

Black Market in Air Tickets Cited

By Jack Anderson

The latest racket, stimulated by the cutback in airline flights, is black market in tickets.

Government documents, intended for official eyes only, describe a "massive marketing of stolen and counterfeit tickets." Organized crime has been named as "the major distributor," although "hundreds of entrepreneurs" operate on "a small but lucrative scale."

Two government agencies, the FBI, a federal grand jury, the police of at least three states and two Congressmen are moving quietly to break the flourishing black market. Here are the backstage developments:

• Rep. John Murphy, (D-N.Y.), in a private letter to House Commerce Chairman Harley Staggers, (D-W. Va.), has reported that the traffic in stolen and counterfeit tickets is costing the airlines "several millions of dollars ... three million stolen tickets having gone through Los Angeles International Airport alone." Murphy asked for "immediate hearings" on his bill to curb the illegal tickets.

• The federal grand jury investigation, according to an internal report, "involves approximately 7,000 stolen tickets from four agencies and airlines in

the New York metropolitan area." Already, 175 people have appeared before the grand jury, and "arrests are scheduled for the latter part of January, 1974."

• William Halligan, the Federal Aviation Administration's security chief at New York's vast Kennedy Airport, has reported confidentially: "I have learned that there has been communication between the police in the states of New York, Florida and Nevada, and sometime next month, they hope to blow this (ticket scandal) wide open..."

• The Civil Aeronautics Board has warned that a blackmarket in legitimate tickets can also be expected. In a private letter to Congress, Chairman Robert Timm has cautioned: "We envision the very real possibility of some ticket agents buying up blocs of seats well in advance of flight dates and then reselling these seats to the public at inflated prices. Because of the scarcity of transportation, the public could well prove willing to pay these scalpers' prices." The CAB wants authority from Congress to crack down. The necessary legislation has already been introduced by Rep. John Dingell, (D-Mich.).

Most airline tickets disappear in shipment. FAA documents

say the tickets are printed by Rand McNally and are shipped around the country by truck. "Theft from these shipments is the main supply to the criminals," states one memo.

The "second largest loss," according to the memo, occurs within the travel agencies "through careless management." A "popular criminal activity" is to "purchase a travel agency, sell all the tickets available, make no payments to the airlines and close the door of the agency." This is known in the trade as a "Bust Out Operation."

Another memo reports that the ticket bootleggers range "from a husband and wife team who formerly worked for a New York airline to a maitre d' pushing tickets in a prominent New York restaurant. They don't advertise, but by word of mouth their clientele covers every walk of life. One recent case involved an elderly grandmother, her grandson (and) a nephew who could get it for her wholesale."

The basic problem, states an internal report, is "the lack of central control for all airline tickets." The airlines are also required to honor the bootleg tickets. Complaints to the police, at least in the past, have

produced negligible results. Explains the report: "The police are hampered by local courts who consider an individual in possession of a ticket as a petty offender."

Watergate Merry-Go-Round—While the world waits for the Senate Watergate Committee to reveal more evidence of high-level skulduggery, the committee staff apparently has unlimited time to pursue low-level nonsense.

In November, the staff spent two weeks probing the source of what some of the staff members considered unflattering remarks about themselves which appeared in Rolling Stone, the pop weekly. As a result, Scott Armstrong, a committee investigator, was suspended without pay for a month.

Now, Wayne Bishop, a former Connecticut State Police inspector, has been assigned to find who on the staff has been making unauthorized long-distance telephone calls.

In the first day, according to staff members, Bishop discovered the sources of about \$40 worth of calls, and the miscreants were forced to pay up. There is some doubt, however, about the cost-effectiveness of the campaign, since Bishop is paid \$26,500 a year.

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