach Hotel and Casino. Safire also worked on the Grand Bahamian Development Company with McCrary and Dusty Peters, a Lansky man.

"Throughout the progression from simple extortion and mayhem to the penetration and control of sophisticated larger businesses, there is never an abandonment of illegal enterprises. In organized crime a man never goes completely 'legit', though he may well move out of direct operation of illegal business."

the islands. As organized crime supposedly cooled out, Richard Nixon surfaces considerably. But there is considerable evidence that the fire never went completely out, and that the shadow of Richard Nixon had always been around. Some examples:

• **Lou Chesler:** For his \$14,000 in contributions Chesler got to travel Nixon's 1960 campaign trail. Chesler's acquaintance Donald Berg was the man who sold Nixon his lots on Key Biscayne. Today Chesler travels around in a plane flown by Nixon's former pilot.

• **Daniel Ludwig:** Ludwig is a reclusive billionaire who dredged the Bahamian harbor for Wallace Groves. He later built the King's Inn Casino and leased it to Lansky frontmen Sam Cohen and Morris Landsburgh. Ludwig's National Bulk Carriers, the chief source of his corporate wealth, is a long-time client of Nixon's New York law firm.

• **Tex McCrary:** A wide-ranging public relations "consultant," McCrary handled public relations work for Chesler's General Development Corporation before moving to the Bahamas and taking the account of Chesler's (and Groves') Freeport Casino. One of McCrary's fellow PR men at the Grand Bahama Development Company was Dusty Peters, a Lansky courier.

McCrary staged a few extravaganzas for the Eisenhower/Nixon campaign in 1952 and also helped Nixon with his 1960 campaign. In 1957 McCrary became involved in the Sherman Adams scandal, lending a hand to Maxwell Rabb, who was Bernard Goldfine's attorney.

• **Maxwell Rabb and Harry Garfinkle:** In turn Rabb and Harry Gar-

[SHAKEUP IN THE BAHAMAS] By the middle Sixties there was a storm brewing. Internal friction had forced out a few people like Lou Chesler, while a wave of public investigations were blaring the role of underworld figures like Meyer Lansky. The 1967 Royal Commission of Inquiry also dredged up another familiar name—Richard Nixon.

Testimony before the Royal Commission by Max Courteney, a Lansky lieutenant, detailed a long bookmaking career and brought out the names of a large clientele, including the then ex-Vice President Richard Nixon.

[MARY CARTER PAINT] The Royal Commission also bared a deal which implicated Richard Nixon far more deeply than passing mention by an underground bookie.

In 1967 Lyndon Pindling became the first black premier ever to serve the almost one hundred percent black citizenry of the island. Pindling was hardly a revolutionary, however, for among the people instrumental in putting him in office was a gambler close to Lansky named Mike McLaney. The Royal Commission branded McLaney a "thoroughly dangerous person" and accused him of maneuvering Pindling into at least one deal involving a questionable gambling concession.

Part of the post-election controversy was a company based in Tampa which bore the innocuous name of "Mary Carter Paint Company."

In 1965 Lansky's front-man (and former Key Biscayne landowner) Wallace Groves, filed a joint application with the Mary Carter Company to open a casino on Paradise Island in the

Bahamas. The ubiquitous Sir Stafford Sands handled the legalities. Knowledgeable observers looked for the mystery man, and a Justice Department memo dated January 18, 1966 predicted that "the atmosphere seems ripe for a Lansky skim."

After Pindling's election, Groves was forced out and the Mary Carter Paint Company had itself two new casinos. At the 1967 opening of one of them—the Nassau Bay Club—the honored guest was Richard Nixon.

The following year—1968—the other Mary Carter Club, the Paradise Island Casino, opened for business. The owners felt close enough to Nixon to offer him use of their facilities during the 1968 Republican Convention. Nixon felt more comfortable at Key Biscayne, but some of his staff took up the offer.

[MARY CARTER BECOMES RESORTS INTERNATIONAL]

In 1969 Mary Carter—now called Resorts International—reluctantly "released" one Dino Cellini, claiming that while he "had a relatively unsavory background, he had no criminal record, no criminal associates." Cellini hopped across the water to Miami, where, according to Dade County Sheriff Intelligence Reports, he continued to work in conjunction with Paradise Island Casino. The reports allege that Cellini was an almost daily visitor to Resorts International's Miami office, where he checked credits and worked with a company booking junkets to the Paradise Island Casino.

There are those who maintain that Cellini's connections with Resorts International symbolize the influence of Lansky. In a 1971 editorial, the Las Vegas Sun concluded an eleven part series on organized crime—some of which centered on Resorts International—by charging that "however cloaked and cleverly concealed by the guardians, gambling in the Bahamas is controlled by Meyer Lansky and it has been established in police intelligence reports that the fee is fifteen percent of the gross income." The now-defunct Toronto Telegram reported in 1970 that "observers believe that the resourceful Lansky is still managing to get his cut from the Bahamas".

Resorts International, through its ninety-one percent owned subsidiary, Intertel, has denied all allegations of involvement with organized crime. It was Intertel that ITT hired in 1972 to snoop on columnist Jack Anderson.

The latest and possibly most damaging charge in the Resorts International battle came this past June in an IRS inspired indictment of Meyer Lansky and Dino Cellini. The indictment reads in part:

"On or about May 17, 1968, unindicted co-conspirator Vincent Teresa met with defendants Meyer Lansky and Dino Cellini in Miami and had a discussion wherein defendants Lansky and Cellini gave Teresa permission to conduct gambling junkets to the Paradise Island Casino."

Thus government agents allege that in 1968 Lansky maintained at least some control in running junkets to Resorts International's Paradise Island Casino. The junket racket is an integral part of the casino operation, and as recently as 1971 Lansky's cohort Eddie Cellini was reportedly still arranging junkets for the Paradise Island Casino.

[ENTER NIXON AND REBOZO]

It was in 1967—with Lansky still okaying junkets and Cellini still running the Paradise Island Casino—that Richard Nixon and Bebe Rebozo became friends with the head of Resorts International. It should be no surprise that James Golden, the recently (1969) hired

"The penetration of business and government by organized crime has been so complete that it is no longer possible to differentiate 'underworld' gangsters from 'upper-world' businessmen and government officials."

"deputy director of security" for Resorts International is a good friend of Nixon's. As a Secret Service guard for Nixon when he was Vice President, Golden made a good enough impression to be appointed staff security chief for Nixon in 1968. Golden was also security director of Nixon's convention headquarters in Miami that year, and was security director for his subsequent inauguration. Later that year he moved to Resorts International. Golden is just one of a long string of interesting Nixon security appointees, among them Watergate indictees James McCord, Gordon Liddy, and Howard Hunt.

There are rumors, some of which have been aired in the press, that Richard Nixon owns stock in Resorts International. Former Republican Presidential candidate Thomas E. Dewey does own stock in the company, and, according to organized crime investigator Hank Messick among others, there are reports of Lansky buying stock as well. Nobody has proved anything one way or another about the stock connections, but that Nixon is connected to Resorts International, at least through Golden, is indisputable.

Perhaps more disquieting than rumors of Nixon stock ownership in an underworld holding company for Bahamian casinos are the reports of his meddling in Bahamian affairs. In 1969 a proposed tax increase on gambling profits to provide money for Bahamian schools was slashed in half by the Minister of Finance. The Minister refused to explain the cut, and told opposition members to "use your imagination" for an explanation.

The advice was taken literally by some Bahamian papers who speculated that pressure came from "outside sources connected with casinos." One Bahamian paper asked openly if "a telephone call from the White House was not responsible?"

Whereas our investigation into Cuban politics brought evidence to light possible violations of the Neutrality Act, we now have the possibility of an American President who has spent a significant amount of his vacation time in the Bahamas also meddling in the affairs of that country.

Richard Nixon, a man with both visible and invisible links to the underworld and politics of pre-Castro Cuba,

turns up in the Bahamas with very similar links, bringing some big names along with him.

Enter William Rogers

Two men with histories both in Bahamian politics and in the finances of organized crime have made frequent use of the legal services of a firm whose most prominent partner is Richard Nixon's old friend William P. Rogers, now Secretary of State.

The two men are Mike McLaney, charged by the Royal Commission in 1967, and a business cohort of his named William Colusardo. McLaney and Colusardo were investigated in 1967 by the Securities and Exchange Commission in connection with a blueberry plantation that McLaney sold to a company controlled by Colusardo. The subsequent corporate jugglings implicated (among others) newly elected Bahamian Premier Lyndon Pindling. Among Colusardo's "favors" for Pindling were the use of his airplane during the election campaign, and a \$127,000 contribution in the form of an "interest payment." The law firm that defended McLaney and Colusardo against the SEC was that of William P. Rogers. Rogers had been a close friend and political associate of Nixon's for twenty-five years. He accompanied Nixon on many of his Bahamian jaunts and also made frequent stops with him at the Key Biscayne Inn and Villas. In addition to being an "R & R" sidekick, Rogers was the man Nixon turned to for counsel amidst his personal crises in the Checkers affair and Eisenhower's serious heart attack.

Rogers served the Eisenhower/Nixon team for eight years in the Department of Justice, first as Deputy Attorney General, and then, by 1957, as Attorney General. The Justice Department's record against organized crime in the years following the Kefauver Commission was lackluster, to say the least. It was Rogers who personally rejected the recommendations of the specially constituted Wessell Committee on organized crime set up in the wake of the infamous Appalachian raid in upstate New York that revealed a Mafia summit conference. The Committee's proposals for a concentrated and coordinated war on organized crime

were only implemented some years later by Attorney General Robert Kennedy.

A footnote in the Justice Department files was a report by IRS Special Agent Joseph Delfino, dated October 19, 1953. The IRS recommended to the Justice Department that "criminal proceedings be instituted against Meyer Lansky in the Southern Judicial District of New York for the willful attempt to defeat and evade a large portion of his income taxes for the years 1945 and 1947 under section 145b of the Internal Revenue Code." The Justice Department—with William Rogers second in command at the time—respectfully declined to prosecute.

[LUMS HOT DOGS]

Upon leaving his post as Attorney General in 1960, Rogers became a member of the New York firm of Royal, Koegel and Wells. In 1969, with its leading partner about to become Secretary of State, Royal, etc., moved with its clients wholeheartedly into the world of gambling casinos and organized crime.

A year later Royal took on the account of the Miami-based hot dog chain, Lums Inc. What did a hot dog chain have to offer a prestigious New York law firm? The answer may lie in where the firm took its client.

In 1969 Lums purchased the Caesar's Palace Hotel and Casino in Las Vegas for \$60,000,000. A month later the Nevada state gambling authorities were looking into the hotels' "catering to twelve underworld figures from Kansas City."

A few months after the purchase the SEC filed suit charging Lums and Caesar's Palace with "false and misleading" statements. The SEC wondered how Caesar's managed to lose \$1,000,000 in five months when the previous year (before Lums bought in) there was a \$2,200,000 profit for a comparable time period.

The SEC also questioned Lums concerning the \$3,500,000 Lums paid one Jerome Zarowitz, a convicted professional sports fixer who wasn't even listed as an owner of the casino. Top officials in both Caesar's and Lums have been under investigation by IRS intelligence in Miami and by Nevada gaming authorities in cases involving organized crime ever since Rogers' firm took on the Lums account.

There is also the question of the 1971 Lums acquisition of a North Miami housing resort development called Sky Lakes. Both Sky Lakes and Caesar's Palace have received large sums of money from the Team-

sters—\$12,000,000 for the Miami project and more than \$16,000,000 for Caesar's Palace.

With things going slowly, Lums announced plans for a new \$22,000,000 casino next door to Caesar's Palace. In December of 1971 the company decided that the whole restaurant idea was no longer worth the trouble. In a classic climax to a classic American success they changed their name to Caesar's World Inc., and sold their hot dog stands.

Meanwhile the Secretary of State's old law firm reaped a bundle with their new-found involvement in the Las Vegas underworld. With such stunning successes at home, one wonders what a firm with a link to the Secretary of State could do abroad, in places like the Bahamas or Vietnam, for example.

Nor do the underworld implications of big names surrounding Nixon end with the Secretary of State. Murray Chotiner, a long-time Nixon aide and architect of his early smear campaigns, has past links to the underworld. In 1962 Drew Pearson and Jack Anderson wrote that "Chotiner...besides representing the top gangster of Philadelphia, Marco Reginelli, represented a long and amazing list of hoodlums, concession peddlers, income tax violators and others needing influence in high places..." It was Chotiner who brought Frank Vitale, "once involved in the biggest bootlegging conspiracy on the West Coast" onto Nixon's special plane to Moscow in 1959.

Nixon's recent appointment of Walter Annenberg as Ambassador to England also echoes the themes of underworld involvement. Annenberg and his father were indicted in 1935 for "aiding and abetting" in connection with their wire service operation in Chicago, an operation run with the protection of Al Capone, for which the Annenbergs paid \$1,000,000. The Annenberg family was also a major contributor to Nixon's 1968 election campaign.

Further back in the Nixon saga, and closer to his southern California birthplace, lies San Diego financier, C. Arnold Smith and his bookmaker partner John Alessio. In 1946 Alessio and Smith introduced Nixon to another bookmaker named Lew Lipsky. Lipsky, who was convicted for bookmaking in 1938, served for three decades as a go-between for the Smith/Alessio interests to their syndicate connections.

Some of the dealings of the Smith/Alessio combine were brought to national prominence by a recent Life magazine article which accused Attorney General Richard Kleindienst of "tampering with justice" in a case involving Alessio. According to the Wall

SOME HAVANA CONNECTIONS



"The 'Havana Connection' is a funnel for money flowing from the Caribbean gambling hotel, prostitution, and drug operations which centered in pre-revolutionary Cuba. The control exercised by organized crime over Miami dates back to the Forties and remains strong enough today for the syndicate center of the Caribbean operations to still be there . . ."

Street Journal, Smith raised \$1,000,000 for Nixon's 1968 campaign. He and his wife took the first position on the receiving line behind the President at the White House inauguration.

More Of The Same In California

Nixon's other favorite resting place besides Key Biscayne is the area near his birthplace in southern California. Here the underworld pattern of his Florida involvements repeats itself—in a strikingly similar pattern.

One story there involves Nixon's multi-millionaire backer, C. Arnold Smith, and the Del Charro Hotel in La Jolla, just north of San Diego.

The Del Charro was a favorite stopover for Nixon in the Fifties. Owned by the Murchison brothers, who also owned the nearby Del Mar race track, the hotel played host to numerous Detroit and Las Vegas gangsters. Alan Witwer, a former manager of the hotel has alleged in statements to this reporter and others that the hotel served as a secret meeting place for politicians and assorted business interests, some of them from the underworld. Witwer specifically cited a 1954 meeting attended by Nixon and chaired by a leading member of ITI. He also claimed that there was a bookmaking operation at the hotel, but has offered no documented proof.

Mrs. C. Arnold Smith is a permanent resident of the Del Charro, and the hotel's visitors have included John Connally, Barry Goldwater, and J. Edgar Hoover. Hoover's \$15,000-a-year bills were picked up by the stockholders of the Murchison interests.

The fact that certain of Hoover's good friends rubbed elbows, rather warmly, with Meyer Lansky, and the fact that the nation's leading crime fighting agency—the FBI—has come up almost blank in its fight against organized crime don't make it any easier to dismiss questions which might arise about the influence of organized crime at the highest levels of government.

North of the Del Charro and thirty miles south of the San Clemente White House, lies the mammoth La Costa land resort development. The development is tied to both Smith (his daughter is a director) and to the Teamsters.

La Costa was originally developed by Cleveland syndicate relatives Allard Roen and Moe Dalitz. The development was reorganized in 1968 to bring Teamster control more in line with their investments, which already exceeded \$18,000,000. Like Sky Lakes, its Florida counterpart, La Costa attracts a whole range of figures from organized crime. La Costa visitors have included Willie "Ice Pick" Alderman, a St. Louis mob cohort Morris Shenker, and Wallace Groves and Lou Chesler of Bahamas fame.

According to eyewitnesses, when Groves' helicopter sets down, the red carpet is rolled out. It may be because Groves bought a home in La Costa, but more likely it's because, as government agents put it, "where Groves appears, Meyer Lansky will not be far behind."

Another mob frequenter of the La Costa development is Jake Arvey, an organizer of the Republic National Bank in Miami, the bank through which Ber-

nard Barker channeled funds for the Watergate caper.

(THE TEAMSTERS AGAIN)

A recent visitor to La Costa was Frank Fitzsimmons, a key to Nixon's new-found support in organized labor. Fitzsimmons is president of the Teamsters Union. This summer he stopped in La Costa on his way to see Nixon at San Clemente. Fitzsimmons had just come from dinner in Detroit with a local Mafia figure and soon after his Detroit-La Costa-San Clemente excursion, Fitzsimmons announced his support for Nixon. One wonders whether the Teamster decision to stay on the Pay Board and to support Nixon is somehow related to what the *Detroit Free Press* has been hinting strongly as of late: that the administration has stopped prosecution of Frank's son Richard Fitzsimmons—the business partner of a Detroit mobster—on charges of missing union funds, in exchange for Teamster support of the Republican President.

Whatever deals Nixon and Fitzsimmons did make, the Teamsters have a long working relationship with organized crime. Their marriage goes back over twenty years, where Jimmy Hoffa was introduced to the Detroit underworld by Paul Dorfman, in exchange for some multi-million dollar insurance business. Dorfman's son, Paul, has residences at both Sky Lakes and La Costa and was recently convicted of taking kickbacks on a Teamster loan.

The Teamster tradition of labor racketeering and corruption made for a ready alliance with the mob. Early government investigations of the Teamsters, such as the Bobby Kennedy-led McClellan Permanent Committee on Investigations, centered on labor racketeering. As Attorney General, Kennedy continued his pursuit of the Teamsters and their boss, Jimmy Hoffa. At one point Kennedy had twenty-nine grand juries simultaneously investigating Hoffa's activity—one of which led to a conviction for mail fraud and jury tampering.

In 1969, two *Oakland Tribune* reporters concluded a six-month investigation with the charge that "the \$628,000,000 Teamsters Central States, Southeast and Southwest Pension Fund, headquartered in Chicago, has become a bankroll for some of America's most sinister underground figures."

Nowhere does the relationship between this fund and the mob surface more dramatically than in Las Vegas, where Teamster trustees have approved

loans between \$50 and \$70,000,000, some shakily secured by second mortgages and subordinated notes. A high-ranking Federal official has commented that "the Teamster fund is a sort of open bank to people well-connected in Las Vegas and well-connected to organized crime."

It was Hoffa's desire "to have [his] own bank in every city" that brought on the Teamster takeover of the Miami National Bank. The bank in turn is just one of a long list of ventures such as Caesar's Palace, Sky Lakes, La Costa, Worldwide Realty, International Airport Hotel Systems, Truesdale Estates, in which Teamster money amounting to over \$60,000,000 figures prominently alongside the social and business partners of Richard M. Nixon—a line of investments that leads from Nixon's three White Houses to a Federal clearance for Jimmy Hoffa and back to organized crime.

The current trend of the Justice Department's Criminal Division saw enough evidence in 1967 to say that he "knew for a moral certainty [that] in the upper echelons there is an amalgamation between the Cosa Nostra and the Teamsters Union." In 1971, when a Federal grand jury probing the activities of Meyer Lansky questioned Jimmy Hoffa, many wondered whether the links between the two giants were more direct than the numerous transactions between mutual friends.

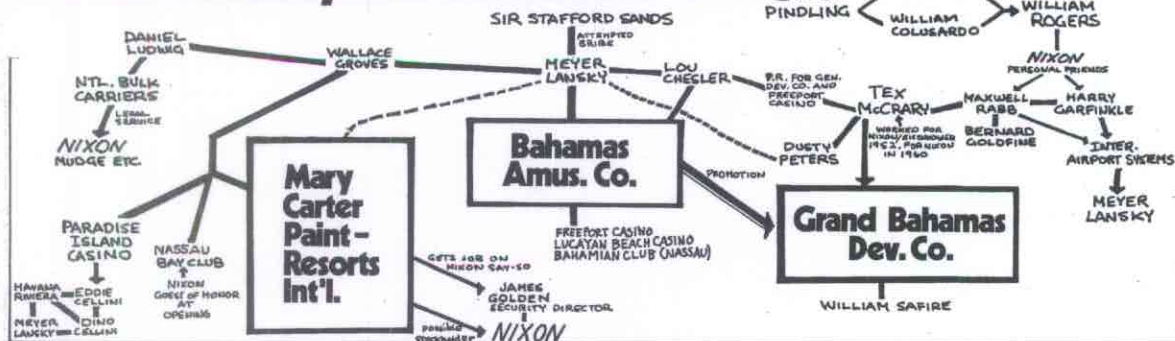
A few months after his testimony, Hoffa was granted clemency after serving less than five years of his thirteen-year sentence. The freeing of Hoffa and three co-defendants of the 1963 wire fraud pension case is the latest and most crucial event in Nixon's longstanding friendship, a friendship with some clear public benefits for both. Jack Anderson documents, for example, that as early as 1960 then-Vice President Nixon and Attorney General Rogers intervened to halt an indictment against Hoffa in exchange for Hoffa's support in the 1960 election.

ANICO—More Of The Same In Texas

In recent years the Teamster fund has been superseded by a giant Texas insurance company as a major source of finance for Las Vegas casinos tied to the mob. The company is the American National Insurance Company (ANICO) of Galveston, Texas. ANICO is close to the heart and pocketbook of the two ranking Texans in the Nixon administration—former Treasury Secretary

"The shift of organized crime from Cuba to the Bahamas is symbolic of the major underworld realignments that took place after the Cuban revolution. Among others who found the Bahamas a suitable substitute for Cuba was our old gambling friend, Richard Nixon."

AFTER CUBA, THE BAHAMAS



CARL MUECKE

"It was in 1967—with Lansky still okaying junkets and Cellini still running the Paradise Island Casino—that Richard Nixon and Bebe Rebozo became friends with the heads of the casino, Resorts International."

John Connally and former Assistant Attorney General Will Wilson.

As well as floating more than \$40,000,000 to Las Vegas casinos and \$13,000,000 to premier mob attorney Morris Shanker, ANICO has made loans to two Florida companies close to Richard Nixon—\$1,750,000 in 1966 to the Mary Carter Paint Company, and \$3,000,000 in 1970 to a subsidiary of Worldwide Realty.

That year a group of disenchanted stockholders filed a multi-million-dollar suit, charging ANICO officials with having taken control of the company and using it as a private preserve as well as a source of funds for the mob.

The defendants in the suit hired Nixon's New York firm to handle the case. Connally's Houston law firm has also been used by ANICO. The First National Bank of Houston of which Connally was a director and in which some of his law partners were officers, has provided an interest-free account of more than \$1,000,000 for ANICO. Connally was also a director of a savings association which was purchased recently by ANICO.

Will Wilson was "general" of the Justice Department's "war" on crime from 1969-1971. He was head of the Criminal Division until October 1971, when his resignation was forced by disclosures tying him to the scandal-ridden financial empire of Texas wheeler-dealer Frank Sharp. Wilson has been charged by dissident ANICO stockholders of helping to drag ANICO into the twilight zones of finance with such deals as the 1963 absorption of a defaulted \$450,000 mortgage held by Sharp. Sharp's attorney and "financial advisor" on the deal was Will Wilson.

While Attorney General of Texas, Wilson sued the foundation which controlled ANICO to bring three new trustees onto the foundation's board of directors. Wilson has no visible ties to the new trustees, whose votes were instrumental in shaping the company's new financial course. But dissident stockholders have charged that the "negotiations" that brought on the shift of control in the foundations were handled by a Galveston law firm linked to the mob. The stockholders also claim that John Connally played a role in these negotiations, albeit a "backstage" role. The ANICO case is part of a long history of Wilson's involvement with the Galveston underworld.

When he came to the Justice Department in Washington, Wilson discovered the organized crime division looking into the affairs of ANICO. Since then there have been no indictments in the case and there are reports that Wilson had the ANICO files locked safely in his personal office. One source of those reports is Stewart Hopps, a former Justice Department investigator.

Some serious conflict-of-interest charges concerning ANICO remain:

- The officers of ANICO who were later represented by Nixon's law firm, made a loan to a company whose top officers are long-time friends of Nixon.

- The criminal division of the Justice Department has been headed by a man with direct links in a company the division is supposedly investigating.

- The company also has clear ties to Nixon's former Treasury Secretary, a man mentioned for the Vice Presidency, the national chairman of Democrats for Nixon, and a key figure in the President's re-election scheme.

[WHOSE JUSTICE DEPARTMENT?]

The ANICO case takes us to a fitting endpoint to the story of Richard Nixon's involvement with the underworld—the Department of Justice. It is an old saw that criminal and criminal-chaser eventually become involved in the same business, but in Richard Nixon that old saw has become more of a reality than perhaps ever before in American history. For Richard Nixon is a man whose name has been synonymous with "law and order" in America for three decades.

Yet the four-year "war" on organized crime by the Nixon administration bears more resemblance to the "peace" in Vietnam than a sincere effort to get at the mob.

In a recent interview in *U.S. News and World Report* (September 11, 1972), Attorney General Richard Kleindienst hailed "about 1500" indictments of underworld figures brought by the Nixon administration in the past three and a half years. The Justice Department claims that many of these indictments involve top mobsters.

Those outside the Nixon administration, however, have charged that the government's prosecution has been both partisan and selective, aimed exclusively at mobsters linked to big-city Democrats such as in Newark, and at the "little fish" who are always in abundance and who make little difference in conducting mob business. *Time* has reported that quotas have been established (i.e. one hundred hoodlums a month for New York City) and that arrests are "being delayed so that future quotas can be filled." The *New York Times* has editorialized about the ease with which petty gamblers can and have been rounded up, and wondered aloud if the Justice Department isn't conducting more a publicity war than one on organized crime. *A Times* report this year found the government was building up a backlog of gambling indictments, saving them for a crucial time during the election campaign.

Indeed, while the Nixon-Agnew-Mitchell team has used the spectre of "CRIME" to keep the fear level high and to guarantee large budgets and expanded powers for their Justice Department, the actual "attempts" of the Nixon administration to cope with organized crime have resembled a somewhat sinister update of the Keystone Cops.

For example, up to 1,000 of Kleindienst's vaunted 1600 indictees in gambling and organized crime may have their cases thrown out for somewhat dubious "improper procedures" technicalities. A Miami attorney named James Hogan has "discovered" irregularities on signatures required for electronic surveillance authorizations. Court-approved wiretaps require written authorization by the Attorney General of a designated representative. In this case Will Wilson. Instead of being signed by John Mitchell or by Wilson, the authorizations in question were signed by aides, thus rendering thousands of wiretap authorizations—and the indictments based on them—useless.

Hogan himself is a long-time syndicate attorney and a partner of Ben Cohen, a former political boss of Miami Beach who figures prominently in the Forties' takeover of Miami by organized crime. The case in which Hogan made

his discovery involved the busting of the largest heroin/cocaine ring in Miami, many of whose members were Cuban refugees. Inspection of various court papers, including wiretap authorizations, confirmed "irregularities" in the signature—Will Wilson's signature. While resembling his actual handwriting, the signatures appeared as "Will" instead of "Will."

While it may seem strange for an aide to misspell his boss' name, it seems even stranger that Hogan took the case. His normal fees start in five figures but he has been working on behalf of his court-declared indigent client for more than two years with minimal compensation. While Hogan is known as a "very thorough" attorney, it would be interesting to find out more about the circumstances in which he discovered the "irregularities."

Even more interesting, perhaps, are the circumstances under which Richard Kleindienst was offered a bribe of \$100,000 to quash several mob indictments. In sworn testimony last November Kleindienst admitted to being offered the \$100,000 bribe (which would be paid in the form of a contribution to Nixon's 1972 campaign) in exchange for stopping prosecution against several underworld figures caught in a stock fraud case. The bribe was offered by an aide of Senator Hiram Fong, a Republican from Hawaii. The aide had worked previously with Kleindienst through Fong's position on the Senate Judiciary Committee. Kleindienst said he refused the offer but he also said he did not realize it was a bribe for an entire week!

In cross examination, the prosecutor asked Kleindienst, "if you had regarded the conversation as something regarding a bribe offer you would have immediately reported it, would you not?"

"Yes sir," replied Kleindienst, "I would have." Kleindienst admitted he reported the bribe a full week later, upon learning from J. Edgar Hoover that Federal agents were investigating the case.

One would expect the Attorney General of the United States to be more alert. But what is more troubling are reports aired in the *Washington Post* shortly after the indictments in the stock fraud case in question (and ten months before Kleindienst's testimony on the bribe.) Those reports quoted "sources at the U.S. Attorney's office in New York" and indicated that after the meeting between Kleindienst and Fong's aide, "Kleindienst immediately contacted Justice's Criminal Division [then headed by Will Wilson] and ... an FBI agent was assigned to infiltrate the group of alleged conspirators."

Do we now believe Kleindienst's story that he "didn't realize" he had been offered a bribe, or do we believe the U.S. Attorney's office in New York? Did Will Wilson and the Justice Department hold off a week while Kleindienst "made up his mind" that he had been offered a bribe, or was the decision whether or not to take it? And did Hoover and the FBI somehow interfere?

Perhaps the answer comes in the final outcome of the actual prosecution involved. The defendants in the stock-fraud case included Meyer Lansky's son-in-law, a former director of the Bank of Miami Beach and Johnny Dio, a notorious racketeer long associated with Jimmy Hoffa. They were acquitted, while the messengers who offered the bribe were convicted. One wonders if that \$100,000 did not find its way into the Republican secret treasury after all.

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The Tip of the Iceberg

"The organized criminal relies on physical terror and psychological intimidation, on economic retaliation and political bribery, on citizen's indifference and government acquiescence. He corrupts our governing institutions and subverts our democratic processes."

—Richard Nixon, April 24, 1969

Someone should tell President Nixon that resisting the power of organized crime demands, above all, a President with a clean slate.

Nixon's life is like a complex jigsaw puzzle, the pieces of which have been shuffled so as to defy complete reconstruction. Some of the crucial pieces have been removed, so a full picture cannot be achieved. It is no accident that no other politician has been so much written about, yet so little understood.

Indeed, much has been made of the "enigma" of Richard Nixon, his tight-lipped bearing in relation to his personal life, his unwillingness to divulge what's really on his mind.

But maybe the answer to the enigmas lies in his old poker-playing instincts, in the unflinching ability to keep quiet when he's sitting on cards best hidden from the table.

For there is one indisputable fact about Richard Nixon's career—his ascendancy to the pinnacle of American power has required twenty-five years of care and feeding by some very wealthy and very reactionary men, and an extraordinary number of them have maintained connections with the world of organized crime.

During Nixon's years in office the underworld empire in the United States has prospered almost unrestricted by the Federal government. From its base in the gigantic resources of heroin traffic, gambling, prostitution, "protection," and a host of other enterprises of violence against society, organized crime has moved like a bulldozer into the world of legal, "respectable" business.

Every link between Richard Nixon and organized crime, however marginal, is of significance, if for no other reason because he is President. And there are people all over America, from government intelligence agents to hotel waiters, who have Nixon stories to tell. He covers his tracks well, but not well enough.

The full extent of Nixon's involvement with organized crime is just beginning to surface. The evidence in this article is merely the tip of a dirty iceberg that will slowly become visible over the coming years.

The milieu in which he has traveled for three decades, and in which so many of his friends, associates, and appointees have been related to the mob, throw a long and permanent shadow over everything Richard Nixon the "public servant" has ever said, and over everything his political life has ever meant.

For in light of his career, both past and present, Richard M. Nixon seems to be the factual embodiment of Ralph Salerno's prediction that organized crime would someday put its own man in the White House. **A**

The information in this article was gathered during a six-month investigation carried out in many cities, primarily Miami, New York, Washington D.C., Los Angeles, San Diego, Las Vegas, Dallas, Austin, Galveston, Tallahassee, and San Francisco. Sources included interviews with over a hundred people; court documents (including deeds, mortgages, etc.); research in the National Archives, Washington D.C.; organized crime intelligence files (both private and government); and newspaper clippings.

There is a sixty-minute documentary film based on some of the material in this article. The film and article are part of a continuing effort to investigate key personalities and institutions in America. Readers are urged to write in any suggestions or new information for future projects to: Investigative Institute, c/o SunDance, 1913 Fillmore, San Francisco, 94115. Copies of and information about the film can also be obtained by writing this address.

