

The Washington Post

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SUNDAY,

In Philadelphia, Every

THE OLDEST DAILY NEWSPAPER IN THE UNITED STATES—FOUNDED 1776

The Philadelphia Inquirer

PUBLIC LEDGER

AN INDEPENDENT NEWSPAPER FOR ALL THE PEOPLE

SUNDAY MORNING, APRIL 16, 1967
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FINAL CITY
EDITION

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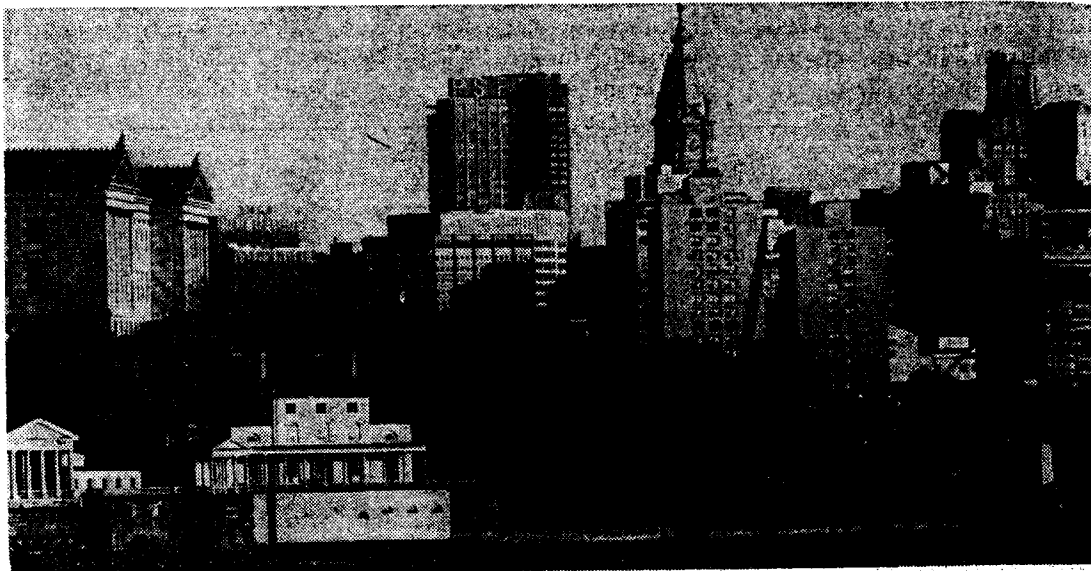
EDITORIALS

COLUMNISTS

APRIL 23, 1967

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body Reads About Harry



The Philadelphia skyline as seen from the Schuylkill River and Expressway.

By David A. Jewell
and Peter Winterble

The authors were until recently members of the staff of the Philadelphia Inquirer.

IN PHILADELPHIA, nearly everybody is talking about the Inquirer—and star reporter Harry J. Karafin. And no wonder.

Two weeks ago, the slick, local magazine Philadelphia published an article charging that Karafin, an investigative reporter, had used his reporter's contacts and the threat of exposure in the Inquirer to further a lucrative behind-the-scenes career as a shakedown artist.

Last Sunday, the Inquirer, with "profound sadness and bitter regret," said Karafin was all that and more. In a front page statement signed by "The Board of Editors," the Inquirer said there was sadness "because within our own family we find human weakness which we deplore" and regret "because, by the fact that that weakness was able to flourish within our family, there was blindness as well."

The Inquirer followed this with a 10 column denunciation of Karafin, publicly struck its breast and admitted error in a manner unprecedented in modern American journalism.

The Karafin Denial

KARAFIN DENIES ALL. "I don't know what the hell it's all about. The articles are completely false and I have retained an attorney to sue Philadelphia (magazine) and the Inquirer. I didn't do any of these things. Other people did and used my name." A libel suit has been filed against the magazine and one is planned against the paper, Karafin said.

Shortly before the magazine article hit the streets, the Inquirer—which had

learned of its contents in advance—fired Karafin for "conduct unbecoming a reporter and neglect of duty."

The essence of the paper's charge was that for six years, sometimes with a man at his side (who has been identified by authorities as a Mafia enforcer), Karafin took substantial sums from a host of petty racketeers in return for not exposing them in the columns of the Inquirer.

Business was good. In one year, Karafin netted \$80,000. Other years were almost as good. In the process, he encountered the local Mafia family. At one point, authorities claim he was under a Mafia sentence of death but, amazingly, talked his way out of it.

A Stunned Populace

THE REVELATIONS stunned the people of Philadelphia. At every level of life—business, civic, social, professional, political—Karafin was last week's prime topic of conversation.

Many people felt the credibility of their only morning newspaper was in serious jeopardy. They were dumbfounded to learn that one man could turn a major American newspaper into his personal weapon. Politicians in particular shuddered at this thought.

The scandal that set a city of 4 million people on its ear began to break last June when a Philadelphia Police fraud squad detective made a routine arrest of a man who passed a phony \$20 check.

Afraid of a prison sentence because he had a record, the man asked if he could make a deal by "turning over" two armed robbers. Police were interested. As a result, two men were arrested for a series of armed robberies.

They, in turn, gave information that led to the arrest of Sylvan Scolnick, a 29-year-old, 642-pound criminal genius.

Scolnick was sentenced to five years in Federal prison for masterminding a \$640,000 fraudulent bankruptcy.

In prison, Scolnick started talking—and when he was through, so was Karafin.

The Inquirer's account of Karafin's last six years as a reporter reads like a journalistic horror story.

It turned out that during the time Karafin was assigned to investigate charges that a maintenance company was cheating the city of several hundred thousand dollars annually by bribing city officials to overlook shoddy work, he was on the company's payroll at \$15,000 a year.

Two vice presidents of the First Pennsylvania Banking & Trust Co., the city's largest and most respected, admitted the bank paid Karafin and an associate \$12,000 a year "to keep him out of our hair."

Once, Karafin planted a false story in the paper saying that a warrant had been issued for the arrest of the head of a large loan company. He waited three days and then approached the man in question and demanded money to prevent further stories. The executive paid Karafin \$14,000 over four years.

\$10,000 Scoop

AT ONE POINT, a minority stockholder in a small private hospital gave Karafin documentary proof that a hospital official had been dipping into the till to buy private airplanes and flashy cars. Karafin demanded a fee of \$10,000 to write the story. But the stockholders refused to pay and the story was never published.

When the State Senate began holding committee hearings to investigate the inner workings of finance companies, Karafin was awarded a "public relations" contract by an association of finance companies. He and an as-

sociate were paid \$1000 a month to keep bad publicity about members out of the Inquirer.

The head of a home repair company paid Karafin \$5000, plus \$100 a week, to prevent an expose that might put him out of business.

The executive of a development company put Karafin on the payroll for \$150 a week when he threatened to expose the fact that the company was financially unsound—and thus jeopardize a forthcoming public stock offering.

In return for not exposing the shady dealings of a fly-by-night consumer finance company, Karafin was paid \$15,000 cash and \$500 a week.

Four months later, when the company tottered on the brink of bankruptcy, Karafin wrote the story anyway.

The story didn't win an award, but many he wrote did. In an upstairs room of his \$45,000 custom built home the 52-year-old Karafin kept a large collection of plaques, awards and citations picked up in his 29 years on the paper.

Juicy Gossip

BUT BY THE END of last week, Karafin himself—and not his stories—was under discussion. Among Main Line socialites, it was a juicy piece of gossip.

One prominent society and civic leader said that if she were the Inquirer publisher, she would examine her conscience "to see how this could have gone on without my knowledge, and how it had been allowed to go on."

Downtown, in the high center city office buildings where the business of the country's fourth largest city is conducted, others of the civic-business-social set said the story hit the city "like a bomb."

Privately, several agreed with the

words of one who said he knew enough "to stay away from Karafin . . . he's wired for sound 24 hours a day . . . he can stab you in the back . . . he can keep stories out of the paper or get them in."

Privately, too, they leveled their severest criticism at the Inquirer. A top stock exchange official said "frankly, most of us feel the Inquirer is a second-rate newspaper . . . this sort of confirms it."

A politically prominent lawyer said "It's hard to believe that the Inquirer could be as naive as it's putting itself up to be. As a lawyer, I've heard for five years that Karafin could be bought off, could keep things out of the paper for a price."

Inquirer Supported

CRITICISM FROM other lawyers, and also judges, was equally severe, but many agreed with United States District Court Judge Ralph C. Body, who said the Inquirer "did a terrific job in exposing him (Karafin) as soon as they knew about it."

Dr. Gaylord P. Hornwell, president of the University of Pennsylvania, said "my first impression was the breed of integrity which the Inquirer showed, to display in its own columns the improper behavior of one of its employees. It gives me a feeling of gratitude to know the Inquirer would do this."

But S. Regens Ginsberg, chairman of the Philadelphia Bar Association's board of censors, said the Karafin story "came as a startling surprise to those who read his column regularly . . . it is so unbelievable that this situation persisted so long . . . I'm astounded they didn't find out before this."

A lawyer and former assistant United States Attorney, John P. Kelly, said "all papers should have a system of checks and balances" to prevent re-

porters from using their position as a lever to personal gain.

Tom Foglieta, a Republican member of the City Council, said the situation worried him "because he had been known as a good reporter. It's a bit frightening to anyone, whether in business or in public life, to know that a man has been able to use the power of a large newspaper to extricate money from people."

Foglieta, like the other 16 members of the City Council, knew Karafin well. Every politician in town knew "Harry." They knew him, and feared him—as did the heads of the Police Department, the city's top lawyers, judges and doctors, and others who took part in civic life.

Karafin's Sources

FIRST ASSISTANT United States Attorney J. Shane Creamer, a dedicated racket buster, has often said "if I had half the sources in this town that Harry has, and knew the things he does, I could really clean house."

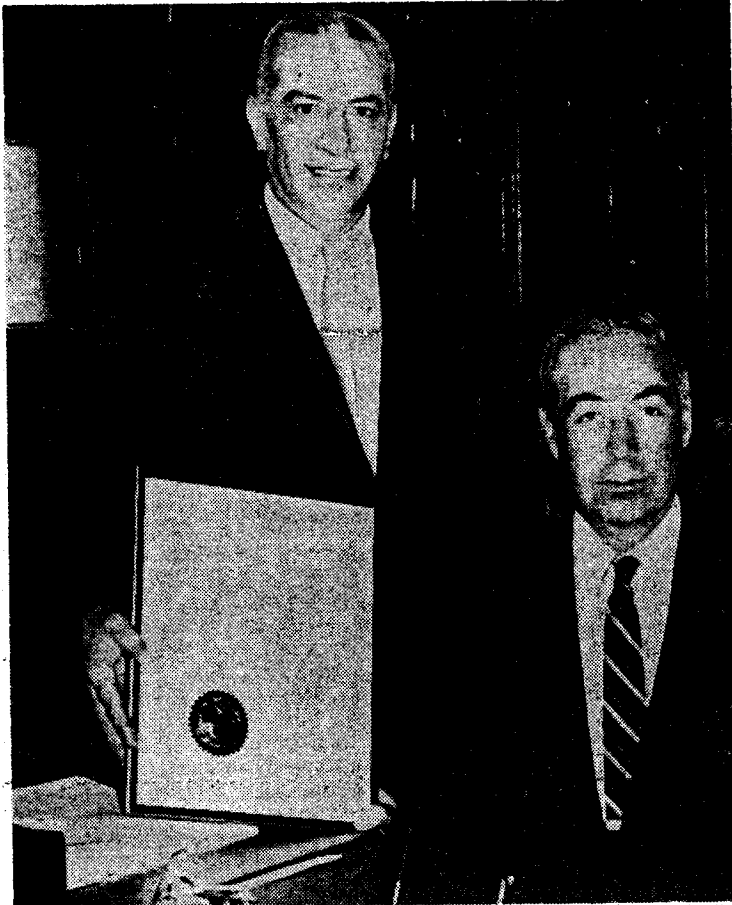
Harry did have fantastic sources and a wealth of knowledge about what was really going on in Philadelphia.

A former assistant District Attorney, John R. Sutton, says he often saw Karafin freely rifling files in the DA's office—files that no other reporter in the city had access to.

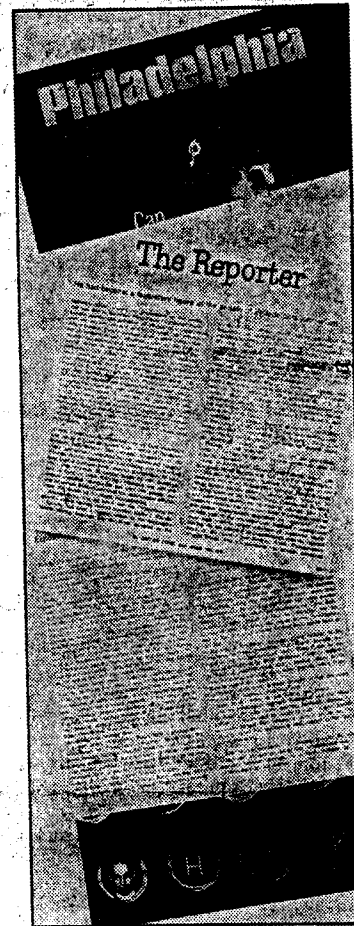
Considering only the technical aspects of the qualities that make a good reporter, Karafin deserved the awards he won. Undue modesty, however, was never one of his shortcomings. He was aggressive and mouthy and not particularly adept at the finer social graces.

He often boasted that there wasn't a big wheel in town he didn't know in-

See KARAFIN, Page C7, Column 2



Harry Karafin receiving a commendation certificate for one of his exposes from former Gov. William Scranton of Pennsylvania.



The magazine spread.

KARAFIN, From Page C1

timately, a politician he didn't have something on or a gangster he didn't know the whole story about.

When a 1961 kickback scandal arising out of elevated railway repair contracts broke, it was Karafin who scooped the town.

When a sex-deviate confessed to the murder of a little girl, it was Karafin who obtained a copy of the confession.

And in 1966, it was Karafin who came up with the exclusive series of stories about corruption among the city's magistrates that resulted in five magistrates being suspended and two being jailed.

Around the Inquirer city room Karafin was loud and breezy. He wore a succession of large and showy diamond rings and gold watches, of which he seemed to have quite a few.

Often Harry would approach a reporter working on

a crime story and ask for information. Often the reporter would have confidential and off-the-record facts that would never appear in a story.

Unwittingly, reporters would tell all to Karafin. According to the accusations against him now, Karafin was then in the employ of persons they were writing about.

(On the other hand, when other reporters came across information involving Karafin's "beat," editors told them to stay out of the star reporter's territory.)

Two years ago, while he was still Attorney General of the United States, Nicholas Katzenbach, in an unguarded public moment, said "half the people in Philadelphia are on the take."

The case of Harry Karafin does not disprove this.