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A Congressman Meets a Crook

By Jack Anderson and Les Whitten

Two strange, secret meetings occurred last November between a prominent congressman and a notorious criminal. The congressman, who is under grand jury investigation, wanted to hire the criminal to check on a key witness. The subject of murder was discussed briefly and obliquely.

Gruff, crewcut Rep. Henry Helstoski (D-N.J.) arranged the mysterious meetings with stocky, swarthy Frank Peroff, an underworld figure who has become a government informant.

We have obtained tape recordings, which give a detailed account of their private conversations. The only dispute that remains is over who brought up the suggestion of murder. Both men swear it was the other.

To understand this bizarre tale of intrigue, some background is necessary. Federal prosecutors are investigating charges that Helstoski collected kickbacks from illegal aliens in return for introducing private immigration bills. These bills stopped, at least temporarily, their deportation.

His former aide, Albert DeFalco, already has been convicted of shaking down the aliens for \$36,000. At DeFalco's trial, the congressman said he had introduced the bills out of sympathy for the aliens and had not participated in any kickback arrangement.

The most damaging witness against DeFalco was a Chilean, Oswaldo Aguirre, whom the prosecutors are also using to build a case against the congressman.

Last October Helstoski came across

a news item about Peroff. The paper quoted the racketeer as boasting: "I made my name smuggling people and money out, using planes. That was my thing . . . In Chile, we smuggled out damn near a billion dollars, and some of that was for American companies."

The impressed Helstoski sent Peroff a cryptic letter on his congressional stationery. "Having seen the enclosed news clipping," wrote the congressman, "I would like to discuss this particular matter with you and perhaps retain you if you could fulfill some requirements."

The racketeer responded with the suggestion that they meet at Washington's Dulles airport, where they would attract little attention in the flow of strangers. Peroff was also worried about retaliation from the mobsters he had helped put in prison. At Dulles, they would have to pass through weapons detectors to reach him.

Helstoski showed up with his secretary, Kathy Dunn. The congressman told Peroff that he wanted to hire an investigator to go to Chile and check into the background of the government witnesses, particularly Aguirre.

Peroff bragged about his criminal accomplishments and offered to accept the Chilean assignment for \$50,000. The congressman complained that the price was too high. He was sufficiently interested in Peroff's services, however, that he asked for a second meeting.

Helstoski claimed afterward, according to the tapes, that all he wanted Peroff to do was seek out "the truth."

But Peroff contended: "That's not all he wanted. He said he thought the men (witnesses) had unsavory pasts, and he wanted me to bring back evidence of it. But he also said that if I couldn't find legitimate evidence, I was to bribe local officials to fabricate whatever was needed."

Then came the alleged murder suggestion. "If I was unsuccessful at that," Peroff added, "I was to 'make sure they're not around' for a trial."

The tapes contain Helstoski's vigorous denial.

Luxury Travel — The World Bank, Inter-American Development Bank and the International Monetary fund were set up to loan money to undeveloped nations. But not all the money goes to help poor countries.

The three prestigious banks have spent more than \$500,000 in the last two years, for example, to pay the travel expenses of wives who accompanied bank officials on business trips.

A Treasury Department study showed the World Bank during a 21-month period "funded 268 trips by spouses." In 44 cases, the bank paid not only for transportation but subsistence. The average wife's travel expenses ran well over \$2,000.

The Inter-American Development Bank paid the way for 76 wives to accompany their husbands during the same 21-month period, at an average cost of \$710. The International Monetary Fund paid the wives' expenses in 26 cases, shelling out an average of more than \$2,000 per trip.

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See also separate story by Scott Armstrong, this date.