

Dick Nolan

The long happy career of C. Arnholt Smith

Into my bulging "crime & punishment" file goes the case of Arnie Smith, bank robber, more formally known as C. Arnholt Smith.

Arnie had a bank. Arnie had a conglomerate corporation. Arnie had a brokerage firm. Arnie had a lot of corporations. Arnie had the Federal Deposit Insurance Corporation guaranteeing his depositors' money.

By juggling everything, Arnie fixed it so money drained from the bank and into his other accounts. It was a spectacular looting, carried out over a period of years. Arnie got very, very rich.

During all this time, Federal officials and functionaries who are supposed to see that what Arnie did does not get done were, in Arnie's case, curiously myopic.

In the event, Arnie fell when his good friend Richard Nixon fell. The Feds closed him up. He was criminally charged in a sheaf of indictments. Nobody even knew

how much the total loot amounted to — maybe even Arnie doesn't know — but \$100 million looked like a modest guess.

Do you know what happened to Arnie? Petty shoplifters have fared far worse when caught up in the criminal justice system.

Arnie came before Federal Judge Robert Schnacke, an appointee of Richard Nixon.

It was not required of Arnie that he plead guilty or not guilty. He was allowed to plead "no contest" and thus avoid a trial.

Judge Schnacke sternly held this to be equivalent to a guilty plea (oh, sure) and thereupon administered unto Arnie the kind of punishment reserved for very, very rich defendants in very, very spectacular robbery cases.

Arnie was fined \$80,000!

But the court proceeded to temper mercy with mercy. Arnie was only required to pay that fine at the rate of \$100 a month, it

shouldn't hurt so much, and Arnie, at 76, should live so long.

And Arnie was put on probation.

Was all this a considerable favor to Arnie? It was, indeed. If the government had been allowed to go ahead and prove its case, and Arnie had been proved guilty instead of merely being found "equivalent" to guilty, it would have embarrassed him enormously.

Rudely awakened creditors are now suing C. Arnholt Smith in a blizzard of litigation for the recovery of money.

A "guilty" verdict after a proved case in criminal court would have been sauce for the creditors. Now the creditors have to do it the hard way.

Arnie is supposed to have funneled more than \$1 million into Richard Nixon's campaign. It is only out of chauvinism that I mention he also poured, or tric-

kled, some thousands into the campaigns of our own Joe Alioto, the Mayor of the town.

It's a local angle also that Arnie's master corporation, Westgate, owns San Francisco's semi-monopoly cab company, Big Yellow, which recently retained its exclusive lock on cab traffic at San Francisco Airport.

Arnie's bank was a repository for funds of the Central Teamsters Pension Fund, the biggie in whose affairs all those organized crime names keep appearing.

The Teamsters Fund put money into that plush La Costa resort. So did Arnie's bank.

It all made Arnie a pack of friends over the years, and I am sure that if he ever has trouble raising that \$100 a month they'll give the guy a benefit.