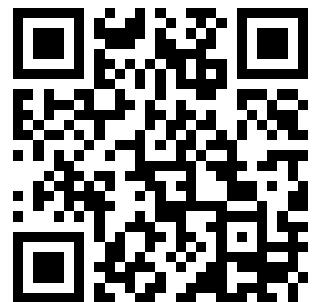
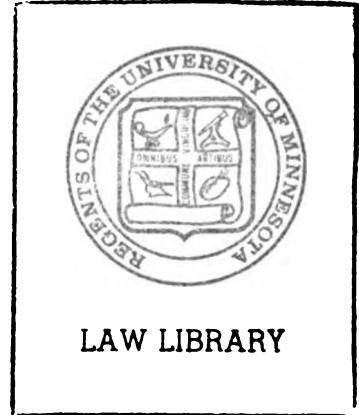

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Reckittow - J
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UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 81-2

September Term 1982

Division for the Purpose of
Appointing Special Prosecutors
Ethics in Government Act of 1978

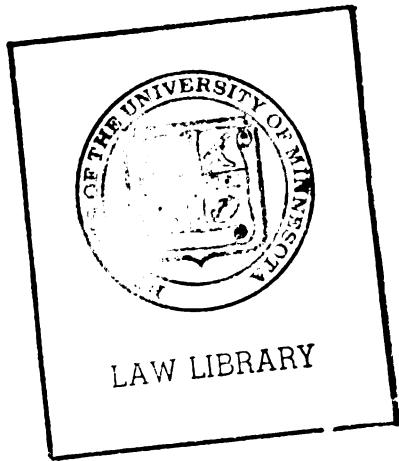
Before: Robb, Senior Circuit Judge, Presiding, Lumbard, Senior
Circuit Judge, and Morgan, Senior Circuit Judge

APPENDIX AND EXHIBITS TO
REPORT OF THE SPECIAL PROSECUTOR

Volume 3

June 25, 1982

Leon Silverman
Special Prosecutor



US- J1.2/2: D71 arb# v.3

Silverman
Report of the special
prosecutor

~~115-
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NOTICE

This is the edited version of the four-volume, 1025-page Report of the Special Prosecutor, released pursuant to Court Order. All grand jury material and certain informant information--including entire allegations--which, if disclosed, could jeopardize the lives of the informants, has been deleted. None of the conclusions has been modified in substance.

SEP 23 1982

455126

REPORT OF THE SPECIAL PROSECUTOR

APPENDICES

<u>Appendix</u>	<u>Document</u>
A	Report of the Attorney General, December 23, 1981
B	Order Appointing Special Prosecutor, December 29, 1981

UNITED STATES COURT OF APPEALS

FOR THE

United States Court of Appeals
for the District of Columbia Circuit

DISTRICT OF COLUMBIA CIRCUIT

FILED DEC 23 1981

SPECIAL PROSECUTOR DIVISION

GEORGE A. FISHER
CLERK

REPORT OF THE ATTORNEY GENERAL :
PURSUANT TO 28 U.S.C. §592(c)(1) :
SUBJECT: SECRETARY OF LABOR :
RAYMOND J. DONOVAN :

No. 81-2

In accordance with Section 592(c)(1) of Title 28,
United States Code, as added by the Ethics in Government
Act of 1978, Public Law 95-521, I, William French Smith,
Attorney General of the United States, make the following
application to the Court for the appointment of a Special
Prosecutor.

1. Allegation

On September 21, 1981, an informant told an attorney
in the Criminal Division of the Department of Justice that
he was present at a meeting in May or June 1977 in a
restaurant in Long Island City, New York when an official
of Schiavone Construction Company made an illegal cash
payment to a union official in the presence of Secretary of
Labor Raymond J. Donovan, who at the time was Executive
Vice-President of Schiavone Construction Company. I was
informed of this matter for the first time on December 2,
1981.

Appendix A

2. Reasons for the Application
for a Special Prosecutor

Section 186 of the Taft-Hartley Act, 28 U.S.C. §186, prohibits any knowing transfer of money from a statutory employer to a representative of a labor union with certain exceptions not pertinent here.¹ If the informant's allegation is true, the payment constitutes a violation of Section 186. As Secretary of Labor, Mr. Donovan is a person covered by the Special Prosecutor provisions of the Ethics in Government Act ("the Act") by virtue of being Secretary of Labor, 28 U.S.C. §591(b)(2).

Because the informant's allegation presents "specific information" that Secretary Donovan may have committed a federal offense, a preliminary investigation was undertaken by the Department of Justice. Secretary Donovan denied the allegation in an interview with the Department of Justice. The other three Schiavone officials allegedly present at the meeting also have denied the allegation in affidavits. No direct corroboration of the informant's allegation has been discovered.

¹ A full text of 29 U.S.C. §186 is attached as an Appendix hereto. Violations of Section 186 are punishable by a fine of up to \$10,000, or imprisonment of up to one year, or both.

The attorney representing the union official alleged to be the recipient of the payment has refused to permit his client to be interviewed with respect to the alleged transaction. It is impossible to complete this investigation without exhausting all appropriate legal means to obtain this official's testimony. Under the Act, it would be inappropriate for the Department of Justice to compel the union official's testimony either through grand jury subpoena or through court order after a grant of immunity. Such investigative steps are only available to a Special Prosecutor.

3. Proposed Jurisdiction of the Special Prosecutor

I recommend that the jurisdiction of the Special Prosecutor include the investigative and prosecutive actions arising out of the allegation regarding the \$2,000 payment. In addition, the Special Prosecutor's jurisdiction should include any allegations concerning the truthfulness of Secretary Donovan's testimony at his confirmation hearings on matters relating to the informant's allegation.

The Department of Justice has several active investigations involving Schiavone Construction Company which do not involve Secretary Donovan. Because of the complex, ongoing nature of the investigations, the Department intends to maintain jurisdiction over these matters, recognizing

that if any specific information within the meaning of the Act is uncovered, the procedures mandated by the Act will be followed. To the extent the Special Prosecutor finds that such additional matters should be within his jurisdiction, he can apply to the Court or the Attorney General pursuant to 28 U.S.C. §594(e).

Because of the relatively brief time period left under the statute of limitations for the \$2,000 allegation, I recommend that the Court move as expeditiously as possible in naming and having in place a Special Prosecutor. To this end I will make available any and all Department of Justice prosecutors and investigators who are familiar with this matter to serve in any manner the Special Prosecutor sees fit. The Special Prosecutor should possess the authority and duties provided in Section 594 of Title 28, United States Code.

Respectfully submitted,



William French Smith
Attorney General of
the United States

Dated: December 23, 1981

APPENDIX

Section 186 of the Taft Hartley Act, 29 U.S.C. § 186.

§ 186 Restrictions on financial transactions

(a) Payment or lending, etc., of money by employer or agent to employees, representatives, or labor organizations

It shall be unlawful for any employer or association of employers or any person who acts as a labor relations expert, adviser, or consultant to an employer or who acts in the interest of an employer to pay, lend, or deliver, or agree to pay, lend, or deliver, any money or other thing of value—

(1) to any representative of any of his employees who are employed in an industry affecting commerce; or

(2) to any labor organization, or any officer or employee thereof, which represents, seeks to represent, or would admit to membership, any of the employees of such employer who are employed in an industry affecting commerce; or

(3) to any employee or group or committee of employees of such employer employed in an industry affecting commerce in excess of their normal compensation for the purpose of causing such employee or group or committee directly or indirectly to influence any other employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing, or

(4) to any officer or employee of a labor organization engaged in an industry affecting commerce with intent to influence him in respect to any of his actions, decisions, or duties as a representative of employees or as such officer or employee of such labor organization.

(b) Request, demand, etc., for money or other thing of value

(1) It shall be unlawful for any person to request, demand, receive, or accept, or agree to receive or accept, any payment, loan, or delivery of any money or other thing of value prohibited by subsection (a) of this section.

(2) It shall be unlawful for any labor organization, or for any person acting as an officer, agent, representative, or employee of such labor organization, to demand or accept from the operator of any motor vehicle (as defined in part II of the Interstate Commerce Act [49 U.S.C. 301 et seq.]) employed in the transportation of property in commerce, or the employer of any such operator, any money or other thing of value payable to such organization or to an officer, agent, representative or employee thereof as a fee or charge for the unloading, or in connection with the unloading, of the cargo of such vehicle: Provided, That nothing in this paragraph shall be construed to make unlawful any payment by an employer to any of his employees as compensation for their services as employees.

(c) Exceptions

The provisions of this section shall not be applicable (1) in respect to any money or other thing of value payable by an employer to any of his employees whose established duties include acting openly for such employer in matters of labor relations or personnel administration or to any representative of his employees, or to any officer or employee of a labor organization, who is also an employee or former employee of such employer, as compensation for, or by reason of, his service as an employee of such employer; (2) with respect to the payment or delivery of any money or other thing of value in satisfaction of a judgment of any court or a decision or award of an arbitrator or impartial chairman or in compromise, adjustment, settlement, or release of any claim, complaint, grievance, or dispute in the absence of fraud or duress; (3) with respect to the sale or purchase of an article or commodity at the prevailing market price in the regular course of business; (4) with respect to money deducted from the wages of employees in payment of membership dues in a labor organization: Provided, That the employer has received from each employee, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner; (5) with respect to money or other thing of value paid to a trust fund established by such representative, for the sole and exclusive benefit of the employees of such employer, and their families and dependents (or of such employees, families, and dependents jointly with the employees of other employers making similar payments, and their families and dependents): Provided, That (A) such payments are held in trust for the purpose of paying, either from principal or income or both, for the benefit of employees, their families and dependents, for medical or hospital care, pensions on retirement or death of employees, compensation for injuries or illness resulting from occupational activity or insurance to provide any of the foregoing, or unemployment benefits or life insurance, disability and sickness insurance, or accident insurance; (B) the detailed basis on which such payments are to be made is specified in a written agreement with the employer, and employees and employers are equally represented in the administration of such fund, together with such neutral persons as the representatives of the employers and the representatives of employees may agree upon and in the event the employer and employee groups deadlock on the administration of such fund and there are no neutral persons empowered to break such deadlock, such agreement provides that the two

groups shall agree on an impartial umpire to decide such dispute, or in event of their failure to agree within a reasonable length of time, an impartial umpire to decide such dispute shall, on petition of either group, be appointed by the district court of the United States for the district where the trust fund has its principal office, and shall also contain provisions for an annual audit of the trust fund, a statement of the results of which shall be available for inspection by interested persons at the principal office of the trust fund and at such other places as may be designated in such written agreement; and (C) such payments as are intended to be used for the purpose of providing pensions or annuities for employees are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than paying such pensions or annuities; (6) with respect to money or other thing of value paid by any employer to a trust fund established by such representative for the purpose of pooled vacation, holiday, severance or similar benefits, or defraying costs of apprenticeship or other training programs: Provided, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds; (7) with respect to money or other thing of value paid by any employer to a pooled or individual trust fund established by such representative for the purpose of (A) scholarships for the benefit of employees, their families, and dependents for study at educational institutions, or (B) child care centers for preschool and school age dependents of employees: Provided, That no labor organization or employer shall be required to bargain on the establishment of any such trust fund, and refusal to do so shall not constitute an unfair labor practice: Provided further, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds; or (8) with respect to money or any other thing of value paid by any employer to a trust fund established by such representative for the purpose of defraying the costs of legal services for employees, their families, and dependents for counsel or plan of their choice: Provided, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds: Provided further, That no such legal services shall be furnished: (A) to initiate any proceeding directed (I) against any such employer or its officers or

agents except in workman's compensation cases, or (II) against such labor organization, or its parent or subordinate bodies, or their officers or agents, or (III) against any other employer or labor organization, or their officers or agents, in any matter arising under subchapter II of this chapter or this chapter, and (B) in any proceeding where a labor organization would be prohibited from defraying the costs of legal services by the provisions of the Labor-Management Reporting and Disclosure Act of 1959 [29 U.S.C. 401 et seq.]

(d) Penalty for violations

Any person who willfully violates any of the provisions of this section shall, upon conviction thereof, be guilty of a misdemeanor and be subject to a fine of not more than \$10,000 or to imprisonment for not more than one year, or both.

(e) Jurisdiction of courts

The district courts of the United States and the United States courts of the Territories and possessions shall have jurisdiction, for cause shown, and subject to the provisions of section 381 of title 28 (relating to notice to opposite party) to restrain violations of this section, without regard to the provisions of section 17 of title 15 and section 52 of this title, and the provisions of chapter 6 of this title.

(f) Effective date of provisions

This section shall not apply to any contract in force on June 23, 1947, until the expiration of such contract, or until July 1, 1948, whichever first occurs.

(g) Contributions to trust funds

Compliance with the restrictions contained in subsection (c)(5)(B) of this section upon contributions to trust funds, otherwise lawful, shall not be applicable to contributions to such trust funds established by collective agreement prior to January 1, 1946, nor shall subsection (c)(5)(A) of this section be construed as prohibiting contributions to such trust funds if prior to January 1, 1947, such funds contained provisions for pooled vacation benefits.

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 81-2

September Term 1981
United States Court of Appeals
for the District of Columbia Circuit

Division for the Purpose of
Appointing Special Prosecutor

FILED DEC 29 1981

Ethics in Government Act of 1978

GEORGE A. FISHER

CLERK

Before: Robb, Circuit Judge, Presiding, Lumbard, Senior
Circuit Judge, and Morgan, Senior Circuit Judge

ORDER APPOINTING SPECIAL PROSECUTOR

Upon consideration of the application of the Attorney General pursuant to 28 U.S.C. § 592(c)(1) for the appointment of a special prosecutor to investigate the allegation that in May or June 1977, at Long Island City, New York, Secretary of Labor Raymond J. Donovan, who at that time was Executive Vice-President of Schiavone Construction Company, was present when an official of the company made an illegal cash payment to a union official, in violation of 29 U.S.C. § 186, it is

ORDERED that Leon Silverman, Esquire, of the New York bar, with offices at 1 New York Plaza, New York, New York 10004, be and he is hereby appointed Special Prosecutor to investigate this matter, and to prosecute for any violation of Federal criminal law disclosed by his investigation; and it is further

ORDERED that the Special Prosecutor shall have jurisdiction to investigate any allegation or evidence that Secretary Donovan's testimony concerning this matter at his confirmation hearings before the Labor and Human Resources Committee of the United States Senate was untruthful, and the Special Prosecutor

Appendix B

shall have jurisdiction to prosecute for any violation of Federal criminal law disclosed by his investigation; and it is further

ORDERED that the Special Prosecutor shall have jurisdiction to investigate any other allegation or evidence of violation of any Federal criminal law by Secretary Donovan developed during the Special Prosecutor's investigations referred to above, and connected with or arising out of those investigations, and the Special Prosecutor shall have jurisdiction to prosecute for any such violation.

The Special Prosecutor shall have all the powers and authority provided by 28 U.S.C. § 594 (copy attached).

Per Curiam.

- 2 -

A true copy:

Test: George A. Fisher

United States Court of Appeals

for the District of Columbia Cir:

Rv. *Patricia J. Cleary*

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§ 594. Authority and duties of a special prosecutor

(a) Notwithstanding any other provision of law, a special prosecutor appointed under this chapter shall have, with respect to all matters in such special prosecutor's prosecutorial jurisdiction established under this chapter, full power and independent authority to exercise all investigative and prosecutorial functions and powers of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice, except that the Attorney General shall exercise direction or control as to those matters that specifically require the Attorney General's personal action under section 2516 of title 18. Such investigative and prosecutorial functions and powers shall include—

- (1) conducting proceedings before grand juries and other investigations;
- (2) participating in court proceedings and engaging in any litigation, including civil and criminal matters, that such special prosecutor deems necessary;
- (3) appealing any decision of a court in any case or proceeding in which such special prosecutor participates in an official capacity;
- (4) reviewing all documentary evidence available from any source;
- (5) determining whether to contest the assertion of any testimonial privilege;
- (6) receiving appropriate national security clearances and, if necessary, contesting in court (including, where appropriate, participating in in camera proceedings) any claim of privilege or attempt to withhold evidence on grounds of national security;
- (7) making applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpoenas, or other court orders, and, for purposes of sections 6003, 6004, and 6005 of title 18, exercising the authority vested in a United States attorney or the Attorney General;
- (8) inspecting, obtaining, or using the original or a copy of any tax return, in accordance with the applicable statutes and regulations, and, for purposes of section 6103 of the Internal Revenue Code of 1954, and the regulations issued thereunder, exercising the powers vested in a United States attorney or the Attorney General; and
- (9) initiating and conducting prosecutions in any court of competent jurisdiction, framing and signing indictments, filing informations, and handling all aspects of any case in the name of the United States.

(b) A special prosecutor appointed under this chapter shall receive compensation at a per diem rate equal to the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5.

(c) For the purposes of carrying out the duties of the office of special prosecutor, a special prosecutor shall have power to appoint, fix the compensation, and assign the duties, of such employees as such special prosecutor deems necessary (including investigators, attorneys, and part-time consultants). The positions of all such employees are exempted from the competitive service. No such employee may be compensated at a rate exceeding the maximum rate provided for GS-18 of the General Schedule under section 5332 of title 5.

(d) A special prosecutor may request assistance from the Department of Justice, and the Department of Justice shall provide that assistance, which may include access to any records, files, or other materials relevant to matters within such special prosecutor's prosecutorial jurisdiction, and the use of the resources and personnel necessary to perform such special prosecutor's duties.

(e) A special prosecutor may ask the Attorney General or the division of the court to refer matters related to the special prosecutor's prosecutorial jurisdiction. A special prosecutor may accept referral of a matter by the Attorney General, if the matter relates to a matter within such special prosecutor's prosecutorial jurisdiction as established by the division of the court. If such a referral is accepted, the special prosecutor shall notify the division of the court.

(f) A special prosecutor shall, to the extent that such special prosecutor deems appropriate, comply with the written policies of the Department of Justice respecting enforcement of the criminal laws.

Added Pub.L. 95-521, Title VI, § 601(a), Oct. 26, 1978, 92 Stat. 1869.

Effective Date. Section effective Oct. 26, 1978, except for specific information received by the Attorney General pursuant to section 501 of this title based on determinations made by the Attorney General respecting such information, see section 404 of Pub.L. 95-521, set out as a note under section 501 of this title.
Legislative History. For legislative history and purpose of Pub.L. 95-521, see 1978 U.S.Code Cong. and Adm.News, p. 4216.

REPORT OF THE SPECIAL PROSECUTOR

EXHIBITS

REPORT OF THE SPECIAL PROSECUTOR

EXHIBITS

<u>Exhibit</u>	<u>Document</u>
1	James Harmon's notes of his spring 1979 interview of Mario Montuoro
2	September 26, 1977, letter from Mario Montuoro to President Jimmy Carter
3	James Harmon's notes of his September 1981 interview of Mario Montuoro
4	November 27, 1981, memorandum from Thomas P. Puccio to D. Lowell Jensen
5	FBI Report of December 3, 1981, Interview of Mario Montuoro
6	December 11, 1981, <u>New York Times</u> Article
7	December 18, 1981, <u>Washington Post</u> Article
8	Montuoro sketch of Prudenti's
9	FBI scale drawing of Prudenti's
10	FBI Report of December 10, 1981, Interview of Secretary Donovan
11	December 22, 1981, letter from Secretary Donovan to Attorney General Smith
12	December 18, 1981, letter from Dean Burch, Esq. to Attorney General Smith
13	Joseph DiCarolis affidavit of December 16, 1981
14	Gennaro Liguori affidavit of December 16, 1981
15	Ronald A. Schiavone affidavit of December 16, 1981
16	Mario Montuoro affidavit of December 19, 1978

<u>Exhibit</u>	<u>Document</u>
17	William Montuoro affidavit of January 3, 1982
18	Saverio Montuoro affidavit of January 3, 1982
19	GCA letter agreement of April 20, 1976 between S-I-C and Local 147
20	Analysis of SCC, Schiavone Equipment Corp. and joint venture checking accounts
21	Analysis of Joseph DiCarolis banking records
22	Analysis of Gennaro Liguori banking records
23	Analysis of R. Schiavone banking records
24	A. Schwartz handwritten notes
25	A. Petito Local 29 Pension Fund Record, 1977-1978
26	A. Petito Local 29 Pension Fund Employee's Earnings Record Card, May 19, 1978, through August 18, 1978
27	Department of Labor Report of February 27, 1979, Interview of Mario Montuoro
28	Catskill Town Justice's undated disposition of Sanzo traffic citation
29	Department of Labor Report of March 15, 1979, Interview of Mario Montuoro
30	Frank Russo Local 29 Pension Fund Record, 1976-1977
31	McNally Handwriting Analysis Report
32	FBI Report of February 6, 1981, Interview of Joseph G. Szapor
33	December 11, 1981, memorandum from L. Lauffer to Paul Coffey re: Szapor telephone call of December 7, 1981

<u>Exhibit</u>	<u>Document</u>
34	FBI scale drawing of Casa Dante's
35	FBI Report of January 13, 1981, Interview of Ralph Picardo
36	FBI Report of Second January 13, 1981, Interview of Ralph Picardo
37	FBI Report of January 15, 1981, Interview of Ralph Picardo
38	FBI Report of January 19, 1981, Interview of Ralph Picardo
39	FBI Report of January 26, 1981, Interview of Pat Kelly
40	February 3, 1981, <u>Washington Post</u> Article
41	June 8, 1981, <u>Time</u> Article
42	June 16, 1981, Letter from Senators Hatch and Kennedy to Director Webster
43	July 16, 1981, letter from Director Webster to Senators Hatch and Kennedy
44	July 10, 1981, Letter from Senators Hatch and Kennedy to Director Webster
45	August 10, 1981, Letter from Director Webster to Senators Hatch and Kennedy
46	December 30, 1981, memorandum from Andrew K. Ruotolo to Terence P. Flynn
47	December 22, 1981, memorandum from S. Michael Levin to Gerard T. McGuire
48	February 10, 1981, <u>Bergen Record</u> Article
49	June 1, 1981, letter from Director Webster to Senators Hatch and Kennedy
50	February 8, 1981, <u>Sunday Record</u> Article
51	FBI Report of January 22, 1981, Interview of Albert Cecchi

<u>Exhibit</u>	<u>Document</u>
52	February 9, 1981 Bergen <u>Record</u> Article
53	FBI Report of January 16, 1981 Interview of C. Banziger
54	FBI Report of January 16, 1981 Interview of Morris J. Levin
55	FBI Report of January 20, 1981 Interview of John O'Connell
56	FBI Report of January 22, 1981 Interview of Frederick S. Furino
57	FBI Report of May 4, 1982 Polygraph Examination of Frederick S. Furino (redacted)
58	FBI Report of February 2, 1981, Interview of Joan Torino
59	FBI Report of May 4, 1982, Polygraph Examination of Robert J. Santomenna (redacted)
60	Ronald Schiavone affidavit of March 15, 1982
61	FBI Report of January 7, 1982 Interview of William P. Masselli
62	Joseph DiCarolis "From the Desk of" Paper
63	NYCTA Approval of Jopel as an SCC Sub- contractor, March 13, 1980
64	FBI Report of February 9 and 12, 1980, Interviews of Louis R. Nargi
65	FBI Report of March 5, 1980, Interview of Louis R. Nargi
66	FBI Report of December 31, 1981, Interview of Morris J. Levin
67	FBI Report of December 30, 1981, Interview of Ted Geiser
68	FBI Report of January 22, 1981, Interview of Anthony Provenzano (in part)
69	Gregory Vasel affidavit of March 6, 1982

<u>Exhibit</u>	<u>Document</u>
70	February 24, 1982, memorandum from S. Michael Levin to Gregory Joseph
71	FBI Report of January 23, 1981, Interview of James J. Donelan
72	May 20, 1982, letter from Senators Hatch and Kennedy to Special Prosecutor
73	May 26, 1982, letter from Dean Burch to Special Prosecutor
74	Transcript of March 10, 1977, Adonis/Mazziotta conversation
75	May 29, 1982, letter from Kenneth P. Walton to Special Prosecutor
76	June 2, 1982, letter from Director Webster to Special Prosecutor
77	January 4, 1982, <u>Daily News Article</u>
78	May 31, 1982, <u>Washington Post Article</u>
79	FBI Report of January 20, 1982, Interview of Carl Levy
80	FBI Report of January 27, 1982, Interview of Jack Wolfson
81	Edmund Galke affidavit of February 14, 1982
82	April 22, 1980, memorandum from Joseph A. DiCarolis to SCC Executives, <u>et al.</u>
83	Calendar of SCC Principals' Locations May-June 1977
84	December 4, 1981, memorandum from James D. Harmon to Thomas P. Puccio
85	FBI Report of April 30, 1982, Interview of Kenneth E. Carter
86	FBI Report of July 11, 1975, Interview of Patrick Kelly
87	January 4, 1978, Agreement between The Trib and Empire News, Inc.
88	January 12, 1978, Agreement between Empire News, Inc. and NMDU

Homan Notes
Rec'd 1-12-82 GJ
10:24 am

NO SHOW

SCHIAVONE tunnel job (Schiafone)

'76 - '78

Bisso	Buanno	Ragone	Martin
\$20,000	\$20,000	\$20,000	\$20,000
prim record [redacted]	hospital (no) time cards		interview (wife)
working at site (?)	Rame?		long friend owned pottery factory — Whitenton
	to Sam - '78 when called		
	# 1600 check (Buanno) not in union but sewing deck (long)		

checks - diff signatures + some
misspellings

~~John D. Smith~~

~~W. S. Smith?~~

hire - by truck - all there
cubic footage/day

Liquor would have set up

Exhibit 1

~~210~~
~~20010~~

Cleaning yard (Cipri)

'77 cleared yard -

Sat-Sun

February sent trucks

McGriff (black)

Harlem - tractor trailer

✓ 10/98
✓ 5/1

205
✓ 95
✓ 1880,00
✓ 8115,15
B NAD 10/10/45

bulldozer from Sch. job

De Filippis truck

Eugene Griff Trucking
Jamaica

PAYOUT

Joe DiCarlo

Liquor

'77 - \$2000 payoff

✓ Prudente

211
2000

Blasters, Drillrunners and Miners Union
Local No. 29



Affiliated with
Laborers' International Union of North America

238 EAST 75th STREET • NEW YORK, N. Y. 10021

Phone: REgent 7-1720-1

September 26, 1977

The President Of The United States
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. President:

My name is Mario Montuoro, I am the Secy.-Treas. and Field Representative of Blasters, Drillrunners and Miners Union Local #29.

I am writing you this letter because I think you are the only one that can help me concerning this matter.

From 1975 to 1977 i suspended 181 members due to lack of work, 141 black and 41 whites of all nationalities. I have 500 members left, and out of the 500 members 120 are pensioners, and out of these only 75 men are working and the rest are unemployed or on welfare.

Our membership consist of 70% black and 30% white and spanish.

We are also affiliated with such organizations such as Core, The Black Trade Unionists Leadership Committee, and the NAACP and they support us 100%.

The problem we have isn't because there is a lack of work, but because the contractors are now replacing our men with the Hydraulic Hoe Ram.

This machine not only is putting our men out of work but it is also causing the streets to shatter, loosen gas mains, water main steam lines and oil static lines, not to mention the noise that this machine creates.

I feel that the Federal Government should investigate this machine because by the contractors using this machine it is not decreasing their cost, it just puts men out of work; not only Local #29's men but also the men of Local #1010, #95, #11 and this is only in the five boroughs of New York.

" Exhibit 2

261270

The President Of The United States

September 26, 1977

I have been seeing a lot on television, how the Federal Government is trying to help the minorities.

I dont understand how you can allow a machine like this to put men out of work to collect welfare, unemployment and some of them end up in prison because they have to steal monies to support their families, because they cannot get work or help.

I feel-Mister President that the Federal Government should have an organization to investigate machines that put people out of work before they are put on the market, since the government has agencies investigating agencies!

I have printed document concerning this machine that can back me up in what I have said in this letter

Mister President, I Feel that you can help me in this matter, because half of the jobs now working are federally funded, and if you can stop this machine on Monday by Friday I can have 200 men off of unemployment and welfare and back to work. When a member's wife calls me on the phone and begs me to give her husband a job, because they cannot pay the rent and buy food, and she tells me not to tell her husband that she called, I think it's time that somebody someplace, somewhere has to help the forgotten working man.

We the members of this and other Locals would appreciate any help and attention you can give this matter.

Respecifuly,


MARIO MONTUORO
Secy.-Treas.

MM:jc

200271

Herman Notes
Rec'd 1-12-81 GS
10:5 am

Liquori

Dossen

(scratched)

Ronny Schiavone —

DeCarolis —

Famjo

Mario

Schiavone picked up tab

subway tunnel

good job

\$200 to Mario in car

gave white envelope

to Mario —

Exhibit 3

212
200~~xx~~

Allegation of Criminal Conduct by
Secretary of Labor Raymond J. Donovan

November 27, 1981

D. Lowell Jensen
Assistant Attorney General
Criminal Division

Thomas P. Puccio
Attorney-in-Charge
Brooklyn Strike Force

Nature of the Allegations

This office has received information that in 1977, Raymond J. Donovan and his company, Schiavone Construction Company, (hereinafter "Schiavone") may have committed violations of the Taft-Hartley Act (29 U.S.C. §186) as follows:

a.) In September or October 1977, Donovan, Ronald Schiavone, co-owner of Schiavone, Gennaro Liquori, subway tunnel project manager, Joseph DiCarolis, Schiavone operations vice-president, Louis Sanzo, president of Local 29, Blasters Drillrunners and Miners Union, and Mario Montuoro, a member of the Blasters Union dined together at Prudenti's Vicino Mare restaurant located in Long Island City, New York. During the course of the dinner, Donovan told Sanzo that the Blasters' Union was doing good work on the subway tunnel being constructed under the East River. In the presence of all those at the restaurant table, Donovan handed Sanzo an envelope saying words to the effect "That's for you, Louie." Later, when Sanzo and Montuoro left the restaurant together, Sanzo opened the envelope in Monutoro's presence and found that it contained two thousand dollars (\$2000) which he kept, except for two hundred dollars (\$200) which Sanzo gave to Montuoro.

b.) By mid-1977, Sanzo held an undisclosed interest in Berth Ange Realty which owned real property consisting of a building and an adjoining vacant lot. The building and lot were leased by Cipico Construction, which was owned by Joseph Cippollone, a friend of Sanzo's. Before it could be used to store construction equipment of Cipico and Jo-Lo Leasing Corp. (another company in which Sanzo had a hidden interest), the vacant lot had to be levelled and cleared. Sanzo made arrangements to have two heavy bulldozers transported

to the Cipico vacant lot on a weekend in July or August 1977. There, in the presence of Cipollone, Sanzo and Liquori, the lot was cleared by two bulldozers operated by Montuoro's brothers. The bulldozers were believed to be owned by Schiavone and used on the subway tunnel job. The bulldozers may have been transported on flatbed trucks belonging to "Louis Naji" (phonetic) who did trucking work for Schiavone. No payment was made for the use of the bulldozers which, otherwise, would have cost about six thousand dollars (\$6000). There is no known personal involvement of Secretary Donovan in this matter.

c.) During the years 1976 through 1978, four members of the Blasters' Union (Busso, Buananno, Ragone and Martin) were carried on the Schiavone payroll as no-show workers on the day shift of the subway tunnel job. Their paychecks totalling about eighty thousand dollars (\$80,000) for the years involved were cashed and the proceeds were returned to Sanzo and Amadio Petito, secretary-treasurer of the Blasters Union. An examination of the paychecks reveals that the endorsements on some are in different handwriting with the names of the payees sometimes misspelled. The employees did report the salary as income on their respective income tax returns. There is no known personal involvement of Secretary Donovan in this matter. If this no-show situation did occur, the scheme could have been accomplished without the involvement of any Schiavone personnel. This is so because the paychecks were issued only after Petito verified the presence of each man on the job site.

Source of the Allegations

The primary source of the allegations against Donovan and Schiavone is Mario Montuoro. He is corroborated in the bulldozer affair by Joseph Cipollone and Montuoro's brothers. Montuoro's credibility may be affected by a criminal record consisting of four arrests, the two most serious occurring in 1969 for possession of heroin, and in 1974 for possession of a gun. More importantly, Montuoro is a dissident in the Blasters' Union who twice has unsuccessfully lost a union election to Sanzo.

Montuoro's desire to seek revenge against Samuel Cavalieri, a member of the Luchese crime family who "owns" the Blasters' Union may also affect his credibility. Montuoro holds Cavalieri responsible for the murder of his son in 1977. By removing Sanzo from office, Cavalieri's control of the union would have been broken and Montuoro would have extracted his pound of flesh.

Nevertheless, Montuoro has always proven reliable in information which he has provided to the government. On June 23, 1981, Sanzo was convicted of two counts of tax evasion (26 U.S.C. §7201) and one count of conspiracy (18 U.S.C. §371) as a result of from eighty to two hundred thousand dollars (\$80,000 - \$200,000) paid to him by a New York construction company. Montuoro was a government witness in that case. Sanzo has been sentenced to three years imprisonment and a fine of twenty two thousand five hundred dollars (\$22,500). The case is now on appeal. 1/

The Confirmation Hearings

In testimony before the Senate Committee on Labor and Human Resources, on January 12th and 27th, 1981, Donovan testified, variously, that Schiavone was never the victim of an extortion (Hearing transcript, pp. 124-25), or the subject of an attempted extortion (Id. at 310, 320). Nor did Schiavone ever engage in kickbacks on sweetheart contracts (Id. at 311). Donovan further testified that Schiavone never brought labor peace (Id. at 341-42, 345, 347). More directly, a question from the committee chairman, Senator Hatch, drew the following response from Secretary Donovan:

Q. The point you're saying is, you have never paid off anybody?

A. Absolutely not. (Id. at 335).

Donovan was also asked about his knowledge of the status of convicted labor racketeer Harry Gross. 2/ who was

1/ Amadio Petito was convicted of contempt (18 U.S.C. §401) and perjury (18 U.S.C. §1622), first for having refused to testify about payoffs received by Sanzo, then, for falsely denying that he had met with Samuel Cavalieri at particular time and place. Cavalieri was also convicted of contempt for refusing to testify about payoffs received by Sanzo. After a joint Fatico hearing, the district court found that Sanzo, Petito and Cavalieri were "involved in organized crime". Petito was sentenced to four years imprisonment and Cavalieri three years. The Sanzo, Petito and Cavalieri cases were developed as the result of a joint Department of Labor-IRS investigation.

2/ Gross is currently under indictment for racketeering (18 U.S.C. §1962) and other charges in a case being prosecuted by the Brooklyn Strike Force. One of the acts of racketeering charged involves Gross' no-show job as a Teamster foreman on the subway tunnel job.

on the payroll of Schiavone in a no-show job (Id. at 125-149, 320). Donovan testified that before the confirmation hearing, he was unaware that DiCarolis had testified before the grand jury concerning Gross. (Id. at 126, 320). Donovan was never asked, nor did he volunteer, that Liquori had also testified before a grand jury in the Southern District of New York on March 21, 1979 concerning the Blasters' Union alleged no-shows on the day shift.

Recommendation

In the event that a preliminary investigation is ordered pursuant to the Special Prosecutor Act (28 U.S.C. §591, et. seq.), it is recommended that the investigation be conducted by the Brooklyn-Queens office of the Federal Bureau of Investigation and the Internal Revenue Service in conjunction with a grand jury presentation directed by James D. Harmon, Jr., assistant attorney-in-charge, Brooklyn Strike Force. Such an investigation might include testimony of Sanzo and Petito compelled under a grant of immunity and interviews of others with relevant information. Despite lengthy negotiations subsequent to their convictions, Sanzo and Petito have declined to cooperate voluntarily.

We request that authorization be granted to apply for an immunity order pursuant to 18 U.S.C. §6001 to compel the testimony of Sanzo and Petito.

FEDERAL BUREAU OF INVESTIGATION

12/4/81

Date of transcription _____

On December 3, 1981, MARIO MONTUORO was interviewed at the Eastern District Organized Crime Strike Force, 32 Tillary Street, Brooklyn, New York. The interview was conducted by Special Agents of the Federal Bureau of Investigation (FBI) PAUL F. NOLAN, LEWIS D. SCHILIRO and WILLIAM H. LYNCH, Jr. Also present at the interview were JERRY TONER, Organized Crime Section, Department of Justice and JAMES HARMON, Jr., Assistant Attorney in Charge, Organized Crime Strike Force, Eastern District of New York.

Mr. MONTUORO was advised of agents' identities and official capacities and of the nature of the interview. MONTUORO is currently a federal witness in a labor matter pending in the United States District Court, Eastern District of New York, and, in fact, testified at trial on December 3, 1981.

Mr. MONTUORO stated he lives at 1435 Reed Place, Bronx, New York 10465, telephone number 212-792-5460. In 1977, MONTUORO was employed by the Blasters and Drillers Union, Local 29 and carried numerous titles including Field Representative, Secretary-Treasurer and Union Trustee and Assistant Administrator of Local 29. In 1977, the union office for Local 29 was located at 238 East 75th Street, New York, New York, telephone number 212-RE 7-1720.

Mr. MONTUORO stated that in 1974 he suffered a 33% loss of hearing which he attributed to his job as a blaster.

Mr. MONTUORO stated that in 1977, a construction project was in progress which MONTUORO termed the Vernon Boulevard project. The contractor operating this project was Schiavone Construction Company. Members of Local 29 worked this project exclusively in its area of labor jurisdiction.

Investigation on 12/3/81 at Brooklyn, New York File # BQ 211-NEW 2
 SAs PAUL F. NOLAN, LEWIS D. SCHILIRO and WILLIAM H. LYNCH, Jr./WHL:icf Date dictated 12/4/81 Exhibit 5

BQ

Mr. MONTUORO explained that Local 29's major competitor in its area of labor jurisdiction was Local 147, whose members he termed as sand hogs. Members of Local 29 he referred to as blasters. Although the labor jurisdiction of these two locals differed in certain areas, there was also a common ground whereby these locals would be in direct competition for certain construction projects. The Vernon Boulevard project was one such project. Another project, termed by MONTUORO as the 63rd Street project, was in its preliminary construction stages at that time and would also fall into the category of direct competition between Local 29 and Local 147.

Mr. MONTUORO stated that there was a substantial difference from the contractor's point of view as to which local worked its projects. This stemmed from the individual contracts of each union local. Local 147's contract called for higher wages, more fringe benefits, and certain on the site benefits than did Local 29's contract. All of these costs were borne by the contractor.

In approximately May or June, 1977, Mr. MONTUORO was told by LOU SANZO to be available for a meeting with people from Schiavone Construction Company. MONTUORO stated that LOU SANZO is the President, Business Manager, and a member of the Executive Board of Local 29. MONTUORO was not told the names of the individuals who would be at the meeting. However, SANZO told MONTUORO they were going to Prudenti's Restaurant to meet the bosses of Schiavone Construction Company.

On the day of this meeting, MONTUORO and SANZO drove to Prudenti's Restaurant in Long Island City, New York. On the way to the meeting, MONTUORO and SANZO stopped at the Vernon Boulevard project. SANZO exited the car to speak to SONNY PETITO, the foreman on the job for Local 29. MONTUORO does not know the nature of this conversation.

MONTUORO and SANZO arrived at Prudenti's sometime between 12:00 noon and 1:00 PM, and were the first to arrive. MONTUORO and SANZO were seated in the restaurant and MONTUORO sat with his back to a movable partition. MONTUORO recalls he ordered Harveys Bristol Creme. SANZO introduced MONTUORO to the owner of the restaurant whose name he could not recall. SANZO also talked to the waitress who seemed to know SANZO. The table at which they were sitting was round.

BQ

After approximately ten minutes from their arrival, MONTUORO and SANZO were joined by JERRY LIGORI, RONNIE SCHIAVONE, RAY DONOVAN and JOE DI CARLO. DONOVAN was introduced to MONTUORO as a Vice President of Schiavone and to RONNIE SCHIAVONE; neither of whom he had ever met. MONTUORO identified LIGORI as the project manager for Schiavone Construction Company for the Vernon Boulevard project, and JOE DI CARLO as the project manager of the 63rd Street project for Schiavone Construction Company.

Mr. MONTUORO stated that the seating arrangement at the table was as follows: MONTUORO, with his back to a portable partition, then clockwise JERRY LIGORI, RON SCHIAVONE, RAY DONOVAN, JOE DI CARLO, and LOU SANZO.

Mr. MONTUORO stated that initially the members of the party engaged in social conversation, then ordered drinks and food. At one point in the meeting, JOE DI CARLO began talking about the Vernon Boulevard project to LOU SANZO. DI CARLO told SANZO that the Vernon Boulevard project was a good job and that they (Schiavone) were very satisfied with the men from Local 29. DI CARLO took an envelope out of his jacket pocket and gave it to SANZO telling SANZO that this was a little token of our appreciation. SANZO took the envelope and placed it in his jacket pocket.

At a later point in the meeting, DI CARLO talked to SANZO about the new 63rd Street project. (MONTUORO explained that this was a large project which already had some men from Local 29 on the site but was not yet in full operation). DI CARLO told SANZO that he (DI CARLO) wanted Local 29 to handle the entire 63rd Street project. Further, that SANZO would have to fight for the new project and would have to file a complaint with the General Contractors Association. (MONTUORO explained that the General Contractors Association was the arbitrator for union jurisdictional disputes). DI CARLO made it very plain to SANZO that Schiavone Construction wanted Local 29 to handle the 63rd Street project but that SCHIAVONE as the contractor, could in no way be involved in a union dispute or in expressing preference for one union over another. This had to come in the form of a complaint from Local 29. DI CARLO stressed that everyone (Local 29 and Schiavone Construction) would benefit by having Local 29 win a dispute with Local 147 and that if Local 147 prevailed in this matter, that we (Schiavone) would lose money in addition to other problems which would occur with Local 147. DI CARLO told SANZO that SANZO would have to set up a meeting with the General Contractors Association and that he (DI CARLO) could not be involved.

BQ

MONTUORO stated that the entire meeting lasted approximately an hour. The bill for the food and drink was paid by JERRY LIGORI by credit card.

MONTUORO stated that after returning to his car with SANZO, SANZO took out the envelope which had been given to him by DI CARLO. SANZO told MONTUORO that there was \$2,000 in the envelope and gave MONTUORO \$200, which he accepted. SANZO further told MONTUORO that he (SANZO) would keep \$200 and "turn in" the remaining \$1600. MONTUORO stated that the term "turn in" referred to payments to organized crime but refused to further comment. MONTUORO and SANZO returned to the union hall and held no further discussion on this subject.

Mr. MONTUORO stated that approximately a week or two after the meeting at Prudenti's Restaurant, SANZO told MONTUORO and DONNIE MAGLIORE (phonetic) (ph) that a meeting would occur with the General Contractors Association concerning the 63rd Street project. At this meeting, SANZO, MONTUORO, and MAGLIORE (ph) represented Local 29. Representing Local 147 was RICHARD FITZSIMMONS, President of Local 147. Also present was JOE SALABINO, President of Local 731 (Laborers Local), and JOE GAMBINO and MARIO CAMPANELLA, who were both delegates of Local 731. Either TED KING or BILL FINERAN (ph) represented the General Contractors Association. Schiavone Construction was represented by JOE DI CARLO. Two other contractors were also present, as the 63rd Street Project was a joint venture. Crimmins was the name of one of the contracting firms and MONTUORO could not recall the name of the third firm. Other individuals were also present whom MONTUORO did not know.

During this meeting, Locals 29 and 147 argued over the jurisdiction of the 63rd Street project. At one point, MONTUORO had an argument with DI CARLO and told DI CARLO that if the men from Local 29 did not do the job then nobody would do the job. MONTUORO stated that this argument had been staged for the benefit of all present and that SANZO had directed him (MONTUORO) on what to say to DI CARLO. MONTUORO stated the General Contractors Association would decide who worked on the project.

MONTUORO stated that sometime subsequent to the above meeting, Local 29 received approximately one third of the 63rd Street project.

BQ

MONTUORO stated that he has previously related the facts concerning the restaurant meeting described above to the following individuals:

In 1978:

STEVE BILLERS (ph) and BARRY SILVERS, both employees of the Department of Labor.

In 1979:

EDWARD J. BARNES, currently a Special Agent, State of New York, Commission of Investigation, 270 Broadway, New York, New York, telephone 212-577-0700.

ARTHUR SCHWARTZ and BURTON H. HALL, Attorneys, 401 Broadway, New York, New York, telephone 212-431-9114.

JOYCE COLE, Secretary for LOU SANZO, Local 29.

TEDDY (LAST NAME UNKNOWN), who is running against JOHN CODY in an union election on December 6, 1981.

U.S. Prosecutor May Weigh Charges Involving Donovan

The following article is based on reporting by Leslie Maffrand and Michael Oakes and was written by Alan Maffrand:

The Justice Department is considering whether to recommend the appointment of a special prosecutor to examine charges that Secretary of Labor Raymond J. Donovan was present during a reported payoff to a union leader in 1977.

Mr. Donovan was a high officer of a New Jersey construction company at the time. The charges were brought to Federal prosecutors by a former union official, Mario Minneci.

Mr. Minneci said Mr. Donovan attended a lunch in 1977 at which an official of Mr. Donovan's company handed an envelope to Louis C. Sacco, president of Local 29 of the Laborers International Union. Mr. Minneci said the envelope contained an illegal \$2,000 payment.

Mr. Minneci, the former secretary-treasurer of the Builders, Developers and Miners Union, repeated the charges in interviews with The New York Times. He said he had also given his information to the Federal Bureau of Investigation and the Organized Crime Strike Force in Brooklyn.

He maintained that the payment had been designed to encourage Mr. Sacco to fight another union for jurisdiction over a New York City subway project on which Mr. Donovan's company was the prime contractor.

When first reached yesterday for comment, Vernon Lawvere, a spokesman for the Labor Department, said that Mr. Donovan "knows of nothing that lends substance to these reports," referring to the investigation.

Under the Ethics in Government Act, the Attorney General must investigate any charge that a high-level Government official — including the President, the Vice President and Cabinet members — has violated a Federal law. After a 90-day preliminary investigation, the Attorney General must report to a designated panel of three Federal Appeals

Continued on Page A12, Column 1

Exhibit 6

THE NEW YORK TIMES, FRIDAY, DECEMBER 11, 1981

Prosecutor May Weigh Charges Against Donovan

Continued from Page A1

Court judges as to whether the charges warrant the appointment of a special prosecutor. Any payment by an employer to a union leader is a violation of the Taft-Hartley Act.

Later in the day, Mr. Louviere, the Labor Department spokesman, issued the following statement:

"The Secretary understands the interest that this story has generated, but he reiterates his earlier comment that he has no direct knowledge of these allegations. He will obviously cooperate with the appropriate government officials in this matter and he quite clearly is anxious to put this whole thing to rest."

"Mr. Donovan finds it completely inappropriate to comment on information apparently being passed out by unnamed, unidentified sources and he refers all further questions to the Department of Justice."

When asked if the Secretary would comment on information from named sources, Mr. Louviere said no.

Rangers Were Informed

At the White House, David Gergen, the communications director, said President Reagan had been informed of the investigation by Attorney General William French Smith but had received no information to cause him to lose confidence in Mr. Donovan.

Mr. Sasso, reached at his union office in Queens, denied accepting any payoff or even attending such a luncheon.

"It's not fair — this never took place," he said. "Mr. Donovan is an honorable man, and his company is an honorable company. As far as any hanky-panky, it never took place. It's just not right what's going on."

Mr. Sasso later called back to request that his statements not be published, and asked that he be quoted instead as saying only, "No comment."

Mr. Montuoro was a witness for the Organized Crime Strike Force in Mr. Sasso's trial last summer on racketeering and income-tax evasion charges. A jury in Federal District Court in Brooklyn convicted Mr. Sasso on three tax counts and he was sentenced to three years in prison and a fine of \$22,500.

Mr. Montuoro acknowledges that he, too, has a criminal record — a conviction on narcotics charges in the 1960's and another on weapon-possession charges in the 1970's.

For Mr. Donovan, Mr. Montuoro's charges revive the sort of controversy that preceded Senate confirmation of his Cabinet appointment. The Senate's action had been delayed while the F.B.I. checked on reports by underworld informers of improper activities by Mr. Donovan and his company, Schiavone Construction of Secaucus, N.J.

The bureau's inquiry was prompted by charges that Mr. Donovan had business and social associations with organized-crime figures and had given money to a teamster racketeer to assure labor peace for the Schiavone company. But these charges were not substantiated, and Mr. Montuoro's charges were never raised in Senate confirmation hearings.

The charges by Mr. Montuoro came to

the attention of the Justice Department through an investigation of Local 20 by the Brooklyn strike force.

That investigation led to the indictment of Mr. Sasso, his wife, Bertha, and eight others. They were charged with racketeering, tax evasion, contempt and perjury in a scheme involving \$460,000 in payoffs to allow nonunion employees to work at construction sites in the New York metropolitan area.

According to law enforcement officials, Thomas P. Puccio, head of the strike force, brought Mr. Montuoro's charges to the attention of the Attorney General. The officials said the Attorney

General met yesterday with Mr. Puccio and other top members of the Justice Department to discuss the charges against Mr. Donovan and whether a special prosecutor should be named.

Mr. Montuoro's charges, which he says he forwarded to the Federal Government as early as 1978, focus on the lunch he said took place at Prudenti's restaurant in Long Island City, Queens, in the fall of 1977.

He said he attended the lunch with Mr. Sasso; Mr. Donovan, who was then executive vice president of Schiavone; Ronald Schiavone, then president of the company and now chairman of its

board; Joseph DiCaro, who was then the company's vice president for operations and is now its president, and Jerry Liguori, another company official, who is now its second vice president.

Mr. Montuoro said Schiavone officials wanted to know whether Local 20 could gain jurisdiction for tunneling on the 63d Street subway project from the East Side of Manhattan to Queens. Local 20's wage rates and work rules are less costly to an employer than those of Local 147 of the laborers union, whose members also do tunneling, according to construction industry sources.

During the lunch, Mr. Montuoro said,

Mr. DiCaro produced a white envelope and handed it across the table to Mr. Sasso. According to Mr. Montuoro, Mr. DiCaro said the envelope was in appreciation for Mr. Sasso's help.

Mr. Montuoro said that after lunch he watched Mr. Sasso open the envelope, and it contained \$2,000 in cash.

Repeated telephone calls to Schiavone Construction for comment from Mr. Schiavone, Mr. DiCaro, and Mr. Liguori were not returned.

Mr. Donovan has said the worth of Schiavone Construction soared from \$30,000 when he joined it in 1969 to its current worth of \$1.5 million. He has also said that he and Mr. Schiavone together own 90 percent of the stock in the company.

According to Mr. Montuoro's testimony in Mr. Sasso's Brooklyn trial, the

company did other favors for the union leader. Mr. Montuoro said he and his brother cleared a piece of property owned by Mr. Sasso in Queens, using a Schiavone Construction bulldozer.

Mr. Sasso, when asked for comment, said Mr. Montuoro's account was "all lies." He said the union was currently suing Mr. Montuoro for filing claims believed to be false with its pension and welfare fund. Mr. Montuoro, in turn, is suing the union for back pay.

The Schiavone company was also cited in the indictment last May of Harry Gross, an official of a teamsters union local based on Long Island. That indictment accused Mr. Gross of having unlawfully demanded and having received for his chauffeur a no-show job on Schiavone's 63d Street subway project between November 1977 and June 1978.

Donovan Placed at Lunch Where Money Was Passed

By George Lardner Jr.
Washington Post Staff Writer

NEW YORK, Dec. 17.—It wasn't long after the shrimp cocktail, according to Mario Montuoro, earlier this year that his former company ever pulled out an envelope containing \$2,000 and handed it to the head of Montuoro's union, The Schiavone executive did all the talking, Montuoro says. But he also says Raymond J. Donovan, now President Reagan's secretary of labor, was sitting in the next chair when the exchange took place back in the fall of 1977! Did Donovan, who was executive vice president of Schiavone Construction at the time, know there was \$2,000 in cash in the envelope? "I don't know," says Montuoro who was, at the time, vice president of Schiavone. Joe

Local 29 secretary-treasurer of Laborers International Union, asked him, "Ask him." Montuoro says the executive said, "Here, Louie, ie, here's a token of appreciation for the help you made labor 'union payoffs.' He has declined to comment since the FBI began a new investigation on the strength of Montuoro's allegations on this issue. According to one source, Donovan has denied to the FBI that he even attended the luncheon described by Montuoro.

Montuoro says the Schiavone executive, whom he met at a restaurant in Long Island City. He says he attended it at Sanzo's invitation the day before the luncheon with The Washington Post on Wednesday night, says he didn't find out what the "token" amounted to until after the 1977 luncheon at Prudential's restaurant in Long Island City. He says he was \$2,000 in cash in the envelope to Local 29 president Louis Sanzo. After we got in the car, Sanzo opened the envelope to see if there was \$2,000 in cash in the envelope?" The source, who was at the time, vice president of Schiavone, is Joe

Local 29 Joseph DiCarlo. He could not be reached for comment.

Montuoro says the executive said, "Here, Louie, ie, here's a token of appreciation for the help you did for us." The bulky Sanzo, Montuoro says, took the plain white pocket and stuffed it into a vest pocket of his gray silk suit. Montuoro, who related these events in an interview with The Washington Post on Wednesday night, says he didn't find out what the "token" amounted to until after the 1977 luncheon at Prudential's restaurant in Long Island City. He says he attended it at Sanzo's invitation the day before the luncheon described by Montuoro.

Montuoro says the Schiavone executive, whom he met at a restaurant in Long Island City. He says he attended it at Sanzo's invitation the day before the luncheon described by Montuoro.

After we got in the car, Sanzo opened the envelope to see if there was \$2,000 in cash in the envelope?" The source, who was at the time, vice president of Schiavone, is Joe

See DONOVAN, A1, Col. 1

Exhibit 7

Donovan Present at '77 Luncheon, Former Union Official Says

DONOVAN From AI

"He gave me \$200 and he kept \$200 for himself," Montuoro declared. "He [Samzo] said, 'The other \$1,600, I got to turn it in.'"

him for help in 1978 in connection with an investigation of alleged disruption within the union.

Montoiro says he told federal authorities in the 1978-79 period of his association with the Vareseans in connection with the Vareseans' bid to become independent from Local 29 at a contract-negotiation meeting, but he has denied it.

or both. The FBI said it could corroborate any of those claims. No one has been rushing to complete the electrical and concrete work," Montuoro said. However, "that he believes the sandhogs 'not more than' wanted us," Montuoro said he can't say for sure whether Donovan saw the engineer's name on the wall.

New inquiry against a reported Mafioso — The Justice Department has announced a new inquiry against a reported Mafioso, Jerry Liguori, and his company project manager, Tony Montuoro, who he was caught to be in Local 29's jurisdiction.

"I guess I introduced myself. He said, 'I never met you before.' I said, 'I'm sorry, I'm new here.' He said, 'I'm Ray Donovan. He's my vice president. This is my office. Let's go in.' I said, 'I'm sorry, I'm new here.' He said, 'It's okay, we're new here too.' I said, 'I'm sorry, I'm new here.' He said, 'It's okay, we're new here too.'

President of the corporation," Montuoro said. But as the lunch session proceeded, he said, "I thought DiCarlo had campaigned against him for his local presidency. Montuoro apparently began talking with federal authorities about the ethics of his conduct, a full-blown probe under the Ethics in Government Act.

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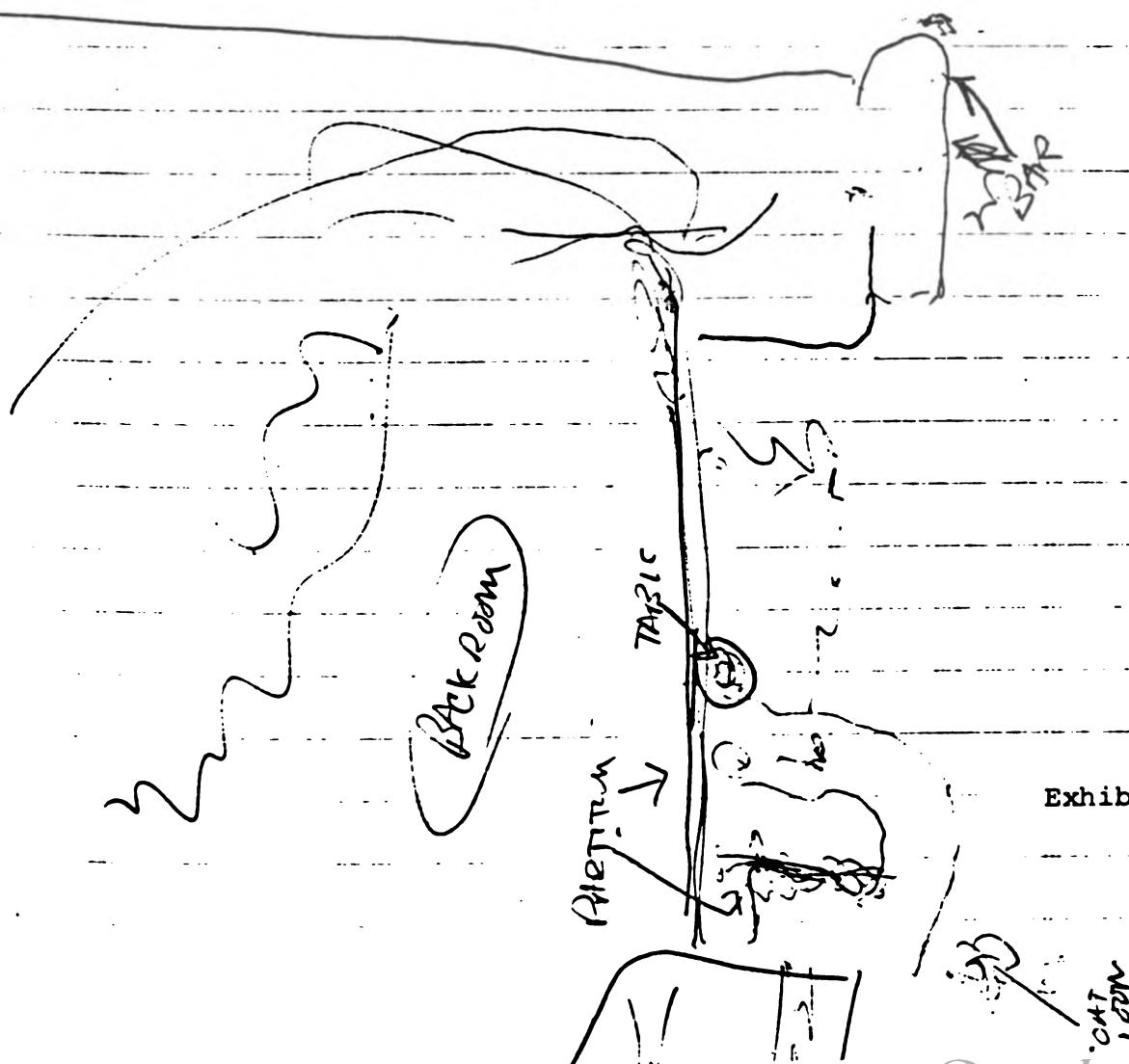


Exhibit 8

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PRUDENTI'S
51-02 2 ST., QUEENS, NY.

DINING ROOM

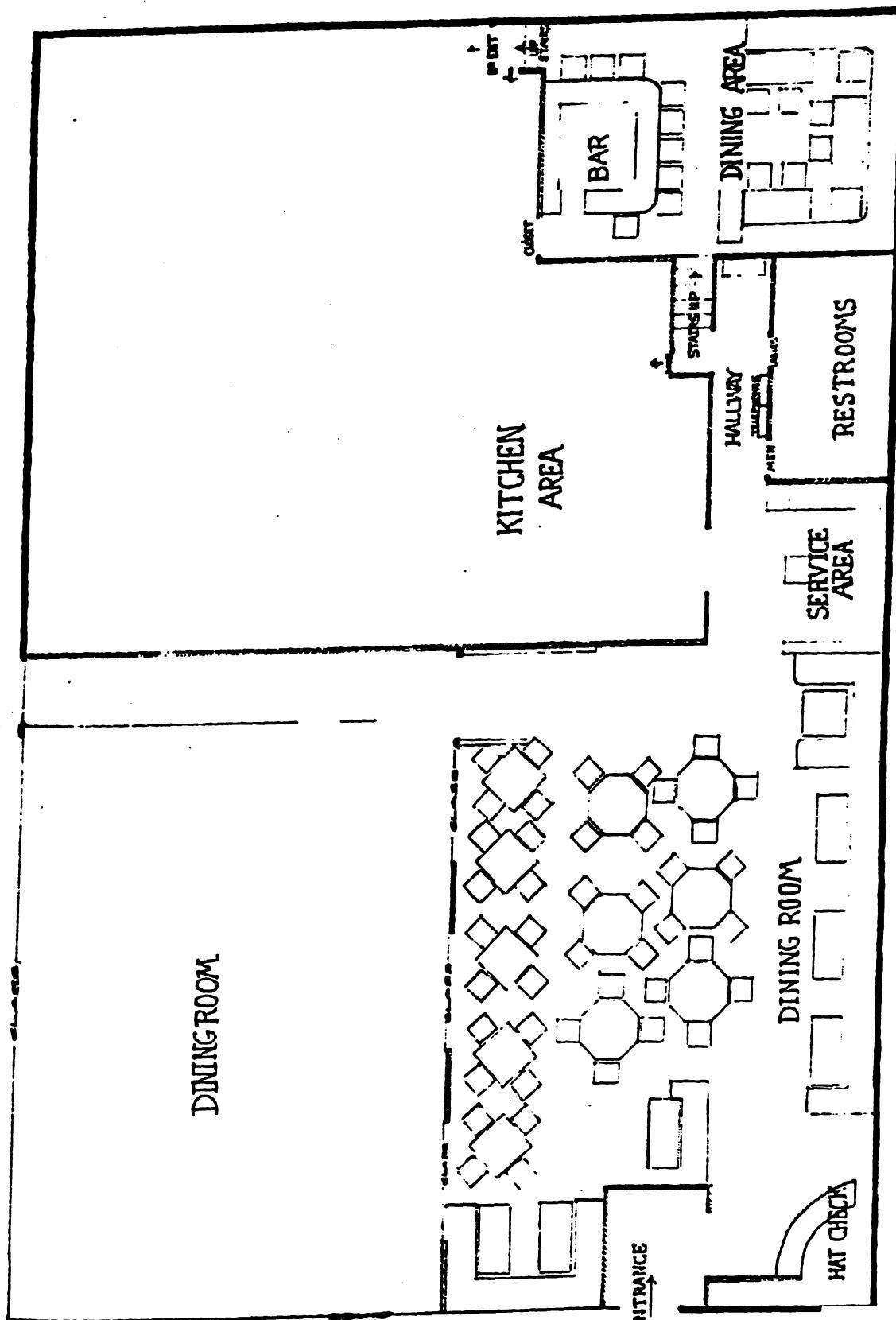


Exhibit 9

FEDERAL BUREAU OF INVESTIGATION

Date of transcription December 11, 1981

Raymond J. Donovan, Secretary, United States Department of Labor, was interviewed by Special Agents (SAs) Paul F. Nolan and Charles K. Anderson of the Federal Bureau of Investigation. Also present during the interview were Dean Birch, legal counsel for Donovan, and Paul Coffey, Assistant Chief, Organized Crime and Racketeering Section, Criminal Division, Department of Justice. At the outset of the interview, SA Nolan advised Donovan that the interview concerned possible violations of the Taft Hartley Act and the Ethics in Government Act.

Donovan advised that in 1977, he was the Executive Vice-President of the Schiavone Construction Company (SCC). He advised that this was the number two position in the company. Donovan advised that Ronald Schiavone was the Chief Executive Officer of the company. Donovan advised that he and Schiavone were the major stockholders in the company during 1977. Donovan advised that he owned between 37.7% - 40% of the stock. Donovan advised that August Schiavone, Ronald Schiavone's father, was a director of the company. He advised that this was an honorary position.

Donovan advised that the third man in charge at SCC was Joseph DeCarlis. Donovan thought that DeCarlis' title was either First Vice-President or Senior Vice-President. He advised that Richard Callahan was next in line. Callahan held the same title as DeCarlis. Donovan advised that there were a number of Vice-Presidents in the company which included, Charles Keanner, Bob Pedersen, Gerry Liquori, Al Magrini, and Al Paradise. Donovan advised that DeCarlis was in charge of construction operations and that Callahan was in charge of engineering matters. He advised that Magrini, Liquori and Keanner were general superintendents, responsible for various construction projects. He advised that Bob Pedersen was responsible for bids and that Ben Levin was House Counsel.

Donovan advised that for the last seven or eight years, SCC has been involved in tunnel building. He advised that in 1977, tunnel construction was at least equal to the other types of construction being done by the company. SCC

Investigation on December 10, 1981 - Washington, D. C. File # 211-35SA Charles M. Anderson
by SA Paul F. Nolan

CM:zep

Date dictated December 11, 1981

Exhibit 10

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

has also been involved in constructing bridges, treatment plants and highways. Donovan advised that in 1977, SCC was involved in tunnel construction on Manhattan. One project was on 63rd Street between Park Avenue and 3rd Avenue and the other was from 3rd Avenue to the River. He advised that these projects were joint ventures with the Crimmins Construction Company and an Italian tunnel building firm called Impergola Construction Company.

Donovan advised that a construction company normally deals with a large number of unions when building a tunnel. He explained that various unions have certain claims and rights. As an example, he advised that only sand hogs (men who blast holes and remove rubble) and operating engineers are allowed to go directly into the tunnel during construction.

Donovan advised that the General Contractors of America (GCA) is an organization set up to be the bargaining agent and public relations agent for contractors. He advised that William Fennigan is the Executive Director and that Ted King and another individual (name unrecalled) were Assistant Directors. He advised that various committees within GCA negotiate wages and benefits for member contractors. He advised that through GCA, various unions may reach agreements on jurisdictional problems. He advised that sometimes these problems must be resolved by the National Labor Relations Board. He advised that jurisdictional disputes are appealed to GCA more often by contractors than unions.

Donovan advised that two of the many unions which deal with GCA are the Sand Hogs Union and the Laborers and Blasters Union. He advised that the Sand Hogs are more skilled than the Blasters. He also advised that Sand Hogs are paid a higher wage.

Donovan advised that the Vernon Boulevard Project on Manhattan was an open cut project. This means that a tunnel was cut from the surface down to the main tunnel under construction. He advised that most of the excavation work was done by the Blasters and Laborers Union. He advised that Lou Sanzo is the representative for that union. He advised that the Vernon Boulevard project was under construction during 1977. He advised that during the same time period, SCC was also involved in the construction projects on 63rd Street and 3rd Avenue (previously mentioned).

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Donovan said he has never met with Sal Briguglio, Phil Moscato, Sal Provinzano, or Nunzio Provinzano at any time.

Donovan said he is unaware of any payments made by any Schievone employee to any union official at any time in any fashion. He stated he cannot recall ever being present with other company employees during which an envelope of any type was passed.

Donovan said he has not attended any functions with Lou Sanzo other than attending a company picnic, and a country club outing a few times that he can remember. He said he never met with Sanzo to discuss union/company business at any time.

Donovan said he would cooperate in anyway possible with the FBI to resolve these allegations.

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News

United States
Department
of Labor



Office of Information

Washington, D.C. 20210

The Secretary of Labor today sent the following letter to the Attorney General:

December 22, 1981

The Honorable William French Smith
Attorney General
Washington, D.C. 20530

Dear Mr. Attorney General:

For the past 11 days stories have appeared in the print and electronic media concerning allegations by a Mr. Mario Montuoro charging me as well as officers and employees of Schiavone Construction Company with bribery of a union official. Mr. Montuoro's story, as reported by the press, concerns my attendance at a luncheon at Prudenti's restaurant sometime during the summer or early fall of 1977, at which Mr. Montuoro states money was given by an officer of Schiavone Construction Company to Mr. Louis Sanzo, the President of Local 29 of the Laborers International Union. Mr. Montuoro has made other charges concerning Schiavone Construction Company and me as well, and these charges together with various leaks, have been detailed in the press.

Mr. Mario Montuoro is a damnable and contemptible liar.

Not only have I never had lunch at Prudenti's restaurant with Mr. Montuoro and Mr. Sanzo, I have never been in Prudenti's restaurant in my entire life. I honestly have no knowledge -- and I absolutely and unequivocally deny -- that any officer or employee of Schiavone Construction Company has paid any sort of bribe to Mr. Sanzo or anyone else at any time or any place.

I would add that the other charges attributed to Mr. Montuoro are demonstrably false as well.

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Exhibit 11

The Honorable William French Smith
December 22, 1981
Page Two

Because of the restrictions in the Ethics in Government Act - upon the sort of preliminary investigation that you are authorized to conduct, it seems to me that the American public would be well served if a Special Prosecutor were appointed by you under the provisions of the Ethics in Government Act. Such prosecutor, armed with the full resources available from the Department of Justice, and released from the restrictions of the Ethics in Government Act, could on an expedited basis determine the truth once and for all.

I suggest that a Special Prosecutor be appointed immediately, that he be given full authority to investigate all the charges made by Mr. Montuoro against me and against Schiavone Construction Company, and that he inform the American public as quickly as humanly possible of the falsity of these allegations.

I am very confident that in this manner Mr. Montuoro will be quickly consigned to the depths from which he has so recently emerged.

I pledge my full cooperation in all aspects of this inquiry.

Sincerely,

RAYMOND J. DONOVAN

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MARSHALL T. BLAUGHTER
DEAN BURKH
ROBERT E. CARTY
WILLIAM D. COTMAN
PETER D. CUNNELL
VIRGINIA LEE DALEY
W. THOMAS DEDDICK, JR.
JONES J. FREEMAN
BRION J. JOHNSTON
FREDERIC T. KIMMEL
EDWARD W. MATHERN, JR.
MAGEE J. TAYLOR
JOHN J. DUFFY
L.L. REED FARNOL
MICHAEL E. HARRIS
JUSTIN L. HARRIS
JOEL R. HARRIS
BERNARDIN J. GRIFFIN
BERNARDIN F. P. HARRIS
JOHNCE DABORN
ELIZABETH BARBER
E. MICHAEL FLANAGAN
LINDA SCHNEIDER
JOSEPH H. SELLERS
EUGENE TALLMAN
THOMAS J. MCCARTY^{*}
JOHN A. RITTMAN
JAMES H. SMITH
SUZ D. BLUMENFELD^{*}

Pierson, Peall & Dowd

1000 Ring Building
1200 18th Street, N. W.
Washington, D. C. 20036

TEL. ROB 331-8588
CABLE ADDRESS "MERRILL"

OKLAHOMA OFFICE
CITY NATIONAL BANK TOWER
SUITE 780
OKLAHOMA CITY, OKLA. 73102
TEL. NO. 238-7886

SOURCE:
THOMAS H. BOWD
CAT. B. MARSH

LOWELL J. BRADFORD
RETIRED 2000

December 18, 1981

The Honorable William French Smith
Attorney General
Washington, D.C. 20530

Re: Secretary Raymond J. Donovan

Dear Mr. Attorney General:

On behalf of Secretary Donovan, this letter is being submitted for your consideration in discharging your responsibilities under the Special Prosecutor Chapter of the Ethics in Government Act, 28 U.S.C. 591 et seq.

Background

On December 10, 1981, Secretary Donovan -- and the world -- became aware that the Department of Justice was conducting a "preliminary investigation" under the Ethics in Government Act by an article in the Washington Post headlined "New Allegations About Donovan Probed by FBI."

At approximately 4:30 p.m. that same day Secretary Donovan's office was notified that the FBI wished to interview Secretary Donovan. Arrangements were made for Secretary Donovan to be available at 5:30 that same evening. FBI Agents Paul F. Nolan and Charles M. Anderson, accompanied by Paul E. Coffey, Deputy Chief of the Organized Crime and Racketeering Section of the U. S. Department of Justice, interviewed Secretary Donovan from 6:15 p.m. to approximately 8:15 p.m.

Exhibit 12

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Timothy P. Halligan

The Honorable William French Smith
December 18, 1981
Page Two

At the outset of the interrogation, Secretary Donovan was notified that the investigation was being conducted pursuant to the Ethics in Government Act and involved possible Taft-Hartley violations and perjury. Secretary Donovan was not advised of any specific charges against him or by whom the charges had been made. As the interrogation was being conducted, a network television news program advised the world that the charges had been made by "Mario Montuoro." (Interestingly, the only mention at the interrogation of Secretary Donovan concerning Mario Montuoro was a question by Agent Nolan: "Do you know Mario Montuoro?" Answer: "No.")

At the conclusion of the interrogation by Agent Nolan and Mr. Coffey, I asked, among other things, when the 90-day investigative period under the Ethics in Government Act had commenced. Mr. Coffey replied that he did not know, that the Department was making computations and that I would be advised. I subsequently raised this matter in a telephone conversation with Agent Nolan, who said he'd get back to me with the information. When I again contacted Agent Nolan by telephone, he told me he could not give me an answer. I then asked whether the Washington Post article of December 15, 1981 was correct in stating, "The Justice Department has concluded that it must decide by Monday whether to seek a full-blown investigation of Secretary of Labor Raymond J. Donovan. According to government sources, it is all but certain that a special prosecutor will be appointed." Agent Nolan replied to the effect, "If I were you, I wouldn't disbelieve that article."

If the Washington Post is correct, Secretary Donovan and his attorneys will have had seven working days in which to cope with the mass of material being caressed by the media. In view of the short time available, these comments are necessarily less than well honed and not as complete as we would like.

The "Specific Charges"

According to newspaper accounts, Mr. Montuoro has alleged that he attended a lunch at Prudenti's restaurant in Long Island City at which Joseph DiCarolis, an executive of the Schiavone Construction Company, handed an envelope containing \$2,000 to Louis Sanzo, President of Local 29 of the Laborers International Union. Mr. Montuoro has further alleged that Secretary Donovan

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The Honorable William French Smith
December 18, 1981
Page Three

and Ronald A. Schiavone and Gennaro Liguori, two other company officials, also attended this lunch, and that the payment was made to Mr. Sanzo because Schiavone Construction wanted Local 29 to attempt to gain jurisdiction from Local 147 of the Laborers International Union for tunneling work on the 63rd Street (New York) subway project in order to secure lower wage rates and more relaxed work rules. According to the FBI, this luncheon allegedly took place between June 1 and the end of the first week in September, 1977.

The Investigation

Other than the interview of Secretary Donovan, none of the alleged participants in the Prudenti's luncheon has been interviewed by the FBI. No interviews have been conducted of the owner of the restaurant, any employee of Schiavone Construction, or the General Contractors' Association employees (who would have been involved in any jurisdictional disputes).

Accepting for the moment that a preliminary investigation is limited in scope, it is still somewhat mystifying to find that no effort has been made to verify Mr. Montuoro's allegations by at least interviewing the alleged participants.

As indicated by the attached affidavits of Ronald Schiavone, Joseph DiCarolis and Gennaro Liguori (Exhibits A, B and C respectively), and as stated by Secretary Donovan in his FBI interview, no such luncheon took place. Additionally, no bribes were given Mr. Sanzo by officers or employees of Schiavone Construction at Prudenti's restaurant or anywhere else during the period June 1 through the first week of September, or any other time.

In addition to the Schiavone officials, the fifth alleged participant at the luncheon, Louis Sanzo, stated, according to the New York Times of December 11, that such a luncheon never took place.

When queried by me about the apparent disinterest of the FBI in hearing from the alleged participants, Agent Nolan commented to the effect that, "we assume they would deny it."

Pearson, Peal & Dowd

The Honorable William French Smith
December 18, 1981
Page Four

Agent Nolan did state that if I, as Secretary Donovan's attorney, could prove beyond a doubt that one or more of the participants could not have attended the luncheon because they were out of the country, or giving a speech in another town, etc., that the FBI would be interested.

I would certainly hope so!

Unfortunately, since we don't know the date of the alleged luncheon, and as we learned today, the Department has no specific date, it is a physical impossibility to be of assistance to you in this regard. Mr. Montuoro's charge is a classic example of an indefinite accusation. He has made a serious charge concerning events at a particular meeting; he has been specific as to what transpired, but has failed to state when the meeting occurred. It is obvious why Mr. Montuoro has been so vague: (1) the meeting never took place, and (2) if we knew a specific date we could in all probability prove conclusively the falsity of the allegation.

When Were the Charges Made --
And To Whom?

A prevailing theme throughout the media coverage of Mr. Montuoro's charges is that they were made "about three years ago" (New York Times, December 13, 1981); "that he described the incidents in grand jury testimony as long ago as 1978, according to his lawyer." (New York Times, December 14, 1981); Time magazine of December 21, 1981, describes the charges as "old." According to Mr. Montuoro's attorney, Arthur Z. Schwartz, as reported in the December 14, 1981 New York Times: "All this stuff came out before the grand jury in 1978 and 1979 and it was the Justice Department that picked up the ball for the first time two weeks ago."

Since we are not privy to grand jury records or complete 3500 information, we, on behalf of Secretary Donovan, are unable to determine when, to whom, and if this charge were made. We are advised, but are not able to verify, that Mr. Montuoro's recent charge was not made in his grand jury testimony given on October 12, 1978 and May 29, 1979. If the charge concerning the Prudenti's luncheon was not made in 1978 and 1979, then Mr. Montuoro's present statements are obviously latter-day fabrications. If,

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The Honorable William French Smith
December 18, 1981
Page Five

on the other hand, the charge was made in 1978 and 1979, the question arises as to whom this charge was made, why it was not followed up on and was it substantially the same as the present charge. See Washington Post, December 18, 1981.

As the news coverage of Mr. Montuoro has developed, Mr. Montuoro's recollection of the events of some three and one-half years ago seems to have improved. For example, today, for the first time, courtesy of the Washington Post, we learned what he had for lunch and what Mr. Sanzo was wearing, and where everybody sat at the table at Prudenti's. Were these details given to federal officers in 1978?

The only information we have been able to examine from the records of the Louis Sanzo trial (other than a transcript of Mr. Montuoro's testimony) is a report of an interview dated February 27, 1979 (Exhibit D attached) memorializing an interview of Mario Montuoro by Special Agents Joseph Greco and Norman Romney. The interview is interesting in several respects. First, Mr. Montuoro runs through a large number of charges against Mr. Sanzo and contractors generally. Much of the information is hearsay and nowhere is there any mention of a luncheon in 1977, which would have been clearly more relevant than his hearsay testimony concerning the A. J. Quong Co. and Sol Tabor, etc. Also, despite the newspaper stories crediting Mr. Montuoro with the charge that Schiavone Construction Company supplied the lumber for Mr. Sanzo's garage, the report clearly shows that Mr. Montuoro stated that the lumber for the garage was paid for by the DeSimmone (phonetic) Construction Company. There was such a construction company. Whether it presently exists, I do not know.

I am, of course, unable because of the lack of information to conclude that Mr. Montuoro did not make other statements to other federal officials and/or grand juries concerning the Prudenti's incident, but I implore you to search all of these records before reaching any conclusion whatsoever about Mr. Montuoro's credibility. Such a charge in 1978 and 1979 would have been directly relevant to the charges that were being developed against Louis Sanzo, but yet nowhere in that trial does Mr. Montuoro make any statement concerning the Prudenti's luncheon.

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The Honorable William French Smith
December 18, 1981
Page Six

Other Charges, Motive

We now understand the other publicized charges of Mr. Montuoro against Schiavone Construction Company; e.g., bulldozers, dump trucks, pick-up truck, "western meeting-vacation", lumber, no-show jobs, see New York Times December 13, 1981, are not part of your preliminary investigation. In the limited time available to us, we have been able to establish that these charges have no basis in fact. As above described, Mr. Montuoro himself is self-contradictory concerning these matters.

We mention these charges only because these contradictions are further evidence that Mr. Montuoro, a twice-convicted felon (possession of five ounces of heroin and weapons possession) who while in the army stabbed an officer, has a massive credibility problem, particularly in light of his long-standing and violent vendetta against Mr. Sanzo.

Conclusion

In reaching your final determination, on behalf of Secretary Donovan we ask you to consider the following:

1. Of the six alleged participants at the Prudenti's luncheon, all but Mr. Montuoro have denied that such a luncheon took place, either at the time alleged by Mr. Montuoro or at any other time. Messrs. Donovan, Schiavone and DiCarolis state specifically that no bribe was offered or given to Mr. Sanzo at Prudenti's restaurant in 1977 or anywhere else at any time.

2. With standard confidentiality, the records of Schiavone Construction Company are available to the Department of Justice and the FBI to assist you in carrying out your duties under the Ethics in Government Act, and are available without subpoena or any other legal process.

3. At my request, the Schiavone Construction Company has searched its files for any evidence concerning the alleged luncheon. There is no such evidence, because the luncheon did not take place.

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Pierson, Ball & Dowd

The Honorable William French Smith
December 18, 1981
Page Seven

4. Secretary Donovan and his attorneys are totally frustrated by the inability of the Department of Justice -- or more likely Mr. Montuoro -- to pin down with some precision a date on which this alleged luncheon took place. If this information were known to us, we would make every possible effort to prove conclusively to the satisfaction of the Department and the world that such a luncheon could not and did not take place.

5. We do not know when this investigation began or when it will end, but in attempting to grope with the mass of press information we have had to operate on the assumption that for reasons unknown to us the Department was under an imminent deadline. This has hampered us in our effort to be of assistance to the Department. Since this investigation has become public property, we again request that we be advised when the investigation period will end.

Based on our knowledge and analysis of the facts and the Ethics in Government Act, we respectfully submit that no special prosecutor should be requested. There is no specific charge within the meaning and intent of the Act, and the generalized charge which has been made is based solely on the uncorroborated statement of a witness whose credibility and motivation will not withstand scrutiny.

I appreciate the opportunity to send you this letter, and you have our pledge of continued cooperation in this matter.

Respectfully,

PIERSON, BALL & DOWD

Dean Burch
Dean Burch

DB:gr
Attachments

cc: Edward C. Schmults
Lowell Jensen
John Keeney

100037

EXHIBIT B

STATE OF NEW JERSEY)
COUNTY OF ESSEX) ss.

JOSEPH DiCAROLIS, being duly sworn, according to
law, upon his oath, deposes and says:

1. I am the President of Schiavone Construction Co.
and have held that position since April 22, 1981. From 1971
until I became President, I was Senior Vice-President of the
Company. I have been employed by Schiavone Construction Co. since
1962.

2. I am forty-nine years old. I graduated from Princeton
University in 1954 with a degree of Bachelor of Science in Civil
Engineering.

3. I have read an article in the December 11, 1981
edition of the New York Times by Leslie Maitland stating that
Mario Montuoro has alleged:

(a) that I attended a luncheon at Prudenti's Restaurant
in Long Island City at which I handed an envelope containing \$2,000.00
to Louis Sanzo, President of Local 29 of the Laborers International
Union;

(b) that Messrs. Raymond J. Donovan, Ronald A. Schiavone,
Gennaro Liquori and Mario Montuoro also attended this luncheon; and

(c) that a payment was made to Mr. Sanzo because our
Company wanted Local 29 to attempt to gain jurisdiction for tunneling
work on the 63rd Street subway project in order to secure lower wage

Exhibit 13

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rates and more relaxed work rules.

4. Based on a telephone conversation between FBI Agent Paul S. Nolan and one of the Company's attorneys, it is my understanding that Mr. Montuoro has alleged that this meeting occurred sometime between June 1, 1977 and the end of the first week of September, 1977.

5. I did not make a payoff to Mr. Sanzo at Prudenti's Restaurant in 1977 as is alleged by Mr. Montuoro nor did I do so at any other time or place.

6. I have never had lunch in Prudenti's Restaurant when Mr. Donovan and Mr. Schiavone were present.

7. I have never had any social or business transactions with Mr. Montuoro at any time or any place.

8. I have never paid, directly or indirectly, any money to Mr. Sanzo at any time for any purpose.

Subscribed and sworn to
before me this 16th day
of December 1981.

JOSEPH DiCAROLIS


~~Joseph J. DiCarolis Attorney at Law~~
~~State of New Jersey~~
~~Attorney General of New Jersey~~

EXHIBIT C

STATE OF NEW YORK)
ss.
COUNTY OF NEW YORK)

GENNARO LIGUORI, being duly sworn deposes and says:

1. I am a Second Vice-President of Schiavone Construction Co. and have held that position since August 8, 1980. From 1972 until I became an officer, I was a Project Manager for the Company. I have been employed by Schiavone Construction Co. since 1969.

2. I am forty-three years old. In 1958 I received an Associates Degree in Applied Science from the Westchester Community College.

3. I have read an article in the December 11, 1981 edition of the New York Times by Leslie Maitland stating that Mario Montuoro has alleged:

(a) that I attended a luncheon at Prudenti's Restaurant in Long Island City at which Joseph DiCarolis, then Vice-President for Operations of Schiavone Construction Company, handed an envelope containing \$2,000.00 to Louis Sanzo, President of Local 29 of the Laborers International Union;

(b) that Messrs. Raymond J. Donovan, Ronald A. Schiavone, Gennaro Liquori and Mario Montuoro also attended this luncheon; and

(c) that the payment was made to Mr. Sanzo because our Company wanted Local 29 to attempt to gain jurisdiction for tunneling work on the 63rd Street subway project in order to secure lower wage rates and more relaxed work rules.

Exhibit 14

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4. Based on a telephone conversation between FBI Agent Paul S. Nolan and one of the Company's attorneys, it is my understanding that Mr. Montuoro has alleged that this meeting occurred sometime between June 1, 1977 and the end of the first week of September, 1977.

5. No such transaction ever took place in any restaurant or elsewhere to the best of my knowledge. I do know Mr. Sanzo and have known him for many years and I know Mr. Montuoro slightly. There never was an occasion at any place or any time when I was present at a meeting involving Mr. Sanzo, Mr. Montuoro, Mr. DiCarolis, Mr. Schiavone and Mr. Donovan and I was certainly never present when the episode described by Mr. Montuoro is alleged to have occurred.

6. I do not recall ever having had a meeting at Prudenti's Restaurant during 1977 when Mr. Donovan was present.

Sworn and subscribed to
before me this 16th day
of December, 1981.


Gennaro Ligouri
GENNARO LIGOURI

Howard F. Leach
A Notary Public of New York

HOWARD F. LEACH
NOTARY PUBLIC, STATE OF NEW YORK
No. 60-4633223
Qualified in Westchester County
Commission Expires March 30, 1982

100044

EXHIBIT A

STATE OF NEW JERSEY)
COUNTY OF ESSEX) ss.

RONALD A. SCHIAVONE, being duly sworn, according to law,
upon his oath, deposes and says:

1. I am the Chairman of the Board of Schiavone Construction
Co. and have held that position since April 22, 1981. From 1956
until I became Chairman of the Board I was President of the Company.
I am the founder and have been employed by Schiavone Construction
Co. since 1956.

2. I am fifty-six years old. I graduated from Dartmouth
College in 1947 with a BS degree in Civil Engineering and in 1948
with an MS degree in Civil Engineering.

3. I have read an article in the December 11, 1981 edition
of the New York Times by Leslie Maitland stating that Mario Montuoro
has alleged:

(a) that I attended a luncheon at Prudenti's Restaurant
in Long Island City at which Joseph A. DiCarolis, then Vice-President
for Operations of Schiavone Construction Co., handed an envelope
containing \$2,000.00 to Louis Sanzo, President of Local 29 of the
Laborers International Union;

(b) that in addition, the luncheon was attended by Mario
Montuoro, Raymond J. Donovan, Joseph A. DiCarolis and Gennaro Liguori;
and

(c) that the payment was made to Mr. Sanzo because our
Company wanted Local 29 to attempt to gain jurisdiction for tunneling

work on the 63rd Street subway project in order to secure lower wage rates and more relaxed work rules.

4. Based on a telephone conversation between FBI Agent Paul S. Nolan and one of the Company's attorneys, it is my understanding that Mr. Montuoro has alleged that this meeting occurred sometime between June 1, 1977 and the end of the first week of September, 1977.

5. Such a luncheon never took place in 1977 at any restaurant or at any other place or time. I have never attended a luncheon or other conference anywhere with Mr. Montuoro and I do not recall ever having met him. Mr. DiCarolis certainly never made any such payment to Mr. Sanzo or anybody else and the entire story is totally false from beginning to end.

6. I have instructed Morris J. Levin, Secretary of the Company, to cause a search of all Company records for the calendar year of 1977 and to immediately assemble and turn over to the Attorney General, or his designated representatives, any and all records which may have any bearing upon the allegations about this alleged "luncheon" and, further, Mr. Joseph DiCarolis, President of the Company and I have instructed Mr. Levin and the Company's attorneys to cooperate fully with the Attorney General and his designated representatives in the investigation of this matter and to make available any and all records and documents in the possession

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of the Company which may be helpful to the Attorney General in the discharge of his duties.

7. Every word of the foregoing is true, but this Affidavit will be incomplete if I did not express my profound disappointment in the Government supposedly of Laws and not of men which reacts instantly to the transparent lies and the calumny voiced by acknowledged criminals while it remains insensitive to the persistent violation of the rights of innocent people by ignoring manifest and continuous leaks of defamatory and demonstrably false material to the media by the Department charged with the admission of Justice.

Subscribed and sworn to
before me this 16th day
of December, 1981.



RONALD A. SCIALAVONE



A Notary Public of New Jersey

BETTYE WILLIAMS
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 26, 1981

100040

, MARIO MONTURO, residing at 1941 Hobart Avenue, Bronx, New York, make the following statement under the penalties of perjury:

That, I was employed by Local 29 in an office administrative capacity,

That, my employment with said Local 29 was terminated on or about May 12, 1978,

That, in 1974, Louis Sanzo requested that I endorse and cash an Aberdeen Associates, Inc. check made payable to cash in the amount of Ten Thousand Dollars (\$10,000.00),

That, I deposited said check in my bank after endorsing same,

That, I gave the cash to Louis Sanzo less Three Hundred Dollars (\$300.00) which I retained as my fee,

That, in August of 1978, Louis Sanzo requested that I state to the Federal Department of Labor that the proceeds of the aforementioned check were returned to Ralph Trainello instead of to Louis Sanzo,

That, Louis Sanzo stated, in exchange for the aforementioned assistance, he would give me back my job with Local 29,

That, on or about April 12, 1978, before my position was terminated with Local 29, Louis Sanzo approached me and state that Joseph Cipollone is willing to pay Two Thousand Five Hundred Dollars (\$2,500.00) to me or anyone else that is willing to take up the offer in exchange for giving a beating to Ralph Trainello and putting him in the hospital for a few months,

That, in or about July or August of 1977, I, my brothers, William Monturo and Sam Monturo along with Joseph Cipollone and Louis Sanzo

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worked on Saturday and Sunday with bulldozers, etc., for the purposes of cleaning and grading the yard located at 43-35 10th Street, Long Island City, New York; said yard, I believe, is owned by Berthange Realty Corp. and, I further believe, is used as an office and yard -- home base for Cipico Construction Company.


MARIO MONTURO

Sworn to before me this
19th day of December, 1978.

200187

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS.:

WILLIAM MONTUORO, being duly sworn, deposes and says:

1. I am an operating engineer and a member of Local 15, International Union of Operating Engineers. Among the types of machinery that I operate is a 977 Caterpillar tractor.

2. I have three brothers, among them Mario Montuoro and Saverio Montuoro.

3. From 1975 to 1978, I worked at a jobsite on 41st Street, Astoria, between Vernon Boulevard and 21st Avenue. The contractor there was Schiavone Construction Company. When I started work there, my brother Saverio was already working there; both of us worked for Louis Nargi, a subcontractor. Later, both of us were transferred directly to the Schiavone payroll.

4. Late in June or early July 1977, my brother Mario telephoned me and asked me to do a favor for Louis Sanzo, president of Local No. 29, Blasters, Drillrunners and Masons Union, LIUNA, by levelling off land on property owned by him. I agreed.

5. At the Schiavone jobsite, I discussed the matter with my brother Saverio Montuoro. It was understood between us that we would both go over to Sanzo's property on a Saturday and perform the work. We did not expect to get paid.

6. Sanzo's property was near the jobsite where Saverio and I worked. I have been advised that it was at the corner of 43rd Street and 10th Street, and this sounds correct to me.

7. On the agreed-upon Saturday, either in late June or early July 1977, my brother Saverio and I went over together to Sanzo's property. While we were there, a low-bed trailer owned by

the DiFillipis crane rental company, which had cranes on hire to Schiavone, drove up with a 955 Caterpillar payloader on it. Saverio unloaded the payloader.

8. When we arrived, a 977 Caterpillar tractor was already there. Louis Sanzo, who was present, told Saverio and myself that the tractor belonged to Bobby Blandford. I know Blandford to be the owner of a construction company.

9. I operated the 977 tractor and Saverio operated the 955. Together, we leveled off the property. In addition, three dump trailers were operating. I recognized the trailers and the men operating: the men drove the trailers for Nargi on the Schiavone jobsite.

10. Sanzo gave us directions as to what work was to be done and we followed his directions.

11. The work took us nine hours to complete. When it was done, Sanzo tipped Saverio and myself \$50 each. We received no other remuneration.

William Montuoro
WILLIAM MONTUORO

Sworn to before me this
3rd day of January, 1981

BURTON H. HALL
Notary Public, State of New York
No. 24-4618745
Qualified in Kings County
Commission Expires March 30, 1982

25002

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

SAVERIO MONTUORO, being duly sworn, deposes and says:

1. I am an operating engineer and a member of Local 15, International Union of Operating Engineers. Among the types of machinery that I operate is a 955 Caterpillar payloader.

2. I have three brothers, among them Mario Montuoro and William Montuoro.

3. From 1975 to 1978, I worked at a jobsite on 41st Street, Astoria, between Vernon Boulevard and 21st Avenue. The contractor there was Schiavone Construction Company. When I started work there, I worked for Louis Margi, a subcontractor; later I went directly on the Schiavone payroll. My brother William, also an operating engineer and a member of Local 15, worked on the same jobsite.

4. Late in June or early July 1977, my brother Mario telephoned me and asked me to operate a payloader to level off land on a property owned by Louis Sanzo. I knew that Sanzo was the president of Blasters, Drillrunners and Masons Local 29. I agreed.

5. At the Schiavone jobsite, I discussed the matter with my brother William. It was understood between us that we would both go over to Sanzo's property on a Saturday and perform the work.

6. Sanzo's property was near the jobsite where William and I worked; I have been advised that it was at the corner of 43rd Street and 10th Street, and this sounds correct to me. Exhibit 18

250001

7. On the agreed-upon Saturday, either in late June or early July 1977, my brother William and I went over, together, to Sanzo's property. While we were there, a low-bed trailer owned by the DiFillipis crane rental company, which had cranes on hire to Schiavone, drove up. A 955 Caterpillar payloader was on the trailer. I unloaded the payloader.

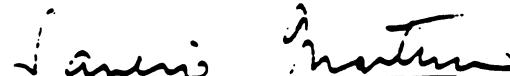
8. When we arrived, a 977 Caterpillar tractor was already there. Louis Sanzo, who was present, told me and William that the tractor belonged to Bobby Blandford. I know Blandford to be the owner of a construction company.

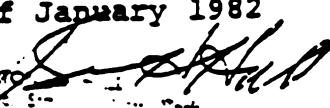
9. I operated the 955 tractor and William operated the 977. Together, we leveled off the property. The work took nine hours for the two of us to complete. In addition, three dump trailers were operating, picking up the debris. The dump trailers and the men operating them were all known to me. The trailers were owned by Louis Nargi, the subcontractor for whom I had worked at the Schiavone jobsite. I recognized the drivers as men who drove the trailers for Nargi on the jobsite.

10. Sanzo instructed us as to what work was to be done, and we followed his directions.

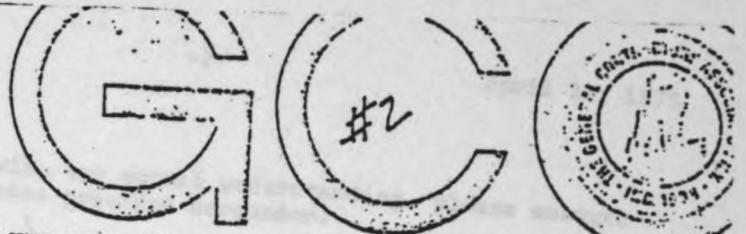
11. When the work was done, we parked the machines. Sanzo tipped William and myself \$50 each; neither of us received any other remuneration. We had agreed to work without pay.

Sworn to before me this
3rd day of January 1982


SAVERIO MONTUORO

BURRO
Notary Public No. 24-151-15
Qualified in Kings County
Commission Expires March 30, 1982


25004



THE GENERAL CONTRACTORS ASSOCIATION OF NEW YORK, INC.

WILLIAM C. FINNSTRAN, JR.
General Manager and Director of Labor Relations

April 20, 1976

Mr. Andy Amisano,
General Manager
Schiavone Construction Company
Impresit Girola Lodigiani, Inc.
Thomas Crimmins Contracting Co.
A Joint Venture

Mr. Richard Fitzsimmons,
Business Manager
Mr. Edward Cross,
Secretary-Treasurer
Mr. Edward McGuinness,
President
Compressed Air and Free Air, Foundations,
Tunnels, Caissons, Subways, Cofferdams,
Sewer Construction Workers, Local 147 of
New York, New Jersey States and
Vicinity. AFL-CIO

Re: NEW YORK CITY TRANSIT AUTHORITY
63rd STREET SUBWAY PROJECT - SECTION 5A

Gentlemen:

I wish to confirm our meeting of April 20, 1976 at which time it was
agreed that on the above-referenced project, the following would be
the work assignment:

Shafts, tunnel drifts excavation and tunnel excavation
including steel, concrete, and electrical work from the
collar of the shaft downward is the work of Local 147
and is accordingly assigned thereto.

Open cut excavation will be the work of Local 29 and
731, and the removal of the excavated material from
said open cut excavation will be performed by said
locals, which specifically means that said material
may be dropped into the tunnel bottom and removed, and
this removal shall be the work of Local 731.

Continued.....

60 EAST 42nd STREET, NEW YORK, N.Y. 10017 • TELEPHONE (212) 687-3131

Exhibit 19

350078

April 20, 1976

If this meets with our mutual understanding, please execute
same in the spaces provided hereunder.

Andy Amisano
Andy Amisano

Will C. Finneran, Jr.
William C. Finneran, Jr.

Richard Fitzsimmons
Richard Fitzsimmons

Edward Cross
Edward Cross

Edward McGuinness
Edward McGuinness

350079

TO: Leon Silverman, Special Prosecutor

FROM: Raymond J. Lee Jr., Special Agent - IRS
Michael O'Brien, Special Agent - IRS

SUBJECT: Analyses of Schiavone Construction Co. and
Schiavone Equipment Corp. checking accounts

The checking accounts of Schiavone Construction Co. and Schiavone Equipment Corp. were analyzed in order to ascertain if these entities could generate a cash availability to pay an alleged bribe of \$2000 during the year 1977.

The accounts analyzed consisted of two checking accounts numbered 000-006-510 and 000-058-990 at The National State Bank in the names of Schiavone Construction Co. and Schiavone Equipment Corp. respectively for the period January 1, 1977 to September 30, 1977.

In re: Schiavone Equipment Corp.

A review of the checks drawn on this account disclosed no checks payable to cash or other checks of interest.

In re: Schiavone Construction Corp.

A review of the corporate checks drawn on this account disclosed that on September 16, 1977 corporate checks #97010 and 97011 payable to Ronald Schiavone and Raymond Donovan, respectively, in the amount of \$8,000.00 each, were cashed by Schiavone and Donovan. These checks were shown on Schiavone Construction books as loans made to officers (Schiavone and Donovan). On September 21, 1977

corporate checks #97143 and 97145 payable to Raymond Donovan and Ronald Schiavone, respectively, in the amount of \$10,000 each, were cashed by Donovan and Schiavone. These checks were also shown on Schiavone Construction books as loans made to officers. The disposition of these monies are unknown. It should also be noted that seventeen Schiavone Construction Corporate checks totaling \$2,327.49 payable to Ronald Schiavone were deposited into his personal checking account number 1-30-11771 at Meadowlands National Bank, which was previously analyzed.

There were Schiavone Construction Corporate checks payable to (1) Schiavone Construction Co., Impressit Girola Lodigiani, Inc., Thomas Crimmins Contracting Co., A Joint Venture and (a) Edward B. Fitzpatrick Jr. Assoc. and Schiavone Construction Co. a Joint Venture. These checks were in amounts of \$100,000.00 to \$600,000.00.

Schiavone Construction Corporate check #93377 dated April 15, 1977 made payable to Raymond Donovan was cashed by him on April 25, 1977 for \$1,100.00. The disposition of these monies is unknown.

It is concluded that there are enough monies available between Schiavone and Donovan to pay a \$2,000 bribe; however, based upon our experience in examining personal and corporate records, these types of transactions are not unusual and comparatively speaking these corporations are relatively "clean" as to unknown disposition of monies being withdrawn from corporate funds.

MEMORANDUM

April 9, 1982

TO: Leon Silverman, Special Prosecutor

FROM: Raymond J. Lee, Jr., Special Agent - IRS
Michael O'Brien, Special Agent - IRS

SUBJECT: Analysis of checking accounts of Schiavone-related entities.

The checking accounts of the below mentioned Schiavone related entities were analyzed in order to ascertain if these entities could generate a cash availability to pay an alleged bribe of \$2000.

The accounts reviewed pertained to the following Schiavone-related entities:

1. Schiavone Fitzpatrick Joint Venture account numbered 325 002479 located at Chemical Bank
2. Schiavone Construction Co. Inc.
Impresit Girglia Lodigiani Inc.
Thomas Crimmins Contracting Co.
account numbered 001 024175 located at Chemical Bank
3. Schiavone Buckley account numbered 000-058-230 located at National State Bank.

A review of checks drawn on these accounts for the periods May and June 1977 indicated that there were no checks drawn to CASH nor were there any checks made payable to any unusual payees.

**It is concluded that there is no cash availability
from these three (3) accounts to pay an alleged \$2000 bribe.**

**Raymond J. Lee, Jr.
Special Agent**

**Michael O'Brien
Special Agent**

In re: Raymond Roocyan - Analysis of Joseph DiCarolis
February 9, 1982
Checking A/C #73-0112-0 at Midlantic National
Bank A/C #73-0112-0 for the period
12/9/76 to 10/7/77

TO: Leon Silverman, Special Prosecutor

FROM: Raymond J. Lee Jr.

SUBJECT: Analyses of Joseph DiCarolis
Personal Bank Accounts

12-23-76

10702

1702

Via check - Source unknown

also \$9000 check - Source

also source cash

Joseph DiCarolis' personal bank accounts were analyzed in order to ascertain if he had a cash availability to pay an alleged bribe of \$2,000 during the year 1977.

The accounts analyzed consisted of a checking account numbered 73-0112-0 at Midlantic National Bank and a savings account numbered 305441 at Nutley Savings and Loan Association. The analyses of these two (a) accounts disclosed a total cash availability of \$1500 for the year which consisted of eight (8) transactions in amounts ranging from \$50 to \$500.

In addition, there were two other transactions pertaining to the savings accounts for the amounts of \$3200 and \$1000. Although the disposition of these monies could not be determined, it should be noted that these monies were withdrawn in the form of bank checks.

Based on the analyses of Joseph DiCarolis' personal accounts, it is highly improbable that Joseph DiCarolis used monies from these accounts to pay an alleged bribe during 1977, especially due to the fact that total cash withdrawn from these accounts totaled \$1500 for the year.

Raymond J. Lee Jr. Exhibit 21

In re: Raymond Donovan - Analysis of Joseph & Elaine DiCarolis
 Checking A/C at Midlantic National
 Bank A/C #73-0112-0 for the period
 12/9/76 to 10/7/77

<u>Date</u>	<u>Deposit</u>	<u>Checks Drawn</u>	<u>Cash</u>	<u>Remarks</u>
12-15-76	4000			Via check - Source unknown
12-23-76	10702	Deposit 1702		{ Also \$9000 check - Source unknown. Also source cash unknown
12-31-76	5500			{ \$200 - check } rent checks \$200 - check } \$5,000 - check - Source unknown
1-3-77		10000		# 773 to Waterwher Asso- ciates
12-23-76		100	100	#774
12-17-76		400		#776 - Larry Higgs "moped"
1-13-77	1639			* } Deposit Tickets were not submitted - unable to determine forms of deposits
* 1-18-77	9000 - Transfer from Savings A/C			
1-25-77	158482			
1-28-77	1300			
2-4-77	1761			
1-11-77		1000		#762 }
1-11-77		1000		#763 }
1-11-77		1000		#764 }
1-11-77		1000		#765 }
3-8-77		1000 }	*	#838 - Paid to Jane Hains an cashed - "Steven's Stereo"
* 2-25-77		120		#827 - Paid to Jane Hains "baby sitting"

<u>Date</u>	<u>Deposit</u>	<u>Checks Drawn</u>	<u>Cash</u>	<u>Remarks</u>
3-16-77	1365			Deposit tickets were not submitted - unable to determine forms of deposits
3-30-77	1000	Transfer from Savings A/C	*	
3-31-77	172880			
3-21-77		240		#841 - John Hains - "Windows"
4-12-77		1400		#864 - Joseph Lazur
4-13-77	1728			Deposit tickets omitted
4-28-77	18928	Possible transfer from savings A/C \$17,000		
5-5-77		18000		#884 First Stanford Bank & Tr. Co. "Waterwheel Associates"
5-27-77	1800			Deposit tickets omitted
6-2-77	3623			
6-9-77	2128			
5-17-77		50	50	#890
5-23-77		150	150	#911
6-16-77		100	100	#934
7-19-77	125923			Deposit tickets not available
7-19-77	35000	Transfer from Savings A/C		
8-4-77	150000			
8-5-77	132800			
7-20-77		100	100	#966
7-27-77		6500		#964 "Havre De Grace Assoc." "Senior Citizens home tax shelter"

<u>Date</u>	<u>Deposit</u>	<u>Checks Drawn</u>	<u>Cash</u>	<u>Remarks</u>
8-18-77	1628			Deposit tickets not available
8-31-77	1728			
9-14-77	1628			Deposit tickets not available
9-21-77	5000	Transfer from Savings A/C		
9-22-77	12000	Transfer from Savings A/C		
10-5-77	1928			
9-22-77		200	200	#1022
* 9-21-77		5000*		#1019 - Dorothy McCarthy "painting"
10-6-67		12500	—	#1023 - Itasca Marketing Inc.
			<u>700</u>	

February 9, 1982

TO: Leon Silverman, Special Prosecutor

FROM: Raymond J. Lee Jr.

SUBJECT: Analyses of Gennaro Liguori's Personal Bank Accounts

Gennaro Liguori's personal bank accounts were analyzed in order to ascertain if he had a cash availability to pay an alleged bribe of \$2,000 during the year 1977.

The accounts analyzed consisted of a checking account numbered 59288643 at Citibank and a checking account numbered 701-362-0-3 at Brunswick Bank and Trust.

The analysis of these two accounts disclosed a total cash availability of \$2390 which consisted of eight (8) transactions in amounts ranging from \$100 to \$500 and pertains solely to the Citibank account.

All cancelled checks were not provided for inspection, however, the check register was provided and reviewed.

Although the total amount of checks payable to cash was \$2,390 some of these checks noted the purpose such as "Exp. in L.A.", and "Flu. vac."

Based on the analysis of Liguori's personal accounts, it is highly improbable that Liguori used monies from these accounts to pay an alleged bribe during 1977.

Raymond J. Lee, Jr.

Attachments (1) Analysis - Citibank
(2) Analysis - Brunswick Bank and Trust

Exhibit 22

In re: Raymond Donovan Analysis of checking A/C of Gloria
Liguori at Brunswick Bank & Trust
701-362-0 3

1977

<u>Date</u>	<u>Withdrawal</u>	<u>Remarks</u>
12/20/77	1000	\$163 - Payable to Louis Liguori and deposited

All checks were reviewed (missing checks numbered 56, 105, 154, and 158). The check register indicates the following

#56	-	Void
#105	-	Void
#154	-	\$100 - Payee - Citibank
#158	-	\$129.39 - Payee - N. J. Bell

In re Raymond Donovan: Analysis of checking account of
Gennaro Liguori at Citibank
A/C 59288643 for the year 1977

<u>Date</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Cash withdrawal</u>	<u>Remarks</u>
<u>Note:</u> All statements and cancelled checks were not provided. Therefore the analysis was performed for the following months: Jan thru March, June, July, Sept., Nov. and Dec.				
1-7-77	500	500		"Exp N/E in L.A."
1-24-77	100	100		\$184 "Petty Cash"
2-2-77	140	140		\$191
2-9-77	100			\$197 Prudenti's "Jan. Bill partia
2-16-77	250	250		\$199 "Flu vac."
5-31-77	250	250		\$266 "check"
7-12-77	250	250		\$288 "Gloria"
8-1-77	400	400		\$301 Per check stubs
8-16-77	500	500		\$303 Per check stubs
			<u>2390</u>	

In re: Raymond Donovan - Missing checks for Gennaro Liguori
A/C at Citibank # 59288643

Check #'s

204

220-256

258

259

294-305



Although these checks were not provided,
the check register was provided and
reviewed.

Note: There were 4 checks written on this A/C from 9/1/77
to 12/6/77. Account appears to be dormant towards
end of year.

February 9, 1982

TO: Leon Silverman, Special Prosecutor
FROM: Raymond J. Lee Jr.
SUBJECT: Analyses of Ronald Schiavone's Personal Bank Accounts

Ronald Schiavone's personal bank accounts were analyzed in order to ascertain if he had a cash availability to pay an alleged bribe of \$2000 during the year 1977.

The accounts analyzed consisted of a checking account numbered 0111771 at Meadowlands National Bank and a savings account numbered 305441 at Nutley Savings and Loan Association both of which are in the names of Ronald Schiavone.

The analysis of Schiavone's savings account disclosed two (2) transactions, both of which were accounted for.

The analysis of Schiavone's checking account disclosed that there were no checks payable to cash or to Ronald Schiavone. However there were large and periodic payments made to Lorraine Schiavone. These payments ranged in amounts from \$2000 to \$4500 and totaled \$64,200 for 1977.

It may be of importance to note that a \$2000 check dated 5-20-77 to Lorraine Schiavone should be highlighted for the following reasons.

1. Generally, these periodic payments were paid in bi-monthly intervals with the expectation of this check, which was dated one day subsequent to a \$3000 check to Lorraine Schiavone.

Exhibit 23

2. Although, it may be coincidental, this check was in the amount of \$2000, which is the amount of the alleged bribe.

The above mentioned \$2000 check to Lorraine Schiavone is of importance if it assumed that Lorraine Schiavone acted as a conduit for these funds. However, it is this agent's opinion that there would be no purpose to have Lorraine act as a conduit for the funds, since Ronald Schiavone could have merely drawn a check payable to himself for this amount without arising any great suspicion and without involving another person, his wife.

3. In addition to the above mentioned checks being paid to Lorraine Schiavone, also charged to Schiavone's checking account were periodic wire transfers totaling \$18,500 for 1977 to Edison First National Bank for F. Whyatt, Schiavone and Roberta Long Household Account. Since the bank statements and concealed checks were not provided to this agent it is not possible to determine a cash availability pertaining to this account.

Based on the analyses of Ronald Schiavone's personal accounts and assuming that Lorraine Schiavone did not act as a conduit for these monies, it is highly improbable that Ronald Schiavone used monies from these accounts to pay an alleged bribe during 1977, especially due to the fact

that there were no checks payable to cash or to
Ronald Schiavone.

Raymond J. Lee Jr.

- Attachments
- (1) Analysis of checking account at Meadowlands National Bank.
 - (2) Analysis of wire transfers pertaining to account at Meadowlands National Bank.
 - (3) Analysis of Nutley Savings and Loan Account.

<u>Check Dated</u>	<u>Withdrawal</u>	<u>Cash withdrawals on Ronald or Lorraine Schiavone</u>	<u>Remarks</u>
1-11-77	4500	4500	#928 - Payable to Lorraine Schiavone
1-20-77	4500	4500	#126 "
2-10-77	4500	4500	#152 "
2-16-77	75000		#158 Dep. to Nutley Sav. & Loan # 305441
2-25-77	600	600	- Endorsed Stephen Lead
* 2-22-77	500		Wire Transfers - Unknown
2-23-77	1500		1
1-14-77	1000		Wire Transfer
3-2-77	4500	4500	#173 Lorraine Schiavone
* 5-20-77	2000	2000	#__ Lorraine Schiavone
4-4-77	4500	4500	#206 Lorraine Schiavone
4-28-77	3000	3000	#233 Lorraine Schiavone
5-19-77	3000	3000	#266 " - "
6-14-77	3500	3500	#304 " "
6-13-77	6500		#__ Neil O. Peterson
6-3-77	2300		#285 - Bill Somers
8-1-77	3500	3500	#363 - Lorraine Schiavone
7-14-77	3500	3500	#__ " "
8-12-77	2000	2000	#__ " "
8-31-77	2000	2000	#403 " "
9-21-77	3500	3500	#423 " "

① Wire Transfers every month

① Wire Transfer

10-11-77	2000	2000	\$459	Lorraine Schiavone
10-17-77	1200	1200	\$471	" "
10-31-77	2000		\$483	Payable to Dominic Boccia
11-3-77	3500	3500	\$488	Lorraine Schiavone
11-29-77	3500	3500	\$514	" "
12-14-77	2000	2000	\$531	
12-22-77	2000	2000	\$539	Pay to Cash - Endorser illegible
12-28-77	3500	3500	\$541	Lorraine Schiavone

In re: Raymond Donovan: Analysis of Wire Transfers from Schiavone
personal checking A/C 0111771 at
Meadowlands National Bank

1-12-77	1000	1000
1-25-77	1000	1000
2-22-77	500	500
2-23-77	1500	1500
3-25-77	1500	1500
6-14-77	1000	1000
7-1-77	1000	1000
7-15-77	1000	1000
8-9-77	1000	1000
8-17-77	1000	1000
8-29-77	1000	1000
9-19-77	1000	1000
10-3-77	1000	1000
10-17-77	1000	1000
11-7-77	1000	1000
12-2-77	1000	1000
12-9-77	1000	1000
12-28-77	<u>1000</u>	<u>1000</u>
Totals	<u>18500</u>	<u>3500</u>
		<u>15000</u>

1 Wire transfer to Edison First National Bank for account of
F. Whyatt, Schiavone and Roberta Long Household Account
5150019922.

Harmen's Summarized Notes

Marie C. Schiavone, R.N.

Given to G.J.C.Y., M. - 1-2-82

Schiavone

1-9-2000

2 bulldozers June, July 1977 - Jerry Liguori

sent ~~to~~ ⁴ 2 Front end loaders

and 3 dump trailers to site in UC

- Sanzo leveled off property

- Sanzo bought property for 90,000

+ leveled off property around building

Cipollone

- in 1978 Cipollone paid Sanzo \$18,000

for Jo-Lo leasing + property

- machinery was being used at Vernon Blvd

job

- told ~~to~~ in 1978

3 After Petito became Sec/Treas. Schiavone

gave Petito a pickup truck, Petito

gave it to son, Tommy

- it had been truck Petito had used as
foreman at Vernon Blvd.

- Harmon has this on a tape

4 In 1977 Schiavone took Petito to

either Tahoe or Hawaii for a week

- for seminar

- told Harmon during Petito's trial

5 Sent load of 3x10s + plywood to Sanzo's
house to build garage + greenhouse

- 1977 - Mario helped build it

6. While they were building garage -
Charlie D'Angelis was getting paid
by Schiavone - D'Angelis was supposed
to be working on Vernon Blvd - it took
2 days to do it - 1977
- didn't tell J.D.
7. Petito had Charlie Simmons & ~~others~~
~~and~~ Anthony Casale work on his
house - For about a week - built a
cellar and fire place - 1977
- doesn't remember if he told J.D.
- Casale would testify
in and out worked in Ram's yard had own business
8. John Busso, Al Bonano, Artie Martin
had no show jobs at Vernon Blvd
- Herbie Atkins cashed checks
Joyce Knows
Am Stomel testified about this to
grand jury - saw Sanzo cash \$16,000
in vacation stamps around
- Maria Knows from 1976 that he left
- told Harmon in 1979
9. Petito started in office May 12 as Asst.
Administrator - Schiavone said Petito
with 130 hours - shows on Welfare
- sent \$55 ~~to~~ third week of June
- Joyce brought it out -

250006

under contract they can only hold
back 3 days

- told Harmon about this

~~10. Petito would sign men in to job who
took days off + then charge men
\$25 to get paid~~

10. Petito would sign men in to job who
took days off + then charge men
\$25 to get paid

11. Aikens charted Sanze to Lake
George while on Chivonne payroll

250007

**BLASTER'S AND DRILL RUNNERS LOCAL UNION NO. 21
PENSION FUND**

SOC. SEC. NO 0142. APR. 2007

Exhibit 25

250017

24
25

PENSION FUND

Yearly Recapitulation By Quarters 1978

QTR.	EARINGS	F.O.A.	WTHLDG.	DIS.	STATE	CITY	TOT. DED.	NET PAID
1								
2								
3								
4								
TOT.								

NATION WIDE
OFFICE-AIDE 1223 THE COLONIAL COMPANY
BROOKLYN 30 NEW YORK

EMPLOYEE'S RECORD

Name *Amadeo A. Pinto*
 Address *29 Inwood Rd.*
 City *Paterson* Phone *5074*
 S.S. Acct. No. *062-30-5074* Exemptions *4*
 Clock No. _____ Sex *Single* Married *✓*
 Position _____ Hrs. per day _____ Per Week _____
 Date Born _____ Where Born _____

FIRST QUARTER

PAYROLL PERIOD	REG. TIME		OVERTIME		TOTAL EARNINGS	DEDUCTIONS					NET EARNINGS		
	HRS.	RATE	HRS.	RATE		F.O.A.	WTHLDG.	DIS.	STATE	CITY	TOTAL	AMOUNT	DATE PAID
					162.50	9.83	7.10		340	155	14062	5/19	
					162.50	9.83	7.10		340	155	14062	26	
					162.50	9.83	7.10		340	155	14062	6/2	
					162.50	9.83	7.10		340	155	14062	9	
					162.50	9.83	7.10		340	155	14062	16	
					162.50	9.83	7.10		340	155	14062	23	
					162.50	9.83	7.10		340	155	14062	30	
TOTAL													
1st Qtr.													
TOTAL													
3 Mos.													

SECOND QUARTER

PAYROLL PERIOD	REG. TIME		OVERTIME		TOTAL EARNINGS	DEDUCTIONS					NET EARNINGS		
	HRS.	RATE	HRS.	RATE		F.O.A.	WTHLDG.	DIS.	STATE	CITY	TOTAL	AMOUNT	DATE PAID
Bal. Fwd.					162.50	9.83	7.10		340	155	14062	5/19	
					162.50	9.83	7.10		340	155	14062	26	
					162.50	9.83	7.10		340	155	14062	6/2	
					162.50	9.83	7.10		340	155	14062	9	
					162.50	9.83	7.10		340	155	14062	16	
					162.50	9.83	7.10		340	155	14062	23	
					162.50	9.83	7.10		340	155	14062	30	
TOTAL													
2nd Qtr.													
TOTAL													
2nd Qtr.													

410604

Exhibit 26

Date of Interview February 27, 1979

On February 27, 1979, Special Agents Joseph Greco and Norman Ratney interviewed MARIO MONTUORO at 1 St. Andrew's Plaza, New York, N.Y.

MONTUORO stated the following in substance:

He previously told AUSA McNamara that he had cashed an Aberdeen check in the amount of \$10,000 for LOUIS SANZO, President of Local 29, and that he gave \$9,700 to SANZO and kept \$300 for himself. He deposited the Aberdeen check into his own bank account, waited for the check to clear, then went to the bank with SANZO and withdrew the money in cash. SANZO made out the withdrawal slip and MONTUORO signed it.

SANZO asked him to testify that he gave the \$10,000 back to TRAINELLO.

McNamara also showed MONTUORO another Aberdeen check for approximately \$2,000 that was endorsed "M. Montuoro". This check contained a stamp of a White Plains bank. MONTUORO told McNamara that he never saw and never endorsed this check.

He first heard about threats that SANZO had made to TRAINELLO from TRAINELLO when he met TRAINELLO about eight or nine months ago. TRAINELLO told him that SANZO said he would have MONTUORO kill TRAINELLO's wife and kids if TRAINELLO did not give SANZO any money.

SANZO never mentioned anything to MONTUORO. He had no knowledge of threats that SANZO made to TRAINELLO other than his conversation with TRAINELLO.

TRAINELLO also told him that Aberdeen put in driveways at Joseph Matranga's and Sam Cavalieri's houses. Matranga was President of Local 29 until 1974 and Cavalieri is Administrator for the union funds.

Joe Cipollone and SANZO have been friends for a long time. TRAINELLO knows SANZO from the neighborhood where they grew up together. TRAINELLO used to date SANZO's wife, Bertha, before SANZO married Bertha.

He first met TRAINELLO and JOE CIPOLLONE in 1976 at a social affair. CIPOLLONE and his brother, John, were partners in Aberdeen. When TRAINELLO split with the CIPOLLONES, SANZO went into business with JOE CIPOLLONE.

SANZO never spoke about Aberdeen.

TRAINELLO told him that when he met JOE CIPOLLONE up in White Plains, CIPOLLONE said that SANZO had MONTUORO's son killed. TRAINELLO told him that SANZO had said that

Date Dictated 2/27/79

Date Transcribed 2/27/79

File No. 22-9-0001

Date of Interview February 27, 1979

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SANZO never mentioned anything to MONTUORO. He had no knowledge of threats that SANZO made to TRAINELLO other than his conversation with TRAINELLO.

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Joe Cipollone and SANZO have been friends for a long time. TRAINELLO knows SANZO from the neighborhood where they grew up together. TRAINELLO used to date SANZO's wife, Bertha, before SANZO married Bertha.

He first met TRAINELLO and JOE CIPOULLONE in 1976 at a social affair. CIPOULLONE and his brother, John, were partners in Aberdeen. When TRAINELLO split with the CIPOULLONES, SANZO went into business with JOE CIPOULLONE..

SANZO never spoke about Aberdeen.

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Date Dictated 2/27/79

By JOSEPH GRECO, Special Agent

Date Transcribed 2/27/79

At New York, N.Y.

File No. 22-9-0001

MONTUORO had his own son killed. He believes that Sam Cavalieri, Sr. had his own son killed.

Anne Stamulis told MARIO that she cashed an Aberdeen check for SANZO,

SANZO became business manager for the union in 1969. SANZO got the job for MONTUORO in the union in October, 1975.

Presently, Sam Cavalieri, Sr. is pushing SANZO out of the union. Amadio Petito is presently running the union.

For some reason, Cavalieri, Sr. is or was on the payroll of Cipico, Inc., JOE CIPOLLONE's new company.

SANZO bragged to him and Joyce Cole that he owned stock. He knows that SANZO paid \$16,000 cash for a car. Cleaning lady for SANZO (named Althea) told MARIO that she saw money in SANZO's house.

SANZO got Sam Cavalieri, Jr. his job in union office as Administrator of Funds.

He feels that many contractors are making payoffs to SANZO so that they do not have to hire the required amount of Local 29 union members for a job. He heard that Tom Poole (phonetic) of Hallan (phonetic) Contractors paid \$500 to SANZO every three months and \$1,000 at Christmas time, and in return, Hallan did not have to employ a non-working foreman as is required in the union's contract with Hallan.

He also heard that many of the contractors are late in paying into the union funds, and, in turn, the contractors used the money as a loan.

He also heard that A.J. Quong Co. (phonetic), Brooklyn, N.Y., and Aberdeen Associates, Inc., Queens, N.Y., never paid into the union's Welfare and Pension Funds although they used Local 29 and that Quong paid SANZO \$5,000.

He also heard that Sol Tabor, the actuary for the funds, was kicking back \$1,000 of his salary to LOUIS SANZO.

He also said that SANZO told him in 1976 and 1977, that the Yankee Lumber Yard, Radcliffe Ave., Bronx, N.Y., delivered lumber to SANZO's home that was needed to build SANZO's pool and garage and that the DeSimone (phonetic) Construction Company was billed for the lumber. An officer of the DeSimone Construction Co. is a man named Palazzolo. Palazzolo is LOUIS SANZO's cousin. Palazzola's son received benefits from the union funds for an injury that he received at the Hunts Point Market, but the son was not entitled to union benefits at the time of the accident. The DeSimone Construction Co. is an employer of Local 29 members.

200191

He knows that Joe Cipollone, an officer of Aberdeen, put sewers in SANZO's house and Aberdeen put asphalt on SANZO's driveway. Aberdeen was a company that employed Local 29 members.

Joe Ragusa is the nephew of Sam Cavalieri, Sr. He is next in line to replace SANZO as President. Petito will replace SANZO as Business Manager.

Joe Matranga was President of Local 29 before SANZO replaced Matranga.

Rosalie Ragusa is niece of Sam Cavalieri, Sr. and Joe Ragusa's sister.

Tammie Petito, Amadio's brother, is out on parole on narcotics conviction. Tammie Petito is presently into numbers.

On March 15, 1978, Amadio Petito was administrator for union and also received check from Schiavone Construction Co. On Schiavone job in L.I.C., Petito was the timekeeper and head foreman. He put three "no shows" on the job. They were John Busso, Carmine Buonanno, and Artie Martin. Schiavone probably does not know about this. Petito prepared time sheets of hours worked, submitted them to Kenny LNU, the Schiavone timekeeper. Herbie Aikens was shop steward on this job.

Busso is a "hustler", Buonanno fixes construction machines on the side, and Martin owns a ceramic tile factory in Whitestone, N.Y. Buonanno was paid, as a worker, by Schiavone for days that he was in a hospital. SANZO cashed in Buonanno's vacation stamps. The "no show" employees were allowed to receive health benefits from the union.

200192

Town Justice
243 Jefferson Heights - Catskill, N. Y. 12416
Phone 943-2108

TO:

Louis Sanzo
18 Boulevard
Malba, NY 11357

STATE OF NEW YORK

JUSTICE COURT

GREENE COUN

1. The application and waiver which you filed to dispose of the charge of speed 72 occurring on 3-8-78, is hereby GRANTED - ~~DENIED~~ and a pl of guilty ACCEPTED - ~~NOT ACCEPTED~~.

Upon receipt of a CERTIFIED CHECK OR MONEY ORDER in the amount of \$35.00 payable to the undersigned to cover the fine in the matter, a final disposition of the case will be made and your license returned.

Please include self addressed, stamped envelope with your reply.

Very truly yours,

CHARLES J. CROMMIE

R. M. Lewis JGS
Petty Cash
Check # 15444
\$ 35.00

\$35.80

March 1978

150250

Exhibit 28

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* DENOTES INFO REGARDING FUNDS

U.S. DEPARTMENT OF LABOR
Labor Management Services Administration

REPORT OF INTERVIEW

Date of Interview March 15, 1979

The undersigned Special Agent on the above date while in his office received a telephone call from MARIO MONTUORO, former employee of Local 29 Blasters, and was informed by MONTUORO of the following, in substance:

SONNY PETITO, Secretary-Treasurer, and LOUIS SANZO, President and Business Manager, both of Local 29, Blasters, visited CARMINE BUONANNO on learning that HERBERT AIKENS had been served a U.S. Grand Jury Subpoena to testify regarding CARMINE BUONANNO's Ritzpatrick Schiavone payroll checks.

MONTUORO believes that SANZO and PETITO will brief BUONANNO on what to say and do regarding BUONANNO's payroll checks counter-endorsed and cashed by AIKENS.

MONTUORO believes he can get witnesses who will say that BUONANNO was not working during the period AIKENS cashed BUONANNO's payroll checks.

BUONANNO worked for CORINA CIVETTA and RAM EQUIPMENT, INC. during the period BUONANNO was a "no show" employee at SCHIAVONE'S CONSTRUCTION, INC. During this period, MARIO MONTUORO's brother, SAM MONTUORO, tel. (914) 939-2503, also worked for CIVETTA. MARIO MONTUORO said that BUONANNO was fired by CIVETTA for a 2-year period, from January 1977 to December 1978.

CURTIS WIGGINS, tel. 654-7397, another employee of CIVETTA, and a member of Local 29, Blasters, may be another source of information regarding BUONANNO's "no show" activity. WIGGINS may also have information on "kick backs" by Local 29, Blasters' members to SONNY PETITO (Secretary-Treasurer of Local 29).

ANTHONY CASTIGLIO (BUTCH), tel. 324-6305, another Local 29, Blasters employee, did work on PETITO's home. CASTIGLIO built a fireplace for PETITO.

When CASTIGLIO took sick leave from his work PETITO carried him on the payroll and when CASTIGLIO received his pay he "kicked back" part of it to PETITO.

Once during the period BUONANNO was "no show" employee with SCHIAVONE, the timekeeper, a Mr. KENNY (phonetic), made a payroll check by having all of the workmen report to the Contractor Payroll Office to sign their own payroll checks. MONTUORO feels that it might be productive to interview KENNY.

Date Dictated 3/15/79

By NORMAN ROMNEY, Special Agent

Date Transcribed 3/16/79

At New York, New York

File No. 22-9-0001

The deal with BUONANNO's checks was that AIKENS pocketed part of
the proceeds from the checks, and SONNY PETITO pocketed the rest
of the payroll proceeds as well as the Vaction Stamp money.

MONTUORO is not sure whether the employer, SCEIAVONE, records the
Vacation Stamp serial numbers when they are issued to each employee.
If Vacation Stamp serial numbers are recorded, then it may be
possible to determine if the amount of money PETITO and/or AIKENS
received for their Vacation Stamps, during this period, was
legitimate, based on the amount of hours they worked during the
period.

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~~CONFIDENTIAL~~ (a)
EMPLOYEE RECORD CARD

**BLASTER'S AND SKILL RUNNERS LOCAL UNION NO. 29
PENSION FUND**

mcsec m 113 - 58 = 232 2

Exhibit 30

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29

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31

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JOSEPH P. MC NALLY
EXAMINER OF QUESTIONED DOCUMENTS

656 Waters Edge
Valley Cottage, N.Y. 10989
(914) 268-3201

American Society of
Questioned Document Examiners

American Academy of
Forensic Sciences

Diplomate, American Board of
Forensic Document Examiners

Int'l. Association for
Identification

April 1, 1982

James McShane, President
Bray Protective Consultants, Inc.
331 Madison Avenue
New York, N.Y. 10017

Re: Herbert Aikens

Dear Sir:

An examination and comparison was made of signatures and writings on the following documents:

Questioned

Envelope 1 - forty (40) checks of Schiavone Construction Co. Inc. drawn on Chemical Bank (1977) endorsed, "Carmine Buonanno" three (3) Form W-2 for Carmine Buonanno. (Payroll Account)

Envelope 2 - eleven (11) checks (Payroll) of Schiavone Construction Co. Inc. drawn on Chemical Bank endorsed, "Carmine Buonanno". seven (7) dated 1976 four (4) dated 1977 one (1) check of Schiavone Construction Co. Inc. (blue) drawn on Chemical Bank 2/10/77, endorsed, "C. Buonanno" (all these checks have second endorsement, "H. Aikens" or "Herbert Aikens")

Envelope 3 - three (3) checks (Payroll) of Schiavone Construction Co. Inc. drawn on Chemical Bank - endorsed; "Carmine Buonanno", "C. Bounanno". two 1976 one 1977 two (2) checks of Schiavone Construction Co. Inc. (blue) drawn on Chemical Bank (1977). Endorsed, "C. Buonanno" and "Carmine Buonanno"

Envelope 4 - twenty (20) checks (Payroll) of Schiavone Construction Co. Inc. drawn on Chemical Bank (1976). Endorsed, "Carmine Buonanno" - "H. Aikens"/"Herbert Aikens"

Exhibit 31

464000

Envelope 5 - nine (9) payroll checks of Schiavone Construction Co. Inc. (1978). Six (6) endorsed, "Carmine Buonanno". One (1) not endorsed or negotiated. Two (2) with stamp endorsements.

Two (2) Schiavone Construction Co. Inc. checks (1978) (blue). Endorsed, "Carmine Buonanno".

Two (2) Local 29 'Vacation Fund' checks drawn on Manufacturers Hanover Trust (1976 1977). Endorsed, "C. Buonanno"

Envelope 6 - photoreproduction of Local 29 Welfare Fund form dated 10/ 5/73 signed, "John Busso"

Envelope 7 - three (3) payroll checks of Schiavone Construction Co. Inc. (1976). Endorsed, "John Busso".

One (1) check (blue) Schiavone Construction Co. Inc. 1977. Endorsed, "John Busso"
Forms W-2 for John Busso 1976/1977

Envelope 8 - twenty-three (23) payroll checks of Schiavone Construction Co. Inc. twenty-two (22) 1976 one (1) 1977. Endorsed, "John Busso" - 2nd endorsement, "H. Aikens".
Two (2) vacation checks of Local 29 (1976) endorsed, "John Busso"

Twenty-eight (28) payroll checks of Schiavone Construction Co. Inc. drawn on Chemical Bank (1975). Endorsed, "Herbert Aikens"

Known

exemplars of Herbert Aikens on:

- 1) USPO handwriting form PS 582 3/20/79 (GJ 15)
- 2) small slips of paper designated in groups as GJ #15A thru GJ #15L
- 3) fourteen (14) envelopes (Clerk of U.S. District Court at upper left) containing script signatures in various names on 3 x 5 cards. These are:

464001

Known (contd)

- 3) a. "A. Martin" twenty (20) cards
b. "J. Pagamo" " " "
c. "J. DiBlasi" " " "
d. "E. Brenta" " " "
e. "J. Ragusa" " " "
f. "Amadio Petito" twenty (20) cards
g. "John Buoso" " " "
h. "J. Buoso" twenty (20) cards
i. "J. Busso" " " "

"Herbert Aikens" () cards
k. "H. Aikens" twenty (20) cards
l. "C. Buonanno" twenty (20) cards)
m. "Carmine Buonanno" twenty (20) cards
n. "John Busso" twenty (20) cards
"Herbert Aikens" on all cards

Examination and comparison caused the opinion to be formed that the endorsements, "H. Aikens"/"Herbert Aikens", on checks described were written by the writer of the exemplar signatures attributed to Herbert Aikens (Known 3 a thru n). This also includes the signatures, "Herbert Aikens", on the twenty-eight (28) checks dated in 1975.

At this time only two endorsements in a different name than that of the subject have been identified with the exemplar writings of Herbert Aikens. These are:

- "Carmine Buonananno" on payroll check of Schiavone Construction Co. Inc. dated 2/ 8/77 Check #78023
"C. Buonanno" on blue check of Schiavone Construction Co. Inc. dated 2/10/77
Check #838

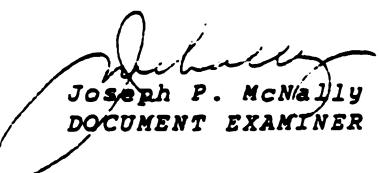
464002

Summary:

The second endorsements, "H. Aikens"/"Herbert Aikens", on the checks in question are deemed to have been written by the writer of the exemplars attributed to HERBERT AIKENS. The bulk of the endorsements, "Herbert Aikens", on the twenty-eight (28) payroll checks of Schiavone Construction Co. Inc. (1975) agree with the exemplar signatures of HERBERT AIKENS. The endorsement, "Hebert (sic) Aikens", on check dated 10/ 3/75 (no check #) differs from the exemplar signatures attributed to Herbert Aikens.

The endorsement, "Carmine Buonanno", on payroll check of Schiavone Construction Co. Inc. dated 2/ 8/77 #78023 plus the endorsement, "C. Buonanno", on blue check of Schiavone Construction Co., Inc. dated 2/10/77 #838, are deemed to have been written by the author of the exemplars attributed to HERBERT AIKENS. (the checks in question were in envelope #2)

Yours truly,


Joseph P. McNally
DOCUMENT EXAMINER

464003

FEDERAL BUREAU OF INVESTIGATION

2/9/81

Joseph G. Szapor, a protected government witness, telephonically furnished the following information:

Szapor advised that during the period of 1969 through April, 1979, while he operated the business known as Joe's Truck Stop, 340 Tonnelle Avenue, Jersey City, New Jersey, he learned that it was "common knowledge" in the Northern New Jersey area that Schiavone Construction Company (SCC) made "payoffs" in order to obtain preferred contracts through the rigging of construction bids. Szapor advised that he had no personal dealings with SCC in a business sense, nor did he have any direct involvement with Ray Donovan or SCC in any scheme whereby "payoffs" were made for "labor peace."

Szapor advised that he knew Ray Donovan from having observed Donovan in the presence of Philip "Brother" Moscato, along with Moscato's brother, John Moscato, at the "Lil' Red Buggy," an Italian restaurant located just off Kennedy Boulevard in Jersey City, New Jersey. Szapor recalled having observed Donovan in Moscato's presence on several occasions during the period of approximately 1976 or 1977. The Moscato brothers did business as Moscato Brothers Construction Company (MBC) and to the best of Szapor's recollection maintained an office in Arlington, New Jersey.

2/6/81
Investigation on _____

Newark, New Jersey

2-461A-3133 - 157
NY 122A-794 SUB A

SA Joan M. Harsh
by _____

/cav

2/9/81

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Exhibit 32

Memorandum

December 11, 1981
4:15 P.M.
12/11/81



Subject

Date December 11, 1981
LL:mkh

Raymond Donovan

To PAUL COFFEY
Deputy Chief
Organized Crime and
Racketeering Section

From

LEOPOLD LAUFER
Special Attorney
Newark Strike Force

12/11/81
n.c.s

Pursuant to your conversation of this afternoon with Robert C. Stewart, the following information is submitted:

On December 7, 1981, at approximately 3:00 p.m., I received a telephone call from Joseph Szapor. Szapor said to me: "You know that stuff about Donovan, well now I'm willing to come forward with it." I indicated to Szapor that I knew that he had previously furnished information with regard to Raymond Donovan, but that I did not know the precise details of the information. Szapor advised me that he had seen Raymond Donovan in the company of _____ Salvatore Briguglio, Philip Moscato and Nunzio Provenzano. I did not inquire of Szapor as to how many meetings he had witnessed or as to which of the individuals were present at any meetings that he witnessed -- since he was referring to information which he had previously given to Special Agent Hersh of the FBI during Donovan's confirmation hearings. Szapor further advised that he had seen Donovan in the company of these individuals at a restaurant on Newark Avenue in Jersey City, New Jersey. Szapor recalled that, in an attempt to refresh his (Szapor's) recollection, Special Agent Hersh had driven Szapor to the area of the restaurant (during the period of the Donovan hearings), and Szapor was able to identify the location in question.

Szapor further stated that the reason that he was calling was to advise the Government that he was now willing to testify about the information which he had previously provided but which he had refused to testify about at that time. Szapor requested that he be put in touch with Special Agent Hersh, who has since left the Newark Field Office of the FBI. Szapor indicated that he wished to speak to Special Attorney Thomas Weisenbeck, Exhibit 33 an attorney that Szapor had worked with as a Government witness in the trial of United States v. Nunzio Provenzano, et al. Inasmuch as Weisenbeck was not available at that

time, Szapor agreed to call back at approximately 11:00 a.m. on Wednesday, December 9, 1981. Szapor did not call back at that time. During his conversation of December 7th, Szapor indicated that he had become estranged from both his wife and girlfriend, that he had lost his job, and was now willing to come forward because, "I ain't got nothing now."

cc: U. S. Attorney W. Hunt Dumont
ASAC Robert Wright, Newark

CASA
DANTE

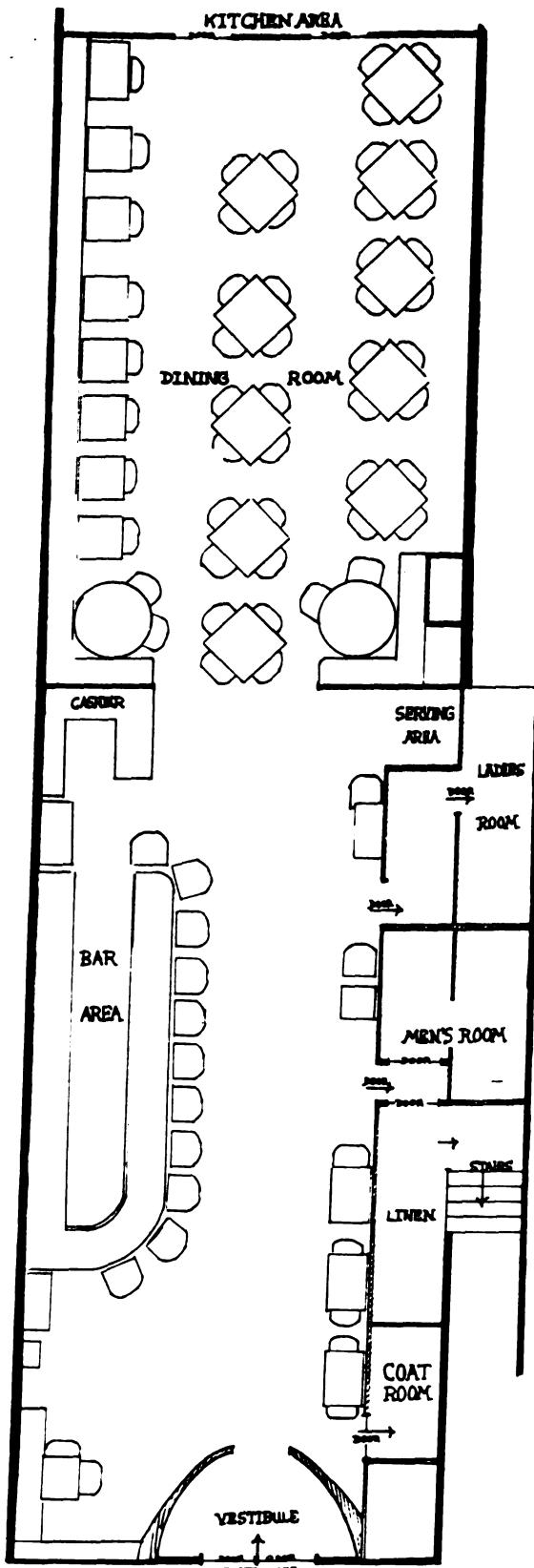


Exhibit 34

SA GEORGE D DYER, F B I, N Y, N
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SCALE: 'H' = 1 FT.

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FEDERAL BUREAU OF INVESTIGATION

1/20/81

Ralph M. Picardo, a protected government witness,
furnished the following information:

Picardo recalled Schiavone Construction Company (SCC) as a firm located on Paterson Plank Road, Secaucus, New Jersey. Picardo became involved with SCC during either the latter part of 1967 or the early part of 1968, as the result of his employment at O.K. Trucking (OKT), a firm operated by Al Checci. Checci managed or operated OKT on behalf of its hidden owner, Salvatore Briguglio, an individual who was employed as a Business Agent at International Brotherhood of Teamsters (IBT) Local 560, Union City, New Jersey. Briguglio brought Picardo to OKT in order to learn the trucking business. During this period OKT operated approximately six trucks and was involved with local cartage work. OKT did not own any Interstate Commerce Commission (ICC) authority.

Picardo visited SCC on approximately 15 or 20 occasions in order to "pick up" checks which were offered as payment for "labor peace" on behalf of SCC. Picardo "dropped off" invoices which were prepared in order to generate checks for the alleged rental of trucks/tractors to SCC by OKT. Picardo advised these invoices were fraudulent since OKT never furnished any equipment to SCC and the invoices were merely a method utilized to generate "pay offs". Subsequent to his receipt of these checks, Picardo furnished the checks to Checci, who then cashed these checks and furnished them to Briguglio. Picardo recalled several of these checks being made payable to OKT or XYZ Leasing (XYZL) in the amounts of approximately \$500. XYZL was a company operated by Picardo. During this same time period trucks/tractors legitimately rented for approximately \$100 per week.

Picardo recalled that he furnished these invoices to and received the checks from an individual employed at SCC whom Picardo recalled as having the first name of Ray. This individual impressed Picardo as being one of the executives at SCC since he had his own office in the company while the majority of the other employees did not. As the result of his extensive dealings with Salvatore Briguglio, Picardo learned that Briguglio generally always dealt with management level employees in the generation of "pay offs" for "labor peace". Picardo was unable to recall if this

Investigation on 1/13/81 at Newark, New Jersey File # NK 161-3183
 (telephonically)
 SA JOHN MARSHAL HERSH vjh Date dictated 1/20/81
100608

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Exhibit 35

NK 161-3133

individual had the last name of Donovan. Picardo described this individual having the first name Ray as being a white male, in his mid to late 30's, who had a medium build and stood between 5' 11" and 6' 0" in height, with medium colored hair.

Through discussions with Briguglio, Picardo learned that the "labor peace" which was granted to SCC by Briguglio, involved the use of non-union owners/operators by SCC in lieu of union drivers. The use of non-union owners/operators resulted in a considerable savings to SCC. Picardo further learned from Briguglio that Briguglio also received money from a company operated by Philp "Brother" Moscato as the result of sub-contract work done for SCC by Moscato's company. Moscato gave these monies to Briguglio.

Picardo further learned through Briguglio that William Musto, the Mayor of Union City, New Jersey, assisted SCC in obtaining various contracts.

During approximately 1971 or 1972, Picardo learned through discussions with Sal Briguglio, that Briguglio had received direct cash "pay offs" from SCC in exchange for "labor peace" afforded SCC on a "big Port Authority job".

Picardo further related that "pay offs" for "labor peace" on job sites involving SCC were generated through a company known as Pre Cast Concrete (PCC), a firm located near Lakewood, New Jersey. Picardo believes PCC to be a subsidiary of SCC. These "pay offs" were generated through fraudulent billing for pre cast concrete road dividers which were utilized during the construction of the Long Island Expressway. Picardo's company, Taylor Trucking, delivered these concrete items to the job site on behalf of PCC and SCC. Through discussions which Picardo had with Armand Faugno, Picardo learned that Faugno received "pay offs" out of PCC.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/20/81

Ralph M. Picardo, a protected government witness, furnished the following information:

Picardo advised that subsequent to a request by Special Agent (SA) John Marshal Hersh, he, Picardo, viewed a photograph of Raymond Donovan which was contained on the front page of the New York Times newspaper, dated January 13, 1981. Subsequent to his review of this photograph, Picardo advised the individual depicted in this photograph was the same individual whom Picardo knew to have the first name of Ray, who was employed at Schiavone Construction Company (SCC), Secaucus, New Jersey, and who furnished Picardo with "pay offs" on behalf of SCC. The individual depicted in the photograph appeared older, heavier, and had somewhat darker hair than when Picardo had dealt with him. Picardo additionally recalled the individual as having worn glasses with plastic frames, rather than the metal frames as was depicted in the photograph.

Subsequent to his review of the photograph, Picardo further recalled having once observed this individual in the company of Salvatore Bruguglio at Archer's Restaurant, Fort Lee, New Jersey. Picardo recalled this observation having taken place during approximately 1971 or 1972. Tommy Eboli and Armand Faugno were also present along with Bruguglio and this individual. Picardo was not aware of the exact reason for this meeting since he himself was not in attendance. Picardo was present at the restaurant along with a date having dinner.

Investigation on 1/13/81 at Newark, New Jersey File # NY 161-3133-126
 (telephonically)
by SA JOHN MARSHAL HERSH v/j Date dictated 1/20/81 Exhibit 36
100610

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1-23-81

Ralph Michael Picardo, currently a protected witness in other matters for the Federal Government was interviewed at F.B.I. Headquarters in the presence of U.S. Department of Justice Strike Force Attorney (Newark, New Jersey) Thomas Weisenbach, Robert Hunter, Staff Assistant to Senator Orrin G. Hatch and Larry Horowitz, Staff Assistant to Senator Edward M. Kennedy. At the outset of the interview, Mr. Hunter and Mr. Horowitz were advised of the extreme necessity for limiting media coverage of any statements or appearances Mr. Picardo might make to insure his safety. Both acknowledged they understood the necessity for these precautions.

Mr. Picardo advised that he first became associated with the Schiavone Construction Company (SCC), Secaucus, New Jersey, in approximately 1965 or 1966. At that time he was working for Sal Briguglio, a reputed Capo in the Vito Genovese La Cosa Nostra (LCN) family. He was also in association with Arturo Faugno and Tony Provenzano also reputed organized crime figures. Mr. Picardo noted that the purpose of the association with Briguglio was to learn the trucking business by working for O.K. Trucking Company, a firm owned silently by Briguglio but operated by an individual named Al Checci who is now deceased. As part of his job, Mr. Picardo was told by Briguglio to take invoices to the SCC. He was told to go to SCC and ask for "Ray" to deliver the invoices and pick up checks. Mr. Picardo recalled that he was told by Sal Briguglio that the "Ray" he was to contact at SCC was an executive of the company. He further recalled that he had no difficulty in locating the person known as "Ray" at SCC he simply asked a secretary where to find "Ray" and he was directed to him. Mr. Picardo noted that "Ray" had what appeared to be a private office while others at SCC did not and therefore, he presumed "Ray" was an executive at SCC. He was not positive, however, that the office he saw was in fact "Ray's" office. It was Mr. Picardo's recollection that the office that he believed to be "Ray's" was "up a flight of stairs." He described the SCC offices to be in what appeared to be a remodeled residence on Patterson Flank Road, at the end of the street, across from a ready mix concrete company. Mr. Picardo could offer no specific description of what he believed to be "Ray's" office. He described "Ray" as being 5 feet 11 inches to 6 feet tall, about 38-40 years of age (at that time), having a medium frame, dark brown hair, and wearing

Investigation on January 15, 1981 Washington, D. C. File # 161-15093by SA John M. Hersh
SA Anthony Adamski, Jr./rapDate dictated January 20, 1981

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Exhibit 37

101679

glasses that might have had plastic rims. He could recall no singular distinguishing or identifying marks or characteristics for "Ray."

Mr. Picardo stated that he made deliveries to SCC about 10 times over a period of approximately one year. He stated of these 10 occasions, he dealt directly with "Ray" on only 3 or 4 occasions. He stated his dealings with "Ray" were brief and only took enough time for "Ray" to hand him an envelope. He advised they never developed a personal relationship during these contacts. Mr. Picardo recalled that he would deliver blank invoices for truck leases or rentals and would receive from "Ray" or his representative an envelope which would contain a check drawn on the SCC bank account made out to O.K. Trucking or XYZ Leasing in the amount of approximately \$500.00. Mr. Picardo stated he knew this was incorrect because O.K. Trucking only had 6 trucks and they were all occupied on a daily basis delivering lamp shades. Therefore, they could not be rented or leased to SCC and the approximately \$500.00 payment to O.K. Trucking from SCC was actually a payment for no services rendered. Mr. Picardo stated that on occasion the check he received from SCC would be made out to XYZ Leasing which was a dummy company.

After approximately his second delivery to SCC, Mr. Picardo recalled he was told by Sal Friguglio that the checks he received from SCC were paying for SCC "Labor Peace." Which he understood to mean that SCC could use nonunion labor on some occasions without union disturbance. The fact that SCC could use nonunion labor on certain jobs would be a financial saving for SCC. Friguglio also told Mr. Picardo that the original extorting of SCC to obtain "labor peace" had been begun by Armand Pauqno, who is now believed to be dead, but his body has not as yet been located. Mr. Picardo stated Pauqno kept records of these transactions which have been seen by Mr. Picardo, the last time being in the possession of Sal Friguglio in approximately 1972. Mr. Picardo pointed out that Sal Friguglio was killed in a mob slaying in New York and the whereabouts of these records are unknown and probably impossible to locate.

Mr. Picardo stated very few people knew of his relationship with SCC and those that did are now either dead or in jail and would be uncooperative. He named some of those persons still alive and in jail as Tony Provenzano, Steven and Thomas Andretta. He indicated these people were aware of his duties and relationship with SCC because they shared in the profits made from the extortion of "Labor Peace" money in New Jersey. Mr. Picardo stated he only sold "Labor Peace" to SCC, but he knew that others had to be also selling "Labor Peace" because that was the only way you could operate in the construction business in the State of New Jersey.

101680

Mr. Picardo advised that SCC was known in the construction community as being the only construction company in the State of New Jersey and if you also were in the construction business then you were a subcontractor to SCC. He said the record will show that SCC had no labor problems and received public contracts through the influence of a man he believed to be a state senator by the name of Musco, who was ICN oriented, and was the SCC connection in getting state contract awards.

Subsequent to Mr. Picardo's relationship with SCC, he recalled he was told by Sal Briguglio that SCC was making direct cash payoffs to him and that he was receiving these payoffs from "Ray, the boss of Schiavone." He recalled this information was furnished to him in late 1969 or early 1970. Mr. Picardo advised it was his belief that SCC paid for "Labor Peace" mentioned earlier by Briguglio, for the construction on the Port Authority Landfill in 1971 or 1972 which subsequently became the Newark Airport.

At approximately the same time, Mr. Picardo recalled being told by Briguglio that the Muscato Contractors were an ICN run operation and were subcontractors to SCC frequently as a means of insuring "Labor Peace."

Mr. Picardo stated in 1968 he was in part ownership of the Taylor Trucking Company in New Jersey. His partners were Sidney Cohen and John Picone. He described them as operating a flat bed hauling company used primarily to haul precast concrete slabs to a SCC site. The name of the company Taylor was hauling for was Precast Concrete. Mr. Picardo recalled that at the same time he was the sole owner of Coastal Trucking, 3711 Dell Avenue, North Bergen, New Jersey. Mr. Picardo stated that Taylor Trucking would often haul the same slab of precast concrete to the Schiavone site as often as 20 times receiving payment for the haul on each occasion. He stated he would be paid directly by Precast Concrete as would Armand Faugno who was selling "Labor Peace" at that time to Precast Concrete. The money to take these payments was obtained from the over, payments by SCC to Precast Concrete for goods not received. It was Mr. Picardo's opinion that there was no way the personnel at SCC could not be aware this was going on because of the volume of the expenditures and the shortage of goods. In addition to Mr. Picardo's co-owners in Taylor Trucking, he said Mike Gretschin, who currently lives in Utica, New York, was an employee of Taylor Trucking and might be able to corroborate what he has said if Gretschin can be located.

Mr. Picardo also recalled that in 1971 or 1972 he was at Archers, a restaurant in Fort Lee, New Jersey, and a "wateringhole for teamsters" where he saw the person he recognized as "Ray" from SCC sitting at a table with Carmie Eboli, head of the Vito Genovese LCM family and Sal Briguolio. Mr. Picardo said he did not know the purpose of their association and he could not tell if it was business or social. He advised that several days subsequent to observing "Ray" at Archers he was told by Sal Briguolio that the person he, Picardo, had seen in the company of Briguolio and Eboli was "Ray, one of the executives from SCC."

With regard to his personal association with "Ray" from SCC Mr. Picardo stated he only saw him briefly on three or four occasions during the course of a year approximately 14 or 15 years ago. He never knew what "Ray's" last name was and he never saw "Ray" place any checks in the envelopes he picked up. However, when he heard a news broadcast indicating President-Elect Reagan had named a Cabinet member who had been an officer in SCC he knew the person had to be "bad" because SCC is "bad." Subsequently, when asked by an FBI Agent to view a photograph in the newspaper of Secretary of Labor designate Raymond J. Donovan, he did and positively identified him as the "Ray" he had received envelopes from at SCC in 1965 or 1966. Mr. Picardo stated there was absolutely no doubt in his mind about this identification.

Mr. Picardo was asked if he had heard anything about a fire that destroyed some of the records of SCC in 1971 and he replied that he had no specific information or knowledge of that fire.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/20/81

Ralph M. Picardo, a protected government witness, was contacted in an effort to determine if he, Picardo, was in fact certain that the individual having the first name of Ray, whom Picardo dealt with a Schiavone Construction Company (SCC) wore glasses at the time Picardo had his dealings with this individual.

Picardo advised that he is unable to recall specifically, but to the best of his recollection the individual wore glasses at the time Picardo had his dealings with him. Picardo specifically noted that the face depicted in the photograph on the front page of the New York Times on January 13, 1981, is in fact the same individual whom Picardo dealt with at SCC.

Interviewed on 1/19/81 at Newark, New Jersey File # NK 161-3133-125
 (telephonically) Date dictated 1/20/81 Exhibit 38
 by SA JOHN MARSHAL HERSH vjh Date dictated 1/20/81
10611

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription February 2, 1

On January 26, 1981, Pat Kelley was telephonically interviewed through arrangements made by the U. S. Marshal Service. He was informed an inquiry was being conducted concerning Raymond J. Donovan of the Schiavone Construction Company, Secaucus, New Jersey, in connection with allegations Mr. Donovan and his company had been involved in payoffs for labor peace.

Mr. Kelley advised that the Schiavone Construction Company has the reputation of having connections with the Genovese organized crime family, principally involving Joey Adonis, Jr., Peter LoPaca and Tino Fiurmarra. He was unable to identify anyone at the Schiavone Construction Company who was in contact with these individuals. He believed these connections were used in dealing with fill dirt connected with the Garden State Parkway extension in Bergen County, New Jersey.

Mr. Kelley stated he had heard Mr. Donovan's name mentioned only once and this was during a meeting he attended with Allen Turteltaub, Sam Malfatano and Mike (last name unknown), an employee of Malfatano. He recalled the discussion concerned how the State of New Jersey divided road contracts in different counties with companies like Schiavone getting the contract one place and other companies getting contracts elsewhere. Mr. Donovan's name was mentioned by Mike in connection with participation in bid rigging to obtain these contracts. He could not recall Mike's last name but said a former attorney with the Strike Force in New Jersey, Carl LoPresti, would probably know him. Mr. Kelley did not elaborate on his comments.

Mr. Kelley also advised he had heard Tommy Adams had been kept on a payroll while in prison. However, this was not the Schiavone Construction Company but a job with a company run by the Anastasia Brothers in Newark, New Jersey.

Exhibit 39

Investigation on January 26, 1981, Washington, D. C. File # 161-15093

by SA Joseph D. Domzalski

Date dictated January 30, 1981

Mr. Kelley was also asked if he knew of any relationship of Patty Mac (Macarolli) with Reliable Trucking and any relationship of either with Schiavone Construction Company and Mr. Donovan. He said he did not know a Reliable Trucking and he never heard Patty Mac mention Schiavone Construction Company or Mr. Donovan.

GOP Senators Assail 'False Allegations,' Urge Approval of Donovan

By George Lardner Jr.
Washington Post Staff Writer

The Senate Labor Committee's Republican majority yesterday urged Sen. Raymond J. Donovan to "take action" if "false allegations" by him of organized crime and confinement in security of life without further delay. Meanwhile, a government spokesman, where officials have not been identified by the FBI, confirmed having been told on several occasions that Donovan's New Jersey construction company was linked to organized crime and was involved in trafficking on state projects.

The individual, an FBI informant, Pat Kelly, who has testified at several trials of organized crime figures, told The Washington Post that a

member of the Genovese crime family, Joe Adonis Jr., told him several years ago that "we have the inside there [at Donovan's company]."

Donovan could not be reached for comment but he has denounced similar charges against him and his firm, the Schiavone Construction Co. of Seaside, N.J., as the talk of "hoodlums"ounding groundless accusations.

Kelly was interviewed by an FBI agent last week. The agent's report to his superiors was apparently less detailed than Kelly's own account yesterday. But FBI officials said they have no intention of reopening their investigation to check out the claim.

Donovan's spokesman is expected to come up for final action on the Senate floor today.

In a news service report on the ap-

pointment, the Labor Committee's FEB 9, 1981 compelling, the committee majority declared. "We choose Ray Donovan."

The report was aimed at overrunning the misgivings of the other five Democrats on the committee, led by Sen. Edward M. Kennedy (D-Mass.). The majority contended "we must either cast our lot with the conclusion of the FBI and its executives who directed this massive investigation and Ray Donovan, a decent, honest citizen, or with unnamed 'enemies' and a convicted murderer." (Until yesterday, the only identified source of the allegations was Donovan's chief accuser, Ralph Picardo, who became a key government witness at several organized crime trials after his conviction on a murder charge in 1976. The conviction was subsequently overturned.)

"For us, the choice is simple and

by that one of the men, named Mike C., had worked for.

"Mike brought up [word] about a investigation the state of New Jersey was conducting in reference to bid rigging," Kelly recalled. "Mike brought up that it was a good thing he was not brought before the grand jury, that no-and-so company, arranged to take this job, that Schiavone took another, and that such-and-such company took another ... and that Donavan was at one of the meetings at which the job was parceled out."

Kelly suggested that more details might be available in FBI records reflecting the day-to-day briefings he provided to his FBI handler at the time, but bureau officials yesterday did not appear to be interested in trying to unearth them.

He said Adonis also told him that Adonis' trucking company "would have lost lots of bids and prices" for Schiavone subcontractors.

On another occasion, in 1977, Kelly

stated

that

he

had

the

Nation

Bad Company?

More doubts about Donovan

In the first week of the new Administration, only one of President Reagan's Cabinet officers remained unconfirmed: Labor Secretary-designate Raymond Donovan. A Senate committee still had questions about some allegedly dubious dealings of the Schiavone Construction Co. Donovan was executive vice president and part owner of the firm. The FBI reported to the panel that it had developed information, which it could not confirm, that the New Jersey company's upper management was "closely aligned with organized crime."

Donovan vehemently denied any improprieties and testified: "We were never extorted." By an 80-to-17 vote, the Senate confirmed his appointment. But nagging questions about the company he kept have continued to haunt Donovan. In May a federal grand jury in Brooklyn charged that Schiavone Construction was extorted by Harry Gross, a New York Teamsters Union official. According to the indictment, Gross forced Schiavone to place his chauffeur on the company payroll as a "ghost" who never showed up for work. Donovan claimed at his hearings that the arrangement was part of a collective bargaining agreement with the Teamsters. The Justice Department is prepared to argue, when Gross's trial be-



Donovan testifying on Capitol Hill
"We were never extorted."

gins at a federal court in Brooklyn, that the arrangement was illegal.

Further questions have also been raised about Donovan's relationship with William Masselli, who has been described by the FBI as an alleged Mafia "soldier." Masselli is president of Jo-Pel Contracting and Trucking Corp., which was a subcontractor for Schiavone. At Donovan's confirmation hearings, the FBI mentioned his alleged connections with Masselli, but shed little light on them. "I do not have any background whatsoever on him," Executive Assistant FBI Director Francis

Mullen told the Senate committee. He added that there was "no reference" to Donovan in FBI wiretaps used to monitor organized crime "in New Jersey."

Perhaps not in New Jersey, but countersanctioned wiretaps of Masselli's operations in New York City did indeed record conversations between Masselli and Donovan. Mullen says he did not volunteer this information because disclosure would have compromised the investigation into Masselli's activities, and the recorded conversations were "non-criminal and related to business." Masselli has been charged with running a meat hijacking ring and conspiring to manufacture synthetic drugs.

Donovan raised some \$600,000 for Reagan's campaign and hosted a \$200,000 fund raiser, featuring Frank Sinatra, at a country club owned by Schiavone Construction. Co-host of the event was Insurance Executive William McCann, who has been appointed Ambassador to Ireland. During the campaign, Reagan attended a rally with Donovan at a New York City site where Schiavone Construction, with the help of Masselli's Jo-Pel Contracting, was working on a new midtown subway tunnel. A source familiar with the construction project told TIME that Donovan introduced Masselli and another man indicted with him, Joseph Bugliarelli, to Reagan. Says a spokeswoman for Donovan: "No introduction was made to the President that the Secretary recalls." ■

Exhibit 41

EDWARD M. KENNEDY, MASS.
DANIEL YERKES, MD.
PAUL A. HAWKINS, FLA.
RON NICKLES, OKLA.
JAMES P. WEAVER, JR., CONN.
C. OTIS J. HUMPHREY, ALA.
JEFF DANIELSON, ALA.
JOHN P. GALT, ME.

ROBERT F. HUNTER, CHIEF COUNSEL AND STAFF DIRECTOR
RITA ANN PEPPER, CHIEF CLERK
LAWRENCE G. HORWITZ, M.D., MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, D.C. 20510

June 16, 1981

William Webster, Director
Federal Bureau of Investigation
9th and Pennsylvania Ave., N.W.
United States Department of Justice
Washington, D.C. 20535

Dear Judge Webster:

During confirmation hearings the Senate Labor and Human Resources Committee held on Secretary of Labor Ray Donovan, Francis M. Mullen, Jr., Executive Assistant Director, Investigations, FBI, testified before the full committee.

A recent news article bearing on the confirmation hearings prompts our inquiry. On page 257 of the hearing record, there is an exchange between Mr. Mullen and Chairman Hatch (see Addendum, 1)..

Later on in that morning's hearing, there were several exchanges between Senator Riegle and Mr. Mullen and the chairman and Mr. Mullen. On page 269 of the hearing record, there was another, similar exchange (see Addendum, 2).

Finally, on page 335 of that same hearing transcript, there was an exchange between the then nominee, now Secretary of Labor Donovan, and the chairman of the committee (see Addendum, 3).

We were therefore concerned to read the following excerpt in TIME Magazine of June 8, 1981, the NATION section:

"Further questions have been raised about Donovan's relationship with William Masselli, who has been described as an alleged Mafia 'soldier'. Masselli is President of Jo-Pel Contracting and Trucking Corporation, which was a subcontractor for Schiavone. At Donovan's hearings, the FBI mentioned his alleged connections with Masselli, but shed little light on them. 'I do not have any background whatsoever on him,' Executive Assistant FBI Director Francis Mullen told the Senate Committee. He added that there was 'no reference' to Donovan in FBI wiretaps used to monitor organized crime in 'New Jersey.'

Perhaps not in New Jersey, but court-sanctioned wiretaps of Masselli's operations in New York

Exhibit 42

450038

June 16, 1981

Page Two

City did indeed record conversations between Masselli and Donovan. Mullen says he did not volunteer this information because disclosure would have compromised the investigation into Masselli's activities, and the recorded conversations were 'non-criminal and related to business.' Masselli has been charged with running a meat hijacking ring and conspiring to manufacture synthetic drugs."

These hearing exchanges with Mr. Mullen, as contrasted with the article excerpt, raise certain questions. We hope you can assist us in obtaining comprehensive responses. They are as follows:

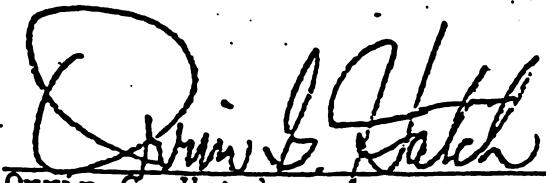
Why didn't the Bureau inform the committee in executive session of the additional information it possessed regarding a relationship between the nominee and Masselli?

Does the Bureau or any other Federal entity have any further information regarding this or related contacts between the Secretary and Masselli or any other person, living, dead, or presumed dead, with organized crime contacts? If so, we seek access to such data.

The committee feels it is important to obtain copies of the unedited transcript(s) of those conversations recorded as a result of the court-ordered wiretaps.

We are attaching an addendum containing exchanges from the confirmation hearings referred to in our letter. Please let the committee hear from you soon. Thank you for your cooperation.

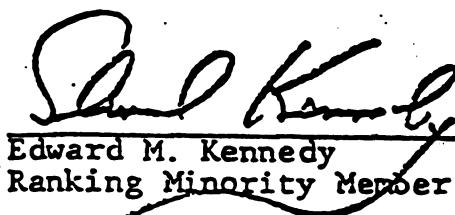
Sincerely,



Orrin G. Hatch
Chairman

OGH/EMK/fsc.

Enclosure



Edward M. Kennedy
Ranking Minority Member

450039

1. THE CHAIRMAN: Your unit has investigated every one of these wiretaps and the information and data on them, and it is correct to say you have found absolutely nothing pertaining to Schiavone Construction Company?

MR. MULLEN: That is correct, Senator. In each case when we do have a court authorized wiretap we must record the identity of every individual or company referred to. We maintained those records, known as overhears, and we located no reference to Mr. Donovan or Schiavone Construction Co.

THE CHAIRMAN: Neither Mr. Donovan nor Schiavone has been mentioned in any of these investigations?

MR. MULLEN: That is correct.

2. SENATOR RIEGLE: My question is, has the Bureau made an effort to determine the degree to which there may be a relationship between the Jopel Construction Co. and the Schiavone Construction Co.? Has a serious effort been made to establish the level of contact, of the operating executives, any business interrelationships?

MR. MULLEN: Yes, Senator, I would say serious effort has been made.

SENATOR RIEGLE: What was found in that regard?

MR. MULLEN: Very, very limited contact, especially wherein the nominee was involved.

SENATOR RIEGLE: Where the nominee was involved?

MR. MULLEN: That is right.

...THE CHAIRMAN: Is there anybody else from Schiavone involved?

MR. MULLEN: Well, there have been contacts, so naturally somebody else from the company.

THE CHAIRMAN: Well, they do business together?

MR. MULLEN: They are in the construction business. There is an ongoing investigation. We found nothing there that warranted further inquiry in connection with this investigation.

3. THE CHAIRMAN: Do you have any knowledge that Mr. Masselli may have ties to organized crime?

MR. DONOVAN: I do not.

450040

THE CHAIRMAN: Has Mr. Masselli ever introduced you to or acquainted you with reputed organized crime figures on either a business or a social basis?

MR. DONOVAN: He did not.

THE CHAIRMAN: How many total contacts have you had with Mr. Joseph Masselli?

MR. DONOVAN: I have searched my mind on that. It can't be more than three times that I have ever seen Masselli in my life. They were in passing, on the job site. The man is our subcontractor. So I would say three times would be accurate.

THE CHAIRMAN: Have they been on a close or a social basis or more on a contract basis?

MR. DONOVAN: Totally on a contract basis.

THE CHAIRMAN: You don't know him personally or socially at all other than you've met him in the contract work?

MR. DONOVAN: That's correct.

450041



U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535

July 6, 1981

Honorable Edward M. Kennedy
United States Senate
Washington, D. C.

Dear Senator Kennedy:

The letter from you and Chairman Hatch dated June 25, 1981, expresses your concern over an article that appeared in the Nation section of "Time" Magazine dated June 8, 1981. This article questions the relationship between Secretary Donovan and William Masselli, President of Jo-Pel Contracting and Trucking and a person who has alleged organized crime connections. The article states that the FBI "did indeed record conversations between Masselli and Donovan." This statement is simply untrue. In the testimony referred to in the addendum to your letter, Mr. Mullen was specifically speaking of court authorized wiretaps in New Jersey, the exact number of which had been provided to the Chairman and you in a prior closed meeting. Mr. Mullen was correct in responding to the Chairman's question that we located no reference to Secretary Donovan or the Schiavone Construction Company (SCC) as being overheard on any of these wiretaps. We also have no record or reference to Secretary Donovan being overheard on any wiretap in New York. On one occasion, however, in a court authorized recorded conversation between William Masselli and his son, Nat, Secretary Donovan's name was mentioned. The unedited text of that reference is as follows:

WTTS?

WILLIAM MASSELLI: "and then he said, 'where you going this afternoon?' I said, 'I ain't going no place.' He said, 'want to come to the affair?' - WHAI? ... I said, 'what, I forgot all about it.' He said, 'I got two tickets.' In fact, he says, 'come on with me right now. You want to come with me? Take you with the plane cause we gotta pick up Ronnie (Schiavone) and Ray Donovan and then we're gonna go right up to where we're going to fly up, up to.' I said, 'how am I gonna get home? I got my car down here in Queens,' so I say, 'I'll meet you.' He said, 'I'll leave two tickets at the door for you and Bobby De Filippis.' I call Bobby up."

| WHAI'S HF

450042
Exhibit 43

Honorable Edward M. Kennedy

NAT MASSELLI: "Oh yearh." *W H C?*

WILLIAM MASSELLI: "and he came. Yeah, good thing we went. There were a lot of guys I don't even know. They say, 'I hear Jopel, Jopel it's a phantom outfit.' He says, 'who you?' 'That's us,' I says. And like I say, 'I see your trailer this morning, now who's this.' You'd be surprised the advertisement that does, you know."

This "Time" article raises a question as to Mr. Mullen's statement to the Committee regarding Mr. Masselli: "I do not have any background information whatsoever on him." This response was Mr. Mullen's answer to Senator Riegle's question based on his own personal knowledge of Mr. Masselli's background. Mr. Mullen had no knowledge of Mr. Masselli's background other than that contained in a memorandum which was disseminated to the Committee dated January 23, 1981. That memorandum clearly set forth the allegations made by three sources concerning the relationship between Mr. Masselli and his Jo-Pel Construction Company and the SCC.

Therefore, in answer to your first question, the FBI provided the Committee with the background information concerning SCC and Mr. Masselli in our January 23, 1981, memorandum. Further, it was known that Jo-Pel and SCC did business together and, therefore, it was not considered surprising or particularly significant that Secretary Donovan's name was mentioned in the conversation between Mr. Masselli and his son. There was no criminality indicated or alleged on the part of Secretary Donovan in this conversation and Secretary Donovan testified before the Committee that he knew Mr. Masselli and that SCC did business with Jo-Pel (page 335 of the hearing record).

As to your second question, the FBI can only speak for itself, but a review of the central files of the FBI, as well as the files of our Newark and New York Offices, has not located any such additional information.

Honorable Edward M. Kennedy

In response to your third question, an unedited transcription of the only reference to Secretary Donovan's name is set forth above.

I am providing an identical response to Chairman Hatch by separate letter.

Sincerely yours,

William H. Webster
Director

Lee Colwell
By Lee Colwell, Acting Director

JOHN WATL, I., IND.
PAULA HAWKINS, FLA.
DON McLELLAN, ORE.
LOU T.J. P. WECKER, JR., CONN.
GORDON J. HUMPHREY, N.H.
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JOHN F. EAST, N.C.

JENNINGS RANDOLPH, W. VA.
MERRISON A. WILLIAMS, JR., N.J.
GLADSTONE POLL, AL.
THOMAS P. EAGLETON, MO.
DONALD W. RIEGLE, JR., MICH.
HOWARD M. METZGERMAN, OHIO

ROBERT P. HUNTER, CHIEF COUNSEL AND STAFF DIRECTOR
RITA ANN PFENFFER, CHIEF CLERK
LAWRENCE G. HOROWITZ, M.D., MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, D.C. 20510

July 10, 1981

The Honorable William H. Webster
Director
U.S. Department of Justice
Federal Bureau of Investigation
Washington, D.C. 20535

Dear Judge Webster:

We have received the letter dated July 6, 1981 signed by Mr. Colwell as Acting Director in response to our letter to you dated June 25, 1981.

We appreciate your assistance in this matter. We are still concerned however about certain aspects of the situation. It would be very helpful if you could furnish us further clarification about the following items:

1. As your letter indicates, Mr. Mullin did advise us in a closed meeting prior to the confirmation hearing that there were a number of court authorized wiretaps in New Jersey and that there were no references to Secretary Donovan or the Schiavone Construction Company as being overheard on any of these wiretaps. Mr. Mullin also advised us and subsequently testified that neither Secretary Donovan or the Schiavone Construction Company were referred to in these wiretaps. Why did Mr. Mullin not advise us at the closed meeting, or in his testimony concerning wiretaps, of the fact that there was a reference to Secretary Donovan and Mr. Schiavone on the court authorized wiretap of Mr. Masselli?
- 2: Does the Bureau have any information, other than that contained in the January 23, 1981 memorandum cited in your letter, concerning criminal activity or organized crime connections on the part of William Masselli?

Exhibit 44

450045

The Honorable William H. Webster
July 10, 1981
Page Two

3. What was the date of the conversation between William Masselli and his son, Nat, quoted in your letter? 5
4. Is the identity of the person referred to as "he" in the first line of the conversation known to the Bureau? If so, please identify him. 5
5. Is the nature of the "affair" mentioned in line three of the conversation known to the Bureau? If so, please identify it. 5
6. Is the identity of the person referred to as "he" in the first line of the second part of William Masselli's conversation known to the Bureau? If so, please identify him. 59
7. Can Bobby DeFillipis be further identified? Does he have any known organized crime connections? 60
8. Were there overhearings of, or references to, other Schiavone officials in the court authorized wiretaps of Mr. Masselli? If so, please furnish the text of those conversations. 62

Thank you for your cooperation. 64

Sincerely,

Orrin G. Hatch
Chairman

Edward M. Kennedy
Ranking Minority Member

450046



U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535

August 10, 1981

Honorable Edward M. Kennedy
United States Senate
Washington, D. C.

Dear Senator Kennedy:

The letter from you and Chairman Hatch dated July 13, 1981, expresses your additional concerns relating to our background investigation of Secretary Donovan.

Mr. Mullen did not advise you that Secretary Donovan's and Mr. Schiavone's names were mentioned during one conversation overheard during a court authorized recorded conversation between William Masselli and his son, Nat, because, as we previously stated, it was not considered either significant or surprising. It was known that Mr. Masselli's firm, Jo-Pel Contracting and Trucking, was doing business with the Schiavone Construction Company. We reported this relationship to the committee in our memorandum dated January 23, 1981. The conversation between Mr. Masselli and his son did not provide any new information concerning the relationship between Secretary Donovan and Mr. Masselli. This conversation also did not provide any indication of any illegal activity or any organized crime connection involving Secretary Donovan.

Questions two through eight of your letter do not refer to our background investigation of Secretary Donovan, but rather involve an ongoing investigation. As such, and after discussion with the United States Attorney's Office in the Southern District of New York, they cannot be answered at this time because to do so might jeopardize current litigation or violate existing protective court orders. However, all the information currently available in our files concerning the relationship between Secretary Donovan and William Masselli has already been provided to the committee in briefings, written communications and testimony.

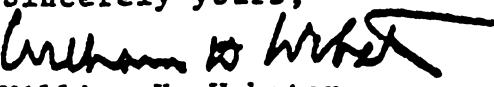
Exhibit 45

450047

Honorable Edward M. Kennedy

I am providing an identical response to
Chairman Hatch by separate letter.

Sincerely yours,


William H. Webster
Director

- 2 -

450048

UNITED STATES GOVERNMENT

memorandum

DATE: December 30, 1981
REPLY TO:
ATTN OF: ANDREW K. RUOTOLLO, JR. *(Signature)*
SUSPECT: Schivone Construction

TO: TERENCE P. FLYNN
Deputy Chief, Criminal Division

On December 29, 1981 at approximately 7:00 p.m. I received a call at my home number, 232-7493 from Theodore Geiser, Esq. As you are aware, I was in the employ of the firm of Connell, Foley and Geiser for two and a half years. Mr. Geiser explained that he was calling from his apartment in Verona and was speaking to me in my capacity as Assistant United States Attorney. He stated that he had tried to contact W. Hunt Dumont but was unable to and so turned to me. During that conversation he explained to me that he had a extortion attempt he wished to bring to my attention and that he wished to involve federal authorities in same. I explained for personal reason that I was unavailable at that time but would get back to him later in the evening.

At approximately 8:00 p.m. I called Mr. Geiser at his Verona apartment. During the course of the conversation I made some notes, which are by no means complete. These notes are attached hereto. The notes were made contemporaneously with the conversation I was having.

Mr. Geiser explained that on December 28, 1981, sometime in the morning, a Masselli (First Name Unknown) called Ronnie Schivone at the Secaucus offices of Schivone Construction. Masselli stated that he wished to meet with Ron personally. Masselli gave this message to Ron Schivone's secretary.

Apparently Schivone contacted Ted Geiser, who suggested that Schivone not meet Masselli but instead send Morris J. Levin, House Counsel for Schivone Construction, to the meeting.

180073A

Exhibit 46

OPTIONAL FORM NO. 10
(REV. 1-60)
GSA FPMR (41 CFR) 101-11.6
5010-114

9-GPO : 1981 O - 24-1-626 (6567)

059

On December 29, 1981, Morris J. Levin (Buzz) met with Masselli in Secaucus, New Jersey. The meeting was in a car and the only persons present were Levin and Masselli. Apparently, Buzz Levin asked Masselli if he was carrying a wire, and Masselli demonstrated that he had no wire by taking off his pants. Masselli is alleged to have explained to Buzz Levin that he needed money since he was going away (jail), and had some financial matters he wanted to clean up.

Masselli is alleged to have presented a xeroxed copy to Levin of a letter apparently written on the letterhead of Joseph DiCarolis, the president of Schivone Construction. Ted Geiser relates that, in fact, the document was in DeCarolis' handwriting but that there were several changes on the document that were not in his handwriting.

The letter is purported to demonstrate that Masselli paid \$20,000 to get the contract from Schivone Construction. The way it was left is that people from Schivone Construction would get back to Masselli and set up a meeting for December 30, 1981.

Ted Geiser explained to me the background between Masselli's relationship with Schivone Construction. Masselli is a principal or officer of the JoPel Contracting. JoPel holds the excavation subcontract of Schivone Construction for the subway work presently being done in New York City. One of the principals of the JoPel Corporation is a black politician, which allows JoPel to qualify as a minority business. Apparently Schivone gave a \$200,000 start-up loan to JoPel in order to get things going. There is a formal contract for the bulk of the work. Presently there is a civil suit arising out of that contract in New York City. The merits of that suit were not discussed during the telephone conversation I had with Mr. Geiser.

Regarding the document purporting to demonstrate a \$20,000 kickback to Schivone, Mr. Geiser explained that the person in Schivone Construction responsible for the contract with JoPel was Al Magrini. At this point the conversation becomes confusing for me. I recall Mr. Geiser explaining that there were tax consequences of this alleged kickback... that is the only kind of exposure Schivone Construction has. If payments were made, they were apparently made as part of the start-up loan repayment, as interest or principle, I don't know. And I, quite frankly, don't know the nexus between the two.

079

100074 A

959

In any event, we left it that I would contact Ted Geiser the morning of December 30, 1981 to tell him what aid this office and the Federal Bureau of Investigation would render. Mr. Geiser expressed that he wished to have the FBI brought in on the matter and to have any meeting with Buzz Levin and Masselli recorded.

On December 30, 1981, I contacted W. Hunt Dumont, who suggested that I brief Terry Flynn on the matter. Prior to that occasion, I called Mr. Geiser at his office at 8:30 a.m., at which time he told me that he was having Buzz Levin flown to his office by helicopter in order to get a briefing on the Masselli/Levin meeting. At 10:00 a.m. I left a message with Mr. Geiser's secretary that Terry Flynn of this office was going to handle the matter and that any contact should be made directly with Terry Flynn.

Dictated at 4:00 p.m., December 30, 1981 *959*

100075A

SENSITIVE

UNITED STATES GOVERNMENT

memorandum

DATE: December 22, 1981

REPLY TO:
ATTN OF:
SUBJECT:

S. Michael Levin, Attorney-in-Charge
Miami Strike Force

Raymond A. Donovan, Secretary of Labor

TO:
Gerard T. McGuire,
Deputy Chief, OC&R Section

On December 21, 1981, I had a telephone conversation with William Meadows, a Miami attorney and formerly the United States Attorney for the Southern District of Florida.

Mr. Meadows told me that he had a "very vague" recollection of a contact regarding Raymond A. Donovan, now Secretary of Labor, when Meadows was prosecuting a case against Pasquale Erra for tax evasion and willful failure to file. Mr. Meadows said that his best recollection is that the prosecution occurred sometime in 1966 or 1967. He stated that the critical issue was the question of Erra's control of the Johnina Bar and that in connection with this the name "Schiavone" came up. His best recollection is that the FBI had interviewed someone at Schiavone who stated that they came to Miami and stayed at the Johnina during the winter months and had seen Erra in the bar giving directions as if he was in control there. Prior to trial Meadows interviewed the individual and his statements were consistent with the FBI memorandum. Shortly thereafter and prior to putting the witness on the stand, Meadows reinterviewed the witness who claimed a total blank as to the events and as to Meadows' interview with the witness just a day or two before. Meadows asked the individual with whom he had had dinner the night before, and the person said that he had had dinner with Erra. Meadows thinks the individual may have been Donovan but is not sure and does not recognize the pictures of Donovan that he has seen in the paper.

I asked him whether or not he recalled the name of the FBI agent who provided the interview or the name of the IRS case agent, and Meadows could recall neither. He stated that E. David Rosen, a Miami attorney, had represented Erra during the prosecution.

I feel confident that if I call David Rosen and ask him whether he recalls the name of the case agent in the Erra prosecution, Rosen would probably remember and would probably be willing to give me the name. However, as you have requested, I am taking no further action until requested to do so by the Department.

125006

Exhibit 47

OPTIONAL FORM NO. 10
(REV. 1-60)
GSA FPMR (41 CFR) 101-11.8
DODIG-114

The Bergen Record, 2/10/81, p. A-1, col. 1

Senate didn't get all FBI has on Moscato

By Bruce Locklin
Investigative News Editor
© The Record 1981

The Federal Bureau of Investigation's report on Raymond J. Donovan gave only brief mention to Phillip "Brother" Moscato - a one-paragraph sketch that played down the flamboyant hood's criminal career.

Significant information about Moscato, information known to the FBI in 1972 and presumably still on file, wasn't passed on to the Senate Labor and Human Services Committee.

In a confidential 1972 FBI memo obtained by The Record, Moscato was linked closely with two New Jersey mobsters: Armand "Cokey" Faugno and Salvatore "Sally Bugs" Briguglio.

Faugno and Briguglio, both now dead, are the central mob figures in allegations made by Donovan's prime accuser, Ralph "Little Ralphie" Picardo.

FBI says 'no comment'

FBI spokesmen in Newark and Wash-

ington, D.C., said they could not comment on why Moscato's ties with Faugno and Briguglio were not reported to the Senate committee. Both Republican and Democratic sources on the committee staff said yesterday that the information should have been disclosed.

Five Democratic senators have asked that the FBI's investigation of Donovan, now labor secretary in the Reagan administration, be reopened based, in part, on earlier disclosures published by The Record. Labor committee staff members have begun a review of the new material.

Moscato's connections to Faugno and Briguglio are significant because of the roles all three men played in Picardo's scenario of extortion payments allegedly made by Donovan's Secaucus firm, Schiavone Construction Co.

According to Little Ralphie:

- Faugno was the mobster who set up a scheme in which Picardo collected from Schiavone Construction payments ensuring labor peace.

- Briguglio, a racketeer and Teamster's official, ultimately got the checks



Phillip Moscato

that Picardo allegedly received from Donovan.

- Moscato came in later, after Picardo's collection duties ceased, and alleg-

See FBI, Page A-2

Exhibit 48

FBI didn't report all it has on Moscato

FROM PAGE A-1

eddy got labor-peace payoffs in the form of subcontracting work.

(The Record reported Sunday that while the FBI found no evidence that Moscato did work for Schiavone, Moscato in a phone interview had admitted being a subcontractor for Schiavone over a period of years.)

The FBI's report to the Senate committee on the bureau's attempt to substantiate Piscardo's allegations said that Moscato "has been reported to associate with organized crime elements" and "reportedly has operated a dump site in the past."

In 1972, the FBI provided more detailed information about Moscato in a memo to the New Jersey State Police. Moscato was identified as a top loan shark, and the FBI said he "was loaning and collecting money for Armand 'Cokey' Faugno and Salvatore 'Sal' Briguglio."

At the time, Moscato was attempting to get a state license to operate a racehorse farm. State police sought the FBI's help in proving Moscato unsuitable, and the FBI provided the following report:

"Confidential sources, all of whom have furnished reliable information in the past, but who will under no circumstances testify in any hearing or legal proceeding, furnished the following information over a period of time beginning June 24, 1971, through Oct. 20, 1972, regarding Phillip Bernard Moscato, also known as 'Brother,' date of birth July 21, 1934, Social Security Number 145-26-7022.

"Moscato is known to be one of the top loan sharks in the Hudson and Bergen County, New Jersey areas. He is loaning and collecting money for Armand 'Cokey' Faugno and Salvatore 'Sal' Briguglio. Faugno is a suspected La Cosa Nostra (LCN) member,

hijacker, loan shark and bookmaker in the Hudson County, N.J., area. Briguglio is an LCN member and labor racketeer, reputed to be a 'hit man.'

"Moscato is heavily indebted to Faugno and uses his [Moscato's] 'Point After' tavern in North Bergen, N.J., as a weekend meeting place and collection point for his loan-sharking operation. As a loan shark, Moscato has developed the reputation of arbitrarily adding an extra tax or sum of interest when a borrower has his loan almost paid. This has aggravated many people, but Moscato does not appear concerned.

"The 'Point After' tavern is also a known hangout for top sports gamblers and New York City hoodlums. Moscato, who owns the 'Point After' tavern, invested a large sum of money into replenishing it when he purchased it.

"In addition to being indebted to Armand Faugno, Moscato owes approximately \$7,500 to Joseph Domilick Paterno, a capoegima in the Carlo Gambino family. This debt is a result of Moscato's losing at a gambling casino controlled by Paterno on the Island of St. Martin. Moscato lost approximately \$20,000 and paid all but the balance, which Paterno is attempting to collect through Armand Faugno, because Moscato has refused to pay this debt and because Moscato reportedly used Faugno's name to establish credit at the casino. Milton Parness, a longtime associate of top New Jersey hoodlums involved in the gambling rackets, is attempting to collect the debt for Paterno. If the debt is not paid, some trouble is expected for Moscato.

"These sources also reported Moscato is a close associate and loan-shark partner of 'Speedy' DeLuca, a suspected LCN member, and friend of Joseph Zicarelli, LCN member; Joseph 'Joe the Rebel' La Magna, a Hudson County, N.J., loan shark and bookmaker

and longtime associate of Briguglio and Faugno; and John D'Allesso, a suspected loan shark, bookmaker, and front for hijacked goods.

"With respect to Moscato's recent purchase of a horse farm at Colts Neck, N.J., and his entry into harness racing, sources advised he is being backed by big-time operators in New York City.

"The document contains neither recommendations nor conclusions of the Federal Bureau of Investigation. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency nor duplicated within your agency."

Moscato never got his horse-farm license. But he tried hard, deluging the State Racing Commission with testimonial letters and testifying at two commission meetings, during which he denied being a loan shark. He admitted knowing Faugno, Briguglio, and other assorted hoods, but said that his acquaintance with them came from growing up in the Marion section of Jersey City. "All these people you mentioned, sure, I know them all," Moscato said. "Ask anybody from my neighborhood. Why? Where I was born and raised, it makes a difference? I can't race horses because I'm born and raised in a bad neighborhood."

Asked specifically about Faugno, he denied having any business dealings with him, adding: "I'm born and raised on the same block, a few doors away from the man. I see him. I talk to him. I know him all my life." Faugno and Briguglio were both violent men who apparently died gangland deaths.

Briguglio, known chiefly as an enforcer for New Jersey Teamsters boss Anthony "Tony Pro" Provenzano, was shot dead on a street in New York City's Little Italy in 1978.

Faugno apparently preceded Briguglio to

the grave. Some theorize that Briguglio saw to this himself.

In 1972, Faugno left his Englewood Cliffs home for a meeting in New York City. He was never seen again. There were unconfirmed reports that his remains were stuffed inside a tree shredder.

At the time he disappeared, he faced trials, with Briguglio, on federal counterfeiting charges.

Law enforcement sources theorized that Briguglio, acting on behalf of his mentor Provenzano, may have dissolved a business relationship with Faugno by means of execution.

Briguglio and Tony Pro were considered prime suspects when Jimmy Hoffa disappeared in 1975. Briguglio was ordered to appear in a lineup for federal authorities who were investigating the case. They suspected that Hoffa's body, and perhaps Faugno's, had been deposited in a Jersey City dump operated by Moscato. They obtained a search warrant, but, for some unexplained reason, never plowed the dump with bulldozers as planned. Briguglio and two other suspects made what they said was a serious offer of \$10,000 to anyone who could find Hoffa's body in the dump.

Briguglio was subsequently indicted, along with Provenzano and Harold "Kayo" Konigsberg, in the 25-year-old murder of an early Provenzano union rival, Anthony Castellillo.

A little more than a month before they were to go on trial, Briguglio was killed.

Two men approached him on a street in Little Italy and fired five shots into his head and chest without saying a word. He was 48.

• • •
Staff writer Ted Rothrock assisted with this report.



U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535

June 1, 1981

Honorable Edward M. Kennedy
United States Senate
Washington, D. C.

Dear Senator Kennedy:

The letter from you and Senator Hatch dated March 26, 1981, advised me that since Mr. Donovan's confirmation vote on February 3, 1981, your Committee has received additional information relating to the Schiavone Construction Company (SCC) during the period of Secretary Donovan's association with that firm. You furnished a summary of the information and said that in doing so the Committee is neither asking for a specific additional investigation nor suggesting any particular course of action. You requested to be informed as to the disposition of these matters.

I note that the first item listed in your letter was received by the Committee staff on February 2, 1981 (prior to the confirmation vote on February 3, 1981) and that though the date you received the remainder of the information was not indicated, your letter bringing this additional information to our attention was dated March 26, 1981.

In connection with the 1973 criminal trial involving the illegal sale of topsoil from a public facility to private companies, it is noted that Mr. Donovan testified at this trial. There is no indication given of any criminal misconduct by Mr. Donovan or the SCC.

The information developed by Bruce Locklin, a reporter for the Bergen Record, that Phillip Moscato did work for SCC in the early 1970's and was paid the amount of approximately six thousand dollars, has been acknowledged publicly by SCC Attorney Morris Leven. However, there is no indication of any improprieties in these dealings.

Exhibit 49

450036

Honorable Edward M. Kennedy

The fact that Mr. Locklin obtained an admission from Mr. Checci that he knew Mr. Armand Faugno, contrary to what Mr. Checci told the FBI, is not a basis for a criminal investigation by the FBI.

The information you have now furnished has been included in our files for such future reference as may become appropriate.

Your letter also requested clarification of the manner in which the Committee was apprised of information provided to the FBI by Patrick Kelly and the testimony by the FBI that the information telephonically provided by Mr. Kelly was nonspecific in nature and did not merit further investigation. You advised that "Subsequent to the Committee vote on January 29 recommending Senate approval of then Secretary nominee Donovan, the Committee was given certain specific details of Mr. Kelly's information; details apparently inadvertently not provided to the Committee on January 27." The persons presenting the FBI testimony have assured me that their testimony neither intentionally nor inadvertently omitted any information responsive to the questions asked. Further, the details to which you refer were in fact provided to your Committee by the FBI prior to the Committee vote. On January 28, 1981, a member of the staff was advised orally of the details; the Committee vote occurred on January 29, 1981; the FBI furnished a confirming letter dated February 2, 1981; and the confirmation vote occurred on February 3, 1981. Therefore, the details were available to the Committee prior to its vote and available to the Senate prior to its vote. Due to the vagueness of Mr. Kelly's information regarding "bid rigging," the FBI did not interview the persons Mr. Kelly alleged were present during the conversation and conducted no other investigation based on the information he provided.

I am providing an identical response to Senator Hatch by separate letter.

Sincerely yours,



William H. Webster
Director

The Sunday Record, 2/8/81, p.A-1, col. 1

Questions raised on FBI probe of Donovan

The Record 1981
By Bruce Locklin
Investigative News Editor

An inquiry by The Record into the Federal Bureau of Investigation's report on Labor Secretary Raymond J. Donovan has raised questions about the thoroughness of the FBI's investigation.

The Record located and interviewed two men, both with past criminal associations, who have corroborated elements of the story told by Donovan's prime accuser, mob informant Ralph "Little Ralphie" Picardo. Perhaps most significantly, the men support parts of the Picardo story that were discredited by the FBI in its report to the Senate Labor and Human Services Committee.

Sen. Edward M. Kennedy, D-Mass., the committee's ranking minority member, is asking that the FBI reopen its investigation into Donovan based, in part, on The Record's findings. Neither of the two men, mob associate Phillip "Brother" Moscato and Al Cecchi, a convicted bootleg-tape manufacturer, gave any information linking Donovan to alleged wrongdoing. Both men admitted knowing Picardo, and they characterized him as a "stool pigeon" and a "born liar." However, they backed him in these areas:

● The FBI said it had found no evidence to

See QUESTIONS, Page A-19

Exhibit 50

Questions linger on FBI

FROM PAGE A-1

support Picardo's claim that Mancato had been a subcontractor for Donovan's company. But Mancato says that he subcontracted demolition and hauling jobs for the firm over a period of years. "The FBI reported that Al Cecchi, the alleged front man in a payoff scheme involving Donovan, did not know the mobster who allegedly subcontracted the jobs," Cecchi now admits knowing the mobster, saying that he once asked him for a favor.

Donovan, who lives in Short Hills, declined comment last night. But a lawyer who has been advising him during the confirmation hearings, Thomas H. Brunioglio, said he sees nothing in the new material to warrant reopening the investigation.

The Record gave a summary of its findings to the United States attorney's office in Newark, the FBI in Washington, and to staff members of the Senate Labor Committee. Subsequently, Kennedy issued a statement saying he would ask committee Chairman Orrin Hatch, R-Utah, to renew the Donovan investigation.

"These are very disturbing findings which ought to be pursued," Kennedy said. "I will recommend to Chairman Hatch that the FBI reopen their investigation of these matters."

Later, four Democratic senators who along with Kennedy abstained from the committee's vote on Donovan's nomination joined Kennedy in signing a letter urging Hatch to ask FBI Director William Webster to look into the Mancato-Cecchi and some other lingering questions about Donovan.

"Both of these findings lend additional credence to the statements of Ralph Picardo and require further FBI investigation," the letter says in part.

Hatch responded yesterday with a statement saying that the new disclosures will be evaluated by the Senate Labor Committee staff and that any substantive findings will be forwarded to appropriate agencies.

The Senate voted last week to confirm Donovan to his cabinet post after hearings during which the FBI reported that it was unable to substantiate many of Picardo's allegations, including his claim that he served as a courier delivering checks from Donovan to organized crime. The checks, according to Picardo, were payoffs made to ensure labor peace.

Picardo had told the FBI that the scheme was set up by mobster Armand "Coley" Faugno, who arranged for payoffs to be issued by Donovan's firm, Schiavone Construction Co. Picardo said that he collected checks from Donovan that went to Sal Brigaglia, a racketeer and a teamster official, through O.K. Trucking, a front company secretly owned by Brigaglia and operated by Al Cecchi.

Both Faugno and Brigaglia are dead, considered victims of mob executions. In checking Picardo's story, the FBI interviewed Cecchi and gave the Labor Committee a one-paragraph summary of his comments, saying in part:

"Al Cecchi . . . advised that during the 1950's and part of the 1960's, he operated O.K. Trucking. He recalled doing some work, but not much, for SCC [Schiavone Construction Co.] during the 1960's, but none during the 1950's. He stated Ralph Picardo was employed by him at O.K. Trucking, exact dates not recalled, but that he and Mr. Picardo did not get along. He said he had no knowl-

edge of any payments by SCC for 'labor peace' and he stated he never made payoffs to Sal Brigaglia. He advised . . . the name Armand Faugno was not familiar to him. . . . In Mr. Cecchi's opinion, Mr. Picardo is a liar."

In a telephone interview Friday, Cecchi changed his story and admitted knowing Faugno, the alleged architect of the Schiavone payoff scheme.

Cecchi, 54, was contacted by The Record at his Oradell home and asked about the FBI's assertion that he did not know Faugno.

"Who?" Cecchi asked. He also said he did not recognize the name when the mobster's nickname, "Coley," was mentioned.

Then Cecchi was told that after Faugno disappeared mysteriously in 1972, agents obtained access to the mobster's private phone book and found Cecchi's name and number.

That jarred Cecchi's memory. He recalled that he once met with Faugno, who he believed was a "wise guy," and asked Faugno to intercede for him in a union dispute with Brigaglia.

Cecchi maintained that Faugno's name was never mentioned when he was interviewed two weeks ago by an FBI agent. "He didn't ask me about Armand," Cecchi said.

He insisted that Brigaglia was an old enemy of his, not a hidden owner of O.K. Trucking and that Picardo was an former employee now peddling untruths.

"This kid is a born liar," Cecchi said. "This kid can make up stories you can't imagine. He can make them realistic."

Another aspect of Picardo's story for which the FBI found no substantiation involved an alleged second link between the Schiavone company and the mob. According to the FBI report, at the same time Picardo was picking up SCC checks from Donovan, he "recalled being told by Brigaglia that the Mancato Contractors were run by organized-crime elements and were subcontractors to the SCC, frequently as a means of ensuring 'labor peace.'"

The FBI determined that Philip "Brother" Mancato was a reported organized-crime associate who once operated a dump site, but it added that the Newark Office of the FBI "has no information indicating his association with a Mancato Contractors or any connection between him and SCC or Mr. Donovan."

The FBI checked vendor cards at SCC and found no card for Mancato. James Interview, Ronald Schiavone, the company president, "advised he has never done business with a Mancato, but if this individual operated a dump site, SCC could have dumped clean fill dirt at the site at no charge."

Mancato is a flamboyant hoodlum from Jersey City who moved to Hallendale, Fla., in the mid-Seventies, when New Jersey authorities began jailing mob figures for refusing to testify about their activities. "Little Ralphie" Picardo made Mancato famous in 1978 when he prompted an FBI search of a dump that Mancato operated beneath the Palmetto Skyway in an unsuccessful search for Jimmy Hoffa's body.

Picardo used to operate several businesses, none called Mancato Contractors. Two of his more active firms in the building trades were City Construction and City Demolition.

Contacted Friday in Florida, Mancato admitted that he had indeed done subcontracting for the Schiavone company.

"Yeah, I did some work for them," said Mancato. "I don't know which [of my companies] it

was, but we done work for them — demolition, hauling."

Asked how much work, he said: "I don't know. It was spread out over a period of years. . . . It was 100% legit."

Mancato said he couldn't recall whom he dealt at SCC. "Whoever the guy was who gave out the subcontracting work."

Asked if he ever met Donovan, Mancato replied: "I doubt it. I know of him, that he was one of the owners or bosses of the company. That's about it."

Mancato called Picardo a "steel pigman" who is making up stories.

"I know Ralphie," Mancato said. "I know him from up in Union City bars and all. He hangs around all over. What is he trying to do, get Ray Donovan not to be secretary of labor?"

"I think the kid's on the government payroll. Anytime he sees a name pop up that he knows, he's going to say something — true, false, or what — just to stay on the government payroll."

Ronald Schiavone, president of the Schiavone company, said yesterday that the FBI check of SCC records included a search for City Construction. "The FBI didn't know the name, but someone in the company knew that Mancato had that business, so we asked them to check that, too," Schiavone said. He added that he's sure that his company did no significant business with any Mancato firm.

Donovan's attorney, Brunioglio, said, "The bottom line of the whole thing is that the FBI went, by and large, came down on the side of Donovan, as well it should."

The lawyer said that there are powerful forces opposed to Donovan and that he expects attempts to discredit him will continue forever.

"They've dug to China and they really haven't found the bone. I suppose they'll continue to dig and dig and dig, 16 more holes, until they find it. . . . I don't think there's a bone, but then again, who the hell knows?"

Brunioglio, an Allendale councilman who worked with Donovan on President Reagan's New Jersey campaign, said that Kennedy's opposition to Donovan may be an attempt to find support in the constituency that elected Reagan — blue-collar, ethnic voters.

"I see the battleground emerging. That constituency is what both parties are after. If Ted Kennedy is to remain viable, then he has to re-establish his base," the lawyer said.

Brunioglio said he was shocked by the furor of the Donovan opposition, adding:

"There is a power structure out there, both in labor and perhaps in management, that doesn't want to see the situation change. I perceive that they realize that Donovan is going to change the situation. And that's why there's pressure."

The 54-year-old Donovan, who worked his way to become a principal and executive vice-president of the 1,500-employee Schiavone firm, summed up his situation this way at the nomination hearings:

"I'm from a great state, but if you are in the contracting business in this country, you are suspect. If you are in the contracting business in New Jersey, you're indictable. And if you are Italian and in the contracting business in New Jersey, you're convicted."

Picardo never appeared before the committee but annoyed committee Republicans by turning up on the NBC-TV "Today" show. He stood by his allegations, saying that he didn't think the FBI

Donovan probe

investigation was "intensive" and that agents should get more time "to go into it in depth."

The FBI's one-paragraph summation of Cecchi's story failed to disclose his criminal record. Cecchi pleaded guilty to federal charges in Newark in 1978 and was sentenced to a year in prison for violating copyright laws as a manufacturer of bootleg stereo tapes. His prison file was tagged "O.C." for organized crime, an identification Cecchi insists was false.

Cecchi was at the edge of a 1972 investigation by The Record into the bootleg industry that resulted in a raid of his Fairfield plant by United States marshals. So his name was known to the newspaper a few years later when a law-enforcement source provided information obtained from the phone book of missing mobster Armand Frangie. Included was Cecchi's name, his Oradell address, and unlisted phone number.

The Record telephoned that number Friday and Cecchi answered.

He admitted knowing Frangie only after being told how his number was obtained and then gave this version of how he met the mobster:

Before he started O.K. Trucking, he had another truck company and was doing freight business with a major hauler, Malabar Transport. His men were unionized, and the Teamsters wanted him out. Sal Brigaglio told him to scram.

Cecchi said he remembers that someone suggested — he doesn't remember who — that Brigaglio might come up if he talked with Armand Frangie. "That was the fellas I went to one time for a favor. He was supposed to be some kind of a wise guy," Cecchi said. "I don't know the man other than I had a dealing, trying to straighten out my union problem."

The FBI's report said Cecchi told the bureau that he had done some work for Schiavone in the 1960s, "but not much."

But in talking with the newspaper, Cecchi described a close relationship with Schiavone over several years.

"Picardo says that I was getting checks from Schiavone and another outfit. Let me give you the brief on Schiavone, so this way you'll understand everything."

"When I met Schiavone, they were only patching sidewalks. I told that to the [FBI] agent.... and I'll tell it to Jesus Christ. I patched sidewalks. I helped them with trucks. I helped with my forklifts for labor."

"Now they started getting contracts, patching the turnpike, patching tunnels, bridges. I used to spot their trailers, after they started getting bigger."

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Cecchi said that he never met Ray Donovan and that his dealings were with Schiavone's controller, Al Paradise, and the company president, Ronald Schiavone.

Contacted yesterday, Schiavone said he had no recollection of any business dealings with Cecchi. The company president said that Paradise is active in the Somers Chamber of Commerce, where he may have met Cecchi. Schiavone said that he's positive that Cecchi never helped the company buy cranes. He added that it's possible the company may have leased trucks from Cecchi because SCC leases from scores of vendors.

"You tell me, isn't impossible to operate in New Jersey, or anywhere, and not rob somebody with a guy like this?" Schiavone asked.

The FBI said that its search of Schiavone records it found no checks paid to Cecchi or his company, but a few checks to another O.K. Trucking based in Springfield. Cecchi operated in North Bergen and Somers.

Mescone, 44, grew up in Jersey City's Marion section, a 20-block area on the city's westside, along with Frangie and Brigaglio.

A confidential FBI report on Mescone identified him as one of the top loan sharks in North Jersey in 1972. The FBI said then that Mescone's money sources were Frangie and Brigaglio.

Mescone left those Teamster Union ties. When Teamster boss Anthony "Tony Pro" Provencano was released from prison, the welcome-home party was held at a Jersey City restaurant operated by Mescone, the Lil' Red Buggy. After Mescone moved to Florida, he lent the one of two homes he owns there to Charlie O'Brien, Jimmy Hoffa's adopted son.

A 6-foot, 210-pound former paratrooper, Mescone has a flashy openness unusual among crime figures. Another Teamster source said that "Brother" has too big a mouth to ever make the big time.

In discussing his relationship with the Schiavones, Mescone volunteered his endorsement of Donovan, support unlikely to be appreciated.

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The Democratic senators' letter to Hatch urges the FBI to review two other matters related to Donovan.

• Assertions made by another FBI informer, Pat Kelly. The senators say that specific allegations made by Kelly have not been followed up.

• Donovan's testimony in a 1973 Hudson County trial. Donovan reportedly testified that the Schiavone company brought 34,000 cubic yards of dirt from a private company that turned out to be selling land from the county-owned Lincoln Park. The Schiavone firm was not indicted. After a complicated trial, only three persons were convicted, of 11 indicted, and none were sentenced to jail.

In addition to Kennedy, the letter was signed by Christopher Dodd, D-R.I., Thomas Eagleton, D-Mo., Donald Riegle, D-Mich., and Howard Metzenbaum, D-Ohio.

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"It has strengthened and toughened Donovan, but I've seen the toll it's taken on his wife and children. I've lived with them. I've had dinner at their home. I know the loneliness and isolation that they feel... in spite of the fact that he and the president are extremely close and the president has ultimate confidence in him."

The lawyer added, "I'm convinced that [these charges] will go on forever. At some point, one of two theories is going to be proved. The problem is that in the process, Ray Donovan and his family will be destroyed. That's the problem."

Donovan probe

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He admitted knowing Fugno only after being told how his number was obtained and then gave this version of how he met the mobster:

Before he started O.K. Trucking, he had another truck company and was doing freight business with a major hauler, Mainline Transport. His men were unionized, and the Teamsters wanted him out. Sal Briguglio told him to scream.

Cecchi said he remembers that someone suggested — he doesn't remember who — that Briguglio might come up if he talked with Armand Fugno. "That was the fell I went to one time for a favor. He was supposed to be some kind of a wise guy," Cecchi said. "I don't know the man other than I had a dealing, trying to straighten out my union problem."

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Moscone has twice Teamster Union ties. When Teamster boss Anthony "Tony Pro" Pappas was released from prison, the welcome-home party was held at a Jersey City restaurant operated by Moscone, the Lil' Red Buggy. After Moscone moved to Florida, he lent the use of one house he owns there to Charlie O'Brien, Jimmy Hoffa's adopted son.

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Donovan probe

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FEDERAL BUREAU OF INVESTIGATION

1/28/81

Date of transcription

Albert Cecchi, 45 Merritt Drive, Oradell, New Jersey, telephone number 385-6481, was interviewed and provided the following information:

Cecchi advised that he had a trucking firm called O. K. Trucking Company, which operated from the early 1950s, until approximately 1969, when the company went bankrupt. Cecchi advised that the offices for O. K. Trucking were located in Secaucus, New Jersey and later in Clifton, New Jersey. Cecchi stated that he knew Ron Schivone in the 1950s, when Schivone was starting up his construction company and Cecchi would help out by doing small jobs for Schivone or lending him equipment. Cecchi stated that any invoices or billing between O. K. Trucking and Schivone Construction, would have been in the late 1950s, and would have involved a dollar amount no greater than \$1,200 total. Cecchi advised that he had no business dealings with Schivone Construction during the 1960s, that he recalls and knows of no billing to or payments from Schivone during this period of time.

Cecchi stated that Ralph Picardo came to work for O. K. Trucking some time in the mid 1960s, and that Picardo worked as a Terminal Manager at O. K. Trucking for approximately one and one half to two years. He stated that he let Picardo go perhaps in 1967, because Picardo was stealing from O. K. Trucking and was not doing the work that he was being paid for. Cecchi stated that Picardo was a liar as well as a thief and that Cecchi got to the point where he could not believe much of what Picardo said.

Cecchi stated that he knew of Sal Briguglio, of Teamsters Local 560, Jersey City, New Jersey, during a time when that local was attempting to have O. K. Trucking become a union shop. Cecchi advised that trucks from O. K. Trucking would occasionally do Gypsy work for Maislin Trucking, but that Briguglio representing Local 560, made him stop because the drivers were non-union. Cecchi stated

Investigation on 1/22/81

Clifton, New Jersey

Newark 161B-3133-

by SA Richard H. Brandes

sjd

Date dictated

1/23/81 101511

Exhibit 51

NK 151B-3133

that while operating O. K. Trucking he used the name, Al Cohen, but that he was never a bagman for Briguglio nor did he ever pay Briguglio or anyone from 560 any money.

Cecchi advised that he has never heard of XYZ Leasing, and does not know an individual by the name of Donovan. Cecchi stated that he thought the allegation that Schivone Construction was paying money for labor peace was unfounded because the contracts that Schivone had did not really require labor peace. He stated that if a union that was working on a project with Schivone were to threaten a strike if they did not have more men on the job, Schivone would have been happy to put people on the job because the more people in it, bigger profits for Schivone. Cecchi also advised that if there was a strike which would have delayed the completion date, he would simply obtain a set back in the contracted completion date for the job being worked on.

Cecchi stated that any and all records of O. K. Trucking have been destroyed, and that the bookkeeper who worked for the firm was named Rose last name not recalled, whose present location is not known to him.

The Bergen Record, 2/9/81, p. A-1, col. 5

Al Cecchi: victim or front man of mob?

By Bruce Locklin
Investigative News Editor

"Little Ralphie" Picardo never promised it would be easy.

When he first started talking to the Federal Bureau of Investigation about payoffs he said he collected from Raymond J. Donovan, he warned that his words would be hard to prove — too many witnesses were dead. Picardo thought that only two major characters in the most crucial part of his story were still alive:

• The bagman — Little Ralphie himself, a 40-year-old former mob errand boy who five years ago became a semi-professional government witness to escape a jail sentence for murder.

• The alleged victim — Raymond J. Donovan, 50, former vice-president of the Schiavone Construction Co. in Secaucus and now secretary of labor in President Reagan's administration.

Did those circumstances inspire Picardo to embroider reality, building an accusatory mountain on a molehill of truth?

There's no clear answer, even now, after Senate committee hearings and after Al Cecchi, a key figure Picardo presumed dead, has corroborated pieces of Picardo's story.

Cecchi says that Picardo is lying about the big stuff — the allegation that Donovan sent payoffs to the mob through Cecchi's trucking company.

Five Democratic senators have urged

that the FBI investigation into Donovan be reopened based, in part, on disclosures The Record published yesterday. The newspaper reported that both Cecchi and mob associate Phillip "Brother" Moscato had corroborated elements in Picardo's story that had been discounted by the FBI in its report on Donovan to the Senate Labor and Human Services Committee.

Cecchi's own career and past associations
See MOB, Page A-2

Exhibit 52

In Donovan probe, changing answers stir questions

Mob victim or front man?

FROM PAGE A1

ations lend some credibility to Picardo's description of the role Cecchi allegedly played front man for hoods.

In the early 1970's, Cecchi operated a bootleg tape-manufacturing plant in Fairfield. It was an illegal and expensive business, the equipment alone valued at \$150,000 — enough to make federal agents suspect organized-crime financing. Cecchi pleaded guilty in 1976 to federal copyright violations and served four months of a one-year jail term.

Cecchi has operated under several aliases, sometimes spelling his name differently, at other times calling himself Al Cohen. He says he speaks Yiddish better than any Jew he knows.

In 1972, when United States marshals raided Cecchi's tape plant, he claimed to be operating within the law, portraying himself to a reporter as a victim of rich recording companies, which he called "the Hebrew mafia." Cecchi said then: "I speak the truth. These fellows take you to court and then beat you legally. The Italian Mafia uses violence."

Earlier, when he was in the trucking business in the 1960's, Cecchi had dealings with the two mobsters involved in Picardo's story: Armand "Cokey" Faugno and Salvatore "Sally Bugs" Briguglio, both now dead. But Cecchi says he was Briguglio's victim, not his front man, as Picardo describes him. And he says he turned to Faugno only in an unsuccessful attempt to get Briguglio off his back.

"Always shoved out"

In an interview, Cecchi vehemently denied being connected to organized crime. "They never got five cents from me," he said. "That's why I always was shoved out in the trucking business and everything else."

He gave a distinctly different picture than Picardo described to the FBI of their days together at O.K. Trucking.

According to Picardo, the firm was secretly owned by Briguglio, a mobster who was Anthony "Tony Pro" Provenzano's right-hand man at Teamsters Local 560. Picardo said he went to work at O.K. to learn the trucking business, and soon began delivering phony invoices to Schiavone Construction Co. and picking up checks from

Ray Donovan. Picardo said that Briguglio later told him that the checks were payoffs to ensure labor peace and that the scheme had been set up by mobster Armand Faugno.

Cecchi, on the other hand, says that he was the sole owner of O.K. Trucking and that he hired Picardo, who had been working in upstate New York, to solicit new business. But after a year and a half, he says, he got fed up with Picardo and forced him to leave.

"He had an apartment there on Boulevard East or someplace like that," Cecchi said. "And he had a wife in Secaucus. So I asked him, 'How can you afford the apartment? You're only making so much a week from me.' When he told me about the apartment, it kind of shook me. Beware of the switch. Because, at one time, I never had shortages ... but this kid, he had to be stealing."

Little Ralphie, at 5-foot-3, was one of the few men that 5-foot-5 Cecchi could look down on, but Ralphie had big aspirations.

"This kid wanted to be a tough guy in the

"Briguglio and another guy tried to corral me, and I just never went with the tide."

— Al Cecchi

worst way," Cecchi said. "He used to take a gun out and shoot it in the air. You want to know the God's gospel truth, I actually forced this kid to quit. I said, 'Now you got to work and everything else.'"

"Never went with the tide"

Cecchi said his encounter with Briguglio came before he started O.K. Trucking, with another company he operated. He was doing some work for Maislin Transport, a major hauler, and Briguglio wanted only Teamsters on the site.

"I had a few trucks going in there picking up freight. In my own trucking business, when the trucks got empty, I'd make them go into Maislin and pick up extra freight. That was extra revenue," Cecchi said.

"Briguglio and another guy tried to corral me, and I just never went with the tide."

Cecchi said he doesn't remember who suggested that Faugno was a "wise guy" (the mobsters' term for another mobster)

who might be able to solve his problem with Briguglio.

"Some fella introduced me [to Faugno], and maybe he could help me. He took my name and address and everything else. That was the end of it," Cecchi said. The FBI report to the Senate committee said that Cecchi claimed he was not familiar with the name Armand Faugno.

Cecchi feels that his ouster from Maislin proves he wasn't a front man for Briguglio: "They threw me out of there. Look, if I had anything to do with them, wouldn't I still be there?"

Now 56, Cecchi has lived in Oradell for 20 years. He said that he now operates a manufacturing company, but declined to disclose the product. "It's a good going business," he said.

He also would not discuss how he was able to finance his shift from the trucking business to bootleg-tape manufacturing in the late 1960's. His company, Melody Recordings Inc., was a large-scale operation, capable of producing 150,000 stereo-tape albums a week. The Recording Industry Association of America fought a five-year battle to shut down Cecchi's operation, getting aid from the FBI after federal copyright laws were toughened in 1972.

Cecchi still maintains that the record companies are the villains and that he operated within the law.

"To the day I die, I'll always say this. I'm the only one who went to jail on this bull-beef," he said. "Deep in my heart, there was no wrongdoing."

He said the size of his operation and foreign trips promoting business caused his problems.

"I knew, as soon as I bought this corporation — I was there a week and the FBI was in there — I knew right away they'd figure I was organized crime, because it was a huge thing," he continued. "And then I started traveling the world."

In 1976, Cecchi pleaded guilty to 10 counts of an 85-count federal indictment that accused him of illegally copying hit albums by Elton John, Stevie Wonder, Frank Sinatra, Diana Ross, and other singers. In addition to a one-year prison term, he was fined \$4,500. The government destroyed his equipment and 14,000 illegal tapes.

But Cecchi said that the real insult, in his view, came after he was sentenced to prison. "I found out later that they had O.C. on my card, for organized crime."

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/20/81

Connie Banziger, Executive Secretary, Schiavone Construction Company, 1600 Paterson Plank Road, Secaucus, New Jersey, was contacted at her place of employment, was advised of the official identity of the contacting agent and as to the nature of the interview. Banziger then provided the following information:

Banziger advised she started working at Schiavone Construction Company in February, 1964. Banziger said that at that time, Raymond J. Donovan, Vice President of Schiavone Construction Company, had his office in the room where secretary Kathryn Alexis now works.

Banziger stated that to the best of her recollection in Donovan's former office his desk was against the far wall by the window and outside door. Banziger added there was a chair in front of the desk and a lamp hung over the desk. Banziger also said there was a telephone on a desk or table to the right of the entrance from the hall. Banziger remembered the rug as being blue.

Banziger advised that when Alexis moved in to that office, she re-arranged it and so would be the best person to contact in regards to changes there.

Banziger said that prior to being the office that it is now, the area Donovan presently occupies, along with the office of Joseph A. DiCaro, Senior Vice President of Schiavone Construction Company, consisted of two smaller offices that were rented out to various customers. The area that comprises Ronald Schiavone's office, President of Schiavone Construction Company, Banziger advised, was once a garage.

Banziger said that when some tenants left the rented offices in 1967, the company began the construction that eventually culminated in the present offices.

To the best of her recollection, Banziger advised, Donovan moved in to his present office in mid 1968. Banziger said that the only changes that have occurred in Donovan's present office since he moved in have been in the decor. Banziger said

1/16/81Secaucus, New JerseyFBI Newark 151-3133-8

A.V.
SA Athena Varounis/cas

Exhibit 53

1/19/81

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Donovan first had gold drapes on the windows behind his desk and on the window by the closet on the other outside wall, and that these drapes were not as long as the present ones, reaching only to the bottoms of the windows as opposed to the floor. Banziger said the carpet has been changed three times, this has always been basically the same color. Banziger further advised that the pictures on the wall next to Donovan's desk were new, but she couldn't remember how recent the photograph above the couch was. Banziger also advised that Donovan's office was always cluttered.

Banziger said no one ever used the outside door to gain access to Donovan's office. All visitors, Banziger stated, came through her area and entered through the interior door. Banziger advised there was a sign on the outside of the exterior door that read "Do Not Enter" or "This is Not an Entrance." Banziger said she would have known if anyone ever entered through that door, and she stated most definitely that no one ever had.

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FEDERAL BUREAU OF INVESTIGATION

1/22/81
Date of transcription

The following is a summary of information furnished by Mr. Morris J. Levin, Corporate Secretary and Corporate Counsel, Schiavone Construction Company (SCC), 1600 Paterson Plank Road, Secaucus, New Jersey:

Levin first joined SCC in March, 1967, as an Aid to the Management, and became Corporate Secretary in 1972. He became an officer of the company in 1979.

The only other Ray employed by the company besides Ray Donovan, of which he is aware is a mechanic named Ray, who bore no physical resemblance to Ray Donovan, being shorter and balder.

Levin was unable to identify the following names as having done business with the company:

Ralph Picardo, Al Checci, Sal Briguglio, Philip "Brother" Moscato, William Musto, "O. K." Trucking, "XYZ Leasing". He stated that the name Moscato was familiar to him from having read of him in the newspapers, and he is aware that Musto is the Mayor of Union City; however, as he recalls the only municipal job handled by the company was in Jersey City in the period 1974 to 1975.

Levin was unable to identify a photograph of Ralph Picardo displayed to him in a set of six photographs, and was unable to identify a photograph of Sal Briguglio displayed in the same manner.

Levin noted that his company is sometimes confused with a scrap dealer company by the name of Schiavone-Bonomo, located in Jersey City, New Jersey, which is said to be one of the biggest scrap dealers on the east coast. He said that this confusion has occurred in the form of his company having received mail intended for that company, perhaps two or three times a year, and in the form of legal process having been served on his company once or twice in the past, which actually was meant for the other company. He added that he is aware that the Internal Revenue Service (IRS) has also made inquiry with his company concerning certain checks, when they really

Investigation on 1/16/81 at Secaucus, New Jersey File No. NK 161-3133-98

by Edward H. Muchmore, GHS
SAs George H. Stark, Jr., GHS/em Date dictated 1/20/81

FEDERAL BUREAU OF INVESTIGATION

1/22/81

Date of transcription

The following is a summary of information furnished by Mr. Morris J. Levin, Corporate Secretary and Corporate Counsel, Schiavone Construction Company (SCC), 1600 Paterson Plank Road, Secaucus, New Jersey:

Levin first joined SCC in March, 1967, as an Aid to the Management, and became Corporate Secretary in 1972. He became an officer of the company in 1979.

The only other Ray employed by the company besides Ray Donovan, of which he is aware is a mechanic named Ray, who bore no physical resemblance to Ray Donovan, being shorter and balder.

Levin was unable to identify the following names as having done business with the company:

Ralph Picardo, Al Checci, Sal Briguglio, Philip "Brother" Moscato, William Musto, "O. K." Trucking, "XYZ Leasing". He stated that the name Moscato was familiar to him from having read of him in the newspapers, and he is aware that Musto is the Mayor of Union City; however, as he recalls the only municipal job handled by the company was in Jersey City in the period 1974 to 1975.

Levin was unable to identify a photograph of Ralph Picardo displayed to him in a set of six photographs, and was unable to identify a photograph of Sal Briguglio displayed in the same manner.

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Investigation on 1/16/81 at Secaucus, New Jersey File No. NK 161-3133-98

by Edward H. Muchmore *fm*
SAs George H. Sturz, Jr. GHS/em Date dictated 1/20/81

NY 161-3133

were concerned with the other company.

Levin has no personal knowledge concerning allegations that Raymond Donovan made payments to anyone in return for "labor peace".

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FEDERAL BUREAU OF INVESTIGATION

1/26/81

Date of transcription

John O'Connell, 137 Fifth Avenue, Neptune, New Jersey, telephone 201-938-4544, was interviewed in the presence of his wife, Nancy O'Connell. He was questioned regarding his operation of a business, OK Trucking. Prior to questioning, O'Connell was advised of the provisions of the Right to Privacy Act.

O'Connell stated that he operated OK Trucking, 410 Mountain Avenue, Springfield, New Jersey, between 1967 and late 1970 or early 1971 when he declared the company in bankruptcy. He said that he had dump trucks and a front end loader.

O'Connell said that he did business with Schiavone Construction Company while operating OK Trucking. He said that shortly before going out of business he rented his front end loader to Schiavone Construction Company for a job in Kearny, New Jersey. O'Connell did not recollect any other business dealings with Schiavone Construction Company but said it may have been possible that he rented them some dump trucks.

O'Connell did not recall whom he dealt with at Schiavone Construction Company. He said that he is not familiar with Raymond J. Donovan and to the best of his recollection O'Connell has never had any business association with Donovan.

Upon questioning, O'Connell denied any knowledge of the following individuals or businesses:

Ralph Picardo
Al Coccia
Sal Briguglio
Armond Fazio
Joe Letagna
XYZ Leasing
Joe's Tavern

O'Connell advised that he could not explain two checks paid to his company, OK Trucking, by Schiavone Construction Company on October 24, 1969, for \$1,575 and December 21, 1970, for \$447. He said one check was probably rental for the front

1/20/81

Neptune, New Jersey

Newark 161-3133 -

SA John E. Lito/sj

Exhibit 55

1/22/81

Date dictated

101423

Mr. W. H. H.

This witness but he could not say which check or recall
specifically for what purpose the second check was paid.
As previously stated, the second check could have been
for payment of men trucks.

101424

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/26/81

Fredrick Salvatore Furino, who resides at 148 Underwoodcliff Avenue, Apartment No. 4, Edgewater, New Jersey, telephone number 201-945-3410, and who is the owner/operator of F & P Carting, 630 New County Road, Secaucus, New Jersey, was contacted at the Newark Office of the Federal Bureau of Investigation (FBI). Furino advised he was being contacted in order that he might be interviewed regarding his possible knowledge and/or involvement, along with Salvatore Briguglio, in a scheme whereby "payoffs" for "labor peace" were received from Raymond Donovan on behalf of the Schiavone Construction Company (SCC) of Secaucus, New Jersey.

Furino advised that he grew up with Briguglio on Jefferson Street in Hoboken, New Jersey and he was always close with Salvatore Briguglio until Briguglio's execution-style slaying during March, 1978. During the period 1963 through 1965, Furino served as a Vice President for International Brotherhood of Teamsters (IBT) Local 84 of Fort Lee, New Jersey. Furino decreased his visibility and left the position of Vice President at IBT Local 84 during 1965, following his arrest and conviction for violation of the theft from an interstate shipment statute. It was during this same time period when Ralph Picardo and Al Checci began their involvement with Briguglio in various trucking operations. Furino stayed clear of Armand Faugno as he, Furino, felt that Faugno was not the type of individual whom he should be associated with.

Furino advised that he himself, and to his knowledge, Briguglio, were never involved in a scheme whereby "payoffs" for "labor peace" were received from Ray Donovan on behalf of SCC. Furino advised that he was unaware of any involvement by either Picardo or Checci in the receipt of "payoffs" from Donovan.

Furino advised that he would be willing to submit to a polygraph examination with respect to the above questions.

Investigation on 1/22/81 at Newark, New Jersey161A-3133-132
FBI - Newark 161A-3133by SA John Marshal Hersh

sjd

Date dictated

1/23/81

101446

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Exhibit 56

POLYGRAPH EXAMINATION REPORT

Date of Report 5/4/82	Date(s) of Examination 4/27/82	Bureau File Number 211-15	Field File Number 20504067
Office or Agency Requesting Examination Assistant Director, Criminal Investigations Division			
Date Authorized 4/22/82	Authorizing Official Assistant Director, FBI Laboratory Division		
Examinee Name (last, first, middle) Purino, Frederick, Salvatore		SSN 147-22-3717	
Date of Birth 2/5/30	Place of Birth Hoboken, New Jersey	Male <input checked="" type="checkbox"/> Female <input type="checkbox"/>	Race Caucasian

Case Synopsis

REDACTED

Frederick Purino was interviewed by Special Agents of the Federal Bureau of Investigation and investigators assigned to the staff of Special Prosecutor Leon Silverman, who was appointed

Exhibit 57

Case Synopsis (con't.)

to investigate allegations concerning U.S. Secretary of Labor Raymond J. Donovan. Furino stated that he was aware of the allegations concerning Mr. Donovan from having read about them in the newspapers, however, he does not know Donovan personally, has never met Donovan, and has no knowledge of any payoffs made by Donovan or anyone at the Schiavone Construction Company to Briguglio. Furino further stated that he has never heard Sal Briguglio mention Donovan to him, and was never introduced to a Ray Donovan or a "Ray" by Briguglio.

REDACTED

Furino agreed to undergo a polygraph examination in this matter.

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Examination Results					
	No Deception Indicated		Inconclusive		Pre-test Confession/Acknowledgment
XX	Deception Indicated		No Opinion		Post-test Confession/Acknowledgment
Examiner's Conclusion					

Frederick Salvatore Furino was interviewed prior to polygraph testing at which time he was asked to briefly outline his relationship with Salvatore Briguglio and the International Brotherhood of Teamsters during the 1960s.

Furino stated that he and Sal Briguglio had grown up together in Hoboken, New Jersey, but that it was not until approximately 1952 or 1953 that they began associating together on a regular basis. He stated that he and Briguglio were truck drivers at that time, and were organizers for Local 560 of the Teamster's Union in Hoboken.

Furino continued that he and his wife, Phyllis, had socialized with Briguglio and his wife, Millie, on a fairly regular basis, and that he had attended various Teamster conventions with Briguglio on two or three occasions during the mid to late '50s.

Furino indicated that following his arrest and conviction for possession of stolen goods sometime around 1964, he spent approximately 36 months to 39 months in jail. Following his release from prison he maintained his friendship with Briguglio, but indicated they were not as close as before as they were not working together for the Union.

When asked to comment on allegations that he was alleged to have made pick-ups of cash from Raymond J. Donovan for Briguglio, he indicated he did not know Donovan and if he had ever met Donovan, he did so without knowing who he was. Furino continued to state that everything he knows about Raymond Donovan he has learned from reading about him in the newspaper, and that he is aware of the Schiavone Construction Company only from having seen their trucks on the road. Furino indicated that he has never heard Sal Briguglio mention Raymond Donovan or anyone by the name of "Ray" to him, and has never been introduced to Ray Donovan by Briguglio.

Furino stated that even though Sal Briguglio is dead, he still remains a close friend of "Sal's" wife and would do anything to protect her from embarrassment or harm.

Location of Examination FBI Office, New Rochelle, New York

Typed Name of Witness or Interpreter	Examinee Native Language English.
Examiner (typed name) Barry D. Colvert	Language(s) Examination Conducted English
Division of Examiner Washington Field	Signature of Examiner <u>Barry D. Colvert</u>

Examiner's Conclusion (con't.)

Furino indicated that he had no reason whatsoever to lie about any relationship he would have had with Donovan, and that was why he felt it was absolutely absurd for the investigators to continue trying to resolve these allegations.

Furino was asked at this point in the interview to comment on what he meant when he said he "knew" someone. Furino then replied for him to "know" someone, he would have had to meet them in person, have spoken with them, and have been aware of their name. A series of names of persons that Furino had identified during this earlier interview and in addition, some that he had been questioned about by investigators earlier, were discussed with him. Furino was then told that he would be asked, while attached to the polygraph instrument, a series of simple questions each beginning with the phrase "Do you personally know," followed by six of these names. Furino was advised that the names to be used were: Ralph Picardo; Phillip Moscato; Salvatore Briguglio; Raymond Donovan; Charlie Coffey; and John Di Gilio. Furino was further asked if the fact that he had not been in contact with any of these people for a number of years would have any bearing on whether he could still say objectively that he either "knew" or did not "know" them. Furino responded by saying that to him, if he ever knew someone, it could not be effected by the passage of time.

Furino was then afforded a polygraph examination, which utilized the following questions:

1. Do you personally know one Ralph Picardo? Answer - Yes.
2. Do you personally know one Phillip Moscato? Answer - No.
3. Do you personally know one Salvatore Briguglio? Answer - Yes.
4. Do you personally know one Raymond Donovan? Answer - No.
5. Do you personally know one Charlie Coffey? Answer - Yes.
6. Do you personally know one John Di Gilio? Answer - No.

The above six questions were incorporated into a test and were asked of Furino in three separate, distinct tests.

Following this Furino was further examined utilizing a test which contained the following questions relative to this investigation:

1. Did you lie when you said you never personally knew Raymond Donovan? Answer - No.
2. Did you lie when you said you have never personally known Raymond Donovan? Answer - No.

After this examination, the polygrams obtained from both tests were collected and analyzed.

Examiner's Conclusion (con't.)

It is the opinion of this examiner that the responses recorded following each question dealing with Furino's having known Raymond Donovan personally are indicative of deception, and that Furino has not been truthful in describing his relationship with Raymond Donovan.

Furino was informed of this conclusion, and he indicated that he could not understand how the tests had shown him to be lying. Furino continued to deny that he had ever had any personal contact whatsoever with Raymond Donovan, however, he felt very comfortable during the entire examination and did not feel any stress when the questions about Donovan were asked.

Furino was then asked that if he had any information concerning Raymond Donovan or if he had personally met Raymond Donovan, would he be willing to admit it, to which he replied he would not.

Furino was interviewed for a period of time until he ultimately responded by saying that he had nothing else he could add to his initial statement or to the testimony he had given before a Federal Grand Jury, and he requested the interview be terminated. At this point, no further questioning was conducted and the examination was terminated.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/4/81

John Torino, who resides at 30 Zembraskie Street, Jersey City, New Jersey, telephone 201-420-0606, was contacted at the office of her and in the presence of her retained counsel Patrick J. Roma, 480 Central Avenue, Jersey City, New Jersey, telephone 201-636-3252.

Torino was advised that the Federal Bureau of Investigation (FBI) recently came into possession of information furnished by a confidential source which indicated that certain individuals who were involved in the criminal elements associated with International Brotherhood of Teamsters (IBT) Local 566, Union City, New Jersey, had voiced a concern over the possible knowledge possessed by Torino regarding their criminal activities. Torino was advised that these concerns stemmed from her close association with Salvatore Briguglio, and the fact that the individuals who voiced the concern were uncertain as to the extent of possible knowledge gained by Torino as a result of her association with Briguglio. Torino was further advised that mention was also made that authorities might possibly not associate any harm which might be inflicted as of this time on Torino since a considerable amount of time had elapsed since Briguglio's death.

Torino was further advised that the information regarding her association with Briguglio, and the impact of her knowledge regarding Briguglio's criminal activities took on a considerable additional import as a result of recent information received from a confidential source which indicated that Torino had accompanied Briguglio on vacations on a number of occasions when they traveled in the company of Raymond J. Donovan, the current designate for Secretary of Labor. It was pointed out to Torino and Donovan's close association with Briguglio allegedly stemmed from the fact that Donovan made large cash payments to Briguglio in exchange for "labor peace" on various job sites of the Schiavone Construction Company (SCC) of Secaucus, New Jersey. Torino was advised that in the event she did accompany Briguglio on vacations during which time Donovan was present,

Investigation on 2/2/81 at Jersey City, New Jersey File No. 1-161A-3133
Newark 183A-794

by SAs John M. Harsh
Robert Carlson

JMH/tid

Exhibit 58 Date dictated 2/3/81

Torino would be considered a greater liability to certain individuals who were associated with the criminal element involved with IAT Local 560.

Torino advised that prior to his death, she was associated with Sal Briguglio for a number of years, having grown up with Briguglio as children in the Jersey City, New Jersey area. Torino became personally involved with Briguglio during approximately 1966 and maintained a close personal relationship with Briguglio until his death during March, 1978.

Torino advised that she did accompany Briguglio on a number of occasions when they took personal vacations together; however, they did so on their own, and not in the company of any other individuals. Torino does not recognize the name of Raymond J. Donovan or SCC. Torino viewed two newspaper photographs of Donovan, one of which appeared in the "Daily News" on Wednesday, January 28, 1981. Subsequent to her review of these photographs, Torino was unable to recognize the individual depicted in the photographs as Raymond J. Donovan. Torino indicated that she, in the company of Briguglio, took several vacations to the Hallandale/Miami, Florida area, as well as one vacation to the San Francisco, California area. Torino recalled she and Briguglio traveled on several occasions to the Jersey Shore, specifically traveling to the Seaside Heights area on one occasion. Torino never traveled to Las Vegas, Nevada in the company of Sal Briguglio. Torino advised that she would need to think about the events for a period of time before she could possibly recall the specific hotels in which she and Briguglio stayed while on vacation together.

Torino advised she in the past has frequented the Ichi Ban Lounge, owned by Bobby Santamenna, however, Sal Briguglio did not particularly care for the Ichi Ban. Torino was only able to recall one occasion when Briguglio was present at the Ichi Ban. Torino has known Bobby Santamenna for a considerable period of time on a personal basis, as they met originally when they were in a wedding together a number of years ago. Torino generally met Briguglio at the Chateau

NK 183A-794

Renaissance Restaurant, where they partook of dinner and drinks frequently. Torino stated that she has always made it a point to not question Briguglio regarding his activities, and it was for this reason that she felt she was able to retain her relationship with Briguglio for the period of time that she did. During occasions when she met Briguglio at the Chateau Renaissance, Briguglio would meet with various other people at tables while she waited alone at a table where he would join her later for dinner or drinks. Torino was unable to recall having ever observed Briguglio meet with Donovan at the Chateau Renaissance. Torino could recall having accompanied Briguglio to dinner on one occasion at the Archers Restaurant in Fort Lee, New Jersey, however, to the best of Torino's recollection, she never accompanied Briguglio to dinner at Big Aliens Restaurant. Torino characterized Briguglio as a light eater, who generally preferred to have a ham sandwich rather than a formal dinner.

Torino advised that at this time she is uncertain as to whether or not she would be willing to submit to a polygraph examination regarding the veracity of her statements made regarding the knowledge of any association between Briguglio and Raymond J. Donovan.

Torino advised that she is presently employed as a real estate broker with Bianci Realtors located at 3719 Kennedy Boulevard, Jersey City, New Jersey.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/4/81

John Torino, who resides at 30 Zembraskie Street, Jersey City, New Jersey, telephone 201-420-0606, was contacted at the office of her and in the presence of her retained counsel, Derrick J. Ross, 480 Central Avenue, Jersey City, New Jersey, telephone 201-656-3252.

Torino was advised that the Federal Bureau of Investigation (FBI) recently came into possession of information furnished by a confidential source which indicated that certain individuals who were involved in the criminal elements associated with International Brotherhood of Teamsters (IBT) Local 566, Union City, New Jersey, had voiced a concern over the possible knowledge possessed by Torino regarding their criminal activities. Torino was advised that these concerns stemmed from her close association with Salvatore Briguglio, and the fact that the individuals who voiced the concern were uncertain as to the extent of possible knowledge gained by Torino as a result of her association with Briguglio. Torino was further advised that mention was also made that authorities might possibly not associate any harm which might be inflicted as of this time on Torino since a considerable amount of time had elapsed since Briguglio's death.

Torino was further advised that the information regarding her association with Briguglio, and the impact of her knowledge regarding Briguglio's criminal activities took on a considerable additional import as a result of recent information received from a confidential source which indicated that Torino had accompanied Briguglio on vacations on a number of occasions when they traveled in the company of Raymond J. Donovan, the current designate for Secretary of Labor. It was pointed out to Torino and Donovan's close association with Briguglio allegedly stemmed from the fact that Donovan made large cash payments to Briguglio in exchange for "labor peace" on various job sites of the Schiavone Construction Company (SCC) of Secaucus, New Jersey. Torino was advised that in the event she did accompany Briguglio on vacations during which time Donovan was present,

Investigation on 2/2/81

Jersey City, New Jersey

1-161A-3133

Re, Newark 183A-794

by SAs John M. Heresh
Robert Carleton

JMH/td

Exhibit 58 Date dictated 2/3/81

Torino would be considered a greater liability to certain individuals who were associated with the criminal element involved with IBT Local 560.

Torino advised that prior to his death, she was associated with Sal Briguglio for a number of years, having grown up with Briguglio as children in the Jersey City, New Jersey area. Torino became personally involved with Briguglio during approximately 1966 and maintained a close personal relationship with Briguglio until his death during March, 1978.

Torino advised that she did accompany Briguglio on a number of occasions when they took personal vacations together; however, they did so on their own, and not in the company of any other individuals. Torino does not recognize the name of Raymond J. Donovan or SCC. Torino viewed two newspaper photographs of Donovan, one of which appeared in the "Daily News" on Wednesday, January 28, 1981. Subsequent to her review of these photographs, Torino was unable to recognize the individual depicted in the photographs as Raymond J. Donovan. Torino indicated that she, in the company of Briguglio, took several vacations to the Hallandale/Miami, Florida area, as well as one vacation to the San Francisco, California area. Torino recalled she and Briguglio traveled on several occasions to the Jersey Shore, specifically traveling to the Seaside Heights area on one occasion. Torino never traveled to Las Vegas, Nevada in the company of Sal Briguglio. Torino advised that she would need to think about the events for a period of time before she could possibly recall the specific hotels in which she and Briguglio stayed while on vacation together.

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NK 183A-794

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Torino advised that at this time she is uncertain as to whether or not she would be willing to submit to a polygraph examination regarding the veracity of her statements made regarding the knowledge of any association between Briguglio and Raymond J. Donovan.

Torino advised that she is presently employed as a real estate broker with Bianci Realtors located at 3719 Kennedy Boulevard, Jersey City, New Jersey.

S-4

POLYGRAPH EXAMINATION REPORT

Date of Report 5/4/82	Date(s) of Examination 4/28/82	Bureau File Number 211-15	Field File Number 20504068
Office or Agency Requesting Examination Assistant Director, Criminal Investigations Division (CID)			
Date Authorized 4/22/82	Authorizing Official Assistant Director, FBI Laboratory Division		
Examinee Name (last, first, middle) Santomenna, Robert, James		SSN 141-22-6991	
Date of Birth 1/23/29	Place of Birth Union City, N.J.	Male <input checked="" type="checkbox"/> Female <input type="checkbox"/>	Ht. 5' 8" Race Wt. 190 Caucasian

Case Synopsis

REDACTED

Robert James Santomenna is identified as the owner and operator of the Ichi Ban Nightclub in Union City, New Jersey.

Santomenna was interviewed in April of this year by Special Agents of the Federal Bureau of Investigation and investigators assigned to the staff of Special Prosecutor Leon Silverman, who had been appointed to investigate allegations made against the United States Secretary of Labor Raymond J. Donovan.

Santomenna indicated that he was the former owner of the Ichi Ban Bar, and that he had known Sal Briguglio for almost all of his life.

Exhibit 59

Case Synopsis (con't).

Santomenna further indicated that he had read about Raymond Donovan in the newspapers and had seen him on television shortly after he was appointed to the position of Secretary of Labor, but that to his knowledge he had never met Donovan in person. He additionally indicated that to his knowledge Donovan had never been in the Ichi Ban Bar or if he had, he was unable to remember his face or his name.

Santomenna agreed to undergo a polygraph examination in this matter.

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APR 11 1982
FBI - BOSTON
U. S. DEPARTMENT OF JUSTICE
MAILED

Examination Results				
XX	No Deception Indicated		Inconclusive	Pre-test Confession/Acknowledgment
	Deception Indicated		No Opinion	Post-test Confession/Acknowledgment
Examiner's Conclusion				

Robert James Santomenna was interviewed prior to testing in the presence of his Attorney, Lawrence M. Saiewitz, at which time he essentially affirmed the remarks he had made to investigators earlier concerning his knowledge of and association with Sal Briguglio. Santomenna continued to deny that he could recall ever meeting Raymond J. Donovan, and that seeing his photograph in the newspapers or seeing him as he appeared on television did not stir anything in his memory to make him recall any instances when he would have been in the company of Sal Briguglio or in attendance at the Ichi Ban Bar.

A series of names of persons that Santomenna had identified during his interview and additionally some that he had been questioned about by investigators earlier were discussed with him. Santomenna was then told that he would be asked, while attached to the polygraph instrument, a series of questions which would begin with the phrase "Do you remember ever meeting" followed by nine names that had previously been discussed.

Santomenna was told that the names to be used were those of Larry Saiwetz, Ralph Picardo, Sal Briguglio, Fred Furino, Mike Sciarra, "Jeannie the Rebel," Raymond Donovan, Jimmy Hoffa, and Joan Torino.

Santomenna was then afforded a polygraph examination, which utilized the following questions:

1. Do you remember ever meeting Larry Saiwetz? Answer - Yes.
 2. Do you remember ever meeting Ralph Picardo? Answer - Yes.
 3. Do you remember ever meeting Sal Briguglio? Answer - Yes.
 4. Do you remember ever meeting Fred Furino? Answer - Yes.
 5. Do you remember ever meeting Mike Sciarra? Answer - No.
 6. Do you remember ever meeting "Jeannie the Rebel"? Answer - Yes.
7. Do you remember ever meeting Raymond Donovan? Answer - No.
 8. Do you remember ever meeting Jimmy Hoffa? Answer - No.
 9. Do you remember ever meeting Joan Torino? Answer - Yes.

Following this, Santomenna was further examined utilizing a test which contained the following questions relevant to this investigation:

Location of Examination	Law Offices of Leon Silverman, New York, New York	
Typed Name of Witness or Interpreter	Examinee Native Language	English
Examiner (typed name)	Language(s) Examination Conducted	
Barry D. Colvert	English	
Division of Examiner	Signature of Examiner	
Washington Field Office	<i>Barry D. Colvert</i> P.D./DOJ	

Examiner's Conclusion (con't.)

1. Are you lying when you say you cannot remember ever having met Raymond Donovan? Answer - No.
2. Are you lying when you say you cannot remember ever meeting Raymond Donovan in the Ichi Ban Bar? Answer - No.

The polygrams obtained from the above examination were collected and analyzed. It is the opinion of this examiner that Santomenna was being essentially truthful when stating that he could not remember ever having met Raymond Donovan in person or in the Ichi Ban Bar.

Santomenna stated that he could not be sure that he had never met Raymond Donovan in person or in the Ichi Ban Bar, but only that he could not remember such an event ever happening.

STATE OF NEW JERSEY)
COUNTY OF ESSEX)

AFFIDAVIT

RONALD A. SCHIAVONE, being duly sworn, according to law,
upon his oath, deposes and says:

1. I am currently Chairman of the Board of Directors of Schiavone Construction Co. but at all pertinent times referred to in this affidavit I was the President of the Company.

2. During the years 1968 and 1969, neither Schiavone Construction Co. nor any of its subsidiaries or joint ventures did any landfill construction for the New York-New Jersey Port Authority which subsequently became Newark Airport property, and the same is true for the years 1971 and 1972.

3. During the years 1968 and 1969, neither Schiavone Construction Co. nor any of its subsidiaries or joint ventures did any work on the Long Island Expressway or within the immediate vicinity of the easterly end of the Queens Midtown Tunnel in New York City.

4. During the years 1968 and 1969 neither Schiavone Construction Co. nor any of its subsidiaries or joint ventures had any part in the construction of any building in Lake Success, New York.

Subscribed and sworn to
before me this 15th day of


RONALD A. SCHIAVONE

March, 1982.


A Notary Public of New Jersey

LAW OFFICES OF
ROBERT S. WEINSTEIN
1000 BROADWAY
NEW YORK, NY 10018

Exhibit 60

354239

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription
1/11/82

1

WILLIAM PELLEGRINO MASSELLI, partner in the JOPEL Construction and Trucking Company, New York (NY), NY, was interviewed at the office and in the presence of his personal counsel, JOHN NICHOLAS IANNUZZI, Suite 4900, 233 Broadway, New York City, telephone (212) 227-9595. It was explained to MASSELLI this interview concerned his allegations of an extortion of money from Schiavone Construction Company (SCC), Secaucus, New Jersey.

IANNUZZI advised that he is representing MASSELLI on Civil Action Index number 25888-81 at the New York County Supreme Court, New York City, and argued before this court on January 5, 1982. He stated this action stems from a contractual dispute between his client and his company, JOPEL, and SCC, wherein MASSELLI is claiming a summary judgment in excess of \$634,000 in the interpretation of the SCC payment agreement. He continued a second case is pending against SCC which involves a dispute amounting in excess of \$40,000 relating to an agreed upon cost payment per yard of removed landfill material by JOPEL. IANNUZZI referred to this project as the "Hillside" project. At this point, MASSELLI interjected that there was no formal written contract on this project but originated on a "handshake" among himself, JOE DI CAROLIS and AL MAGRINI, also an official at SCC. The essence of this agreement revolved on an understanding that SCC would pay JOPEL \$6.90 per yard, but subsequently only paid \$6.50 per yard. Because of this dispute, MASSELLI stated he refused to sign a formal contract agreement. He added this informal gentlemen's agreement is a common practice within the industry and is reduced to a signed document afterwards.

MASSELLI stated he has been in contact with Mr. LEVIN, an attorney for SCC, on a number of occasions, usually regarding collection of settlements from SCC. He said his most recent contact was on January 4, 1982. On this occasion, MASSELLI stated LEVIN contacted him regarding outstanding SCC payments to JOPEL on work performed by JOPEL.

100492

Interviewed on 1/7/82at New York, NY

File # NY 183A-1290
NK 166B-2471 -

Date Dictated 1/8/82

By SAs MICHAEL L. MOORE
 PAUL WILLIAM LEE

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 contents are not to be distributed outside your agency.

Exhibit 61

When queried about events surrounding a December 28, 1981, meeting with LEVIN, MASSELLI acknowledged this meeting was at his behest and that it basically involved his continuing effort to collect the monies he felt due his company from the forty cents a yard shortage, described above, in order to put his business affairs in order prior to his incarceration. At this meeting, MASSELLI stated he had numerous documents relating to his business dealings with SCC. He could not specifically recall displaying any one particular document to LEVIN and further could not recall any document signed by JOE DI CAROLIS.

With respect to any loans he or JOPEL may have received from SCC, MASSELLI stated there were no loans. IANNUZZI added that in the Civil Action 25888-81, supra, the contract provided that SCC provide the subcontractor \$200,000 "start up" money for equipment needs and that this amount was repaid by deduction on the first seven payments by SCC to JOPEL, which he stated was done. IANNUZZI stated this contract was signed by a RICHARD CALLAHAN as a representative of SCC.

MASSELLI stated his words "he had to do what he had to do" was not implied as a threat by him to LEVIN but merely was an expression he commonly uses. IANNUZZI added in dealings with SCC the use of court action to obtain a settlement of a debt may be construed as a threat to some individuals. MASSELLI stated he would review his records for a document which might be the DI CAROLIS document referred to by the interviewing agents and would provide a copy to the FBI if he could find it.

100493

FROM THE DESK OF

JOSEPH DiCAROLIS

30%
per

Received

200,000 LOAN

20,000

20,000

125,000 TRUCK

120,000 CHECK

120,000 CASH

BOND

10,000

0

50% Stage to Bermant

15,000±?

15,000

Return on TRUCK UP TO

Time of Practice

2/30/0000

100,000 Total

10,000

D 5,000

1/28 5,000

Exhibit 62

352351
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**New York City
Transit
Authority**

370 Jay Street, Brooklyn, N.Y. 11201

RAN	SCHIAVONE CONSTR. CO., INC.	VAP
RJD		APP
JAD		RSL
RCC	RECEIVED	FWD
RFP		A/P
MJE		P/R
JPF		JOB NO.
PJS		
EJB	BY <i>(Signature)</i>	FILE
CFK		
AMV	(X) Handle (✓) Note	

March 13, 1980

Re: Contract C-20709
Approval of Subcontractor

Schiavone Construction Co.
1600 Paterson Plank Rd
Secaucus, N.J. 07094

Gentlemen:

As requested by you, the following named subcontractor
is approved:

Jopel Contracting & Trucking, Inc.	<u>Type of Work</u>
102 Bruckner Blvd.	Earth Excavation
Bronx, N.Y. 10454	

All labor performed and/or materials and apparatus
furnished by this subcontractor must strictly comply with the
requirements of your contract, and are subject to such inspection
and tests as may be required.

Very truly yours,

[Signature]
A.J. Cali
Assistant to Deputy Chief Engineer

300:ESF:gg

M Exhibit 63

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RECEIVED
Richard Ravitch *REIT*
Chairman
Lawrence R. Bailey
Daniel T. Scanlon
Vice Chairman
Carol Bellamy
Stephen Berger
David W. Brown
Jane K. Butcher
Herbert J. Libert
John F. McAlevey
Ronay Menschel
William J. Sheridan
Constantine Sidamon-Eristoff
Robert F. Wagner, Jr.
Robert T. Waldbauer

Executive Director
John D. Simpson

324

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/20/80

LOUIS ROBERT NARGI, 22 Clover Place, New Rochelle, New York (NY), was advised of the identities of Special Agents (SAs) SHAUN T. RAFFERTY, WALTER G. CARROLL and ROBERT A. LEVINSON of the Federal Bureau of Investigation (FBI). He was told that he would be interviewed concerning his knowledge of the Nargi Contracting and Trucking Company, Jo-Pel Contracting and his relationship with WILLIAM MASSELLI, New York State Senator JOSEPH GALIBER and ROBERT SASSO of Local 282. NARGI, thereafter advised as follows:

NARGI was a partner in the Nargi Contracting and Trucking Company with ED COLLINS who left the company prior to 1975. COLLINS had lived in Hartsdale, NY. After he left Nargi Contracting he moved to California. Before COLLINS left the company, Nargi Contracting bid on a sub-contract from Schiavone Construction Corporation for subway excavation work at 21st Avenue and 40th or 41st Street, Queens, NY.

Before Nargi Contracting and Trucking Company actually received the Schiavone contract COLLINS resigned from the firm.

Concerning MASSELLI's takeover Nargi Contracting and Trucking Company, NARGI advised that he has known WILLIAM MASSELLI for 40 or 45 years. He had considered MASSELLI his best friend for many years. In fact, they joined the Navy together.

NARGI advised that about a week or two before the start of actual work on the 21st Avenue Schiavone contract he, NARGI, asked for a \$50,000 loan from MASSELLI. This loan was never committed to paper. It was simply an oral agreement between MASSELLI and NARGI. The loan was needed as Nargi Contracting needed a financial cushion before the start of the Schiavone contract. MASSELLI gave NARGI the \$50,000 in cash. Some of the money was deposited irregularly in small amounts by NARGI into the Nargi Contracting and Trucking payroll account at the National Bank of Westchester (NBW) on Main Street in New Rochelle, New York. He also used some of the cash to cash some of his employees' payroll checks. Thereafter, NARGI would deposit the checks to the regular account at NBW. In addition, some of the cash was used to pay dumping fees. The condition laid down by MASSELLI to NARGI in exchange for the \$50,000 loan was that NARGI was to hire PATTY SIMONETTI. NARGI believed that the \$50,000 was listed as a loan on the Nargi Contracting books.

Investigation on 2/9&12/80 at New Rochelle, New York end File # NY 183-1290

W.G.C. Plainview, New York NY 183-1290

SAs WALTER G. CARROLL, ROBERT A.

by LEVINSON and SHAUN T. Date dictated 2/15/80

RAFFERTY/STR/cal Exhibit 64

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NY 183-1290

While working on the 21st Avenue project, Nargi Contracting found number six oil in the ground. This required that the excavated dirt be trucked further away to a dump in Brooklyn. This hampered operations in both truck travel time and money. As a result, Nargi Contracting began losing money daily. NARGI then attempted to obtain additional operating funds from Schiavone but this was unsuccessful. NARGI, thereafter, asked for and received additional loans from MASSELLI. MASSELLI loaned money via check to Nargi Contracting by transferring money from his Pellegrino-Masselli Meat Company account. MASSELLI, as a prerequisite for this arrangement, required that the Nargi Contracting checking accounts be transferred to the Manufacturer Hanover Trust Company bank on 149th Street, at Courtland, Bronx. NARGI never signed any papers for the opening of the account at Manufacturers Hanover Trust Company bank. MASSELLI also required that he alone would sign checks on the new Nargi Contracting account. MASSELLI demanded and received at the time of this second loan, 30 percent of the profits from the 41st Street Schiavone job. This was the same bank which contained MASSELLI's businesses accounts.

NARGI recalled signing a paper at the office of an attorney named (First Name Unknown)(FNU) MACRI in White Plains, NY. MASSELLI was also present. This paper was signed to show the next loans to Nargi Contracting from Pellegrino-Masselli Meats. This paper stated that if NARGI died, Nargi Contracting would be responsible for the debt. This paper did not include the first \$50,000 cash loan.

Later, another Schiavone sub-contract came up for bid. This was a job on Archer Avenue, Long Island City, NY. It was considered a good job as the ground to be excavated was largely sand. Nargi Contracting proposed a figure for a bid and this bid was supposedly acceptable to Schiavone. MASSELLI told NARGI that AL MAGRINI of Schiavone told him that if they wanted this contract they would have to form a minority company. At this point, MASSELLI and State Senator JOSEPH GALIBER set up Jo-Pel Contract

NY 183-1290

as a minority company, in order to get the Schiavone sub-contract job on Archer Avenue. This company was set up merely as a device to circumvent a law requiring Schiavone to give a certain percent of their sub-contracts to minority companies. MASSELLI and NARGI agreed that NARGI would be a silent partner and own no stock but he would receive 70 percent of the profits from the second Schiavone job. It was NARGI's understanding that MASSELLI and GALIBER would divide the other 30 percent. NARGI said he did not know how the Jo-Pel Company was set up in order to assure its minority status. GALIBER was brought in as a partner by MASSELLI because he is a minority member and because MASSELLI thought GALIBER's political connections could get contracts for Jo-Pel. He did not know if GALIBER invested any money into Jo-Pel. NARGI himself had suggested that MASSELLI and he (NARGI) utilize a company named "Hispan Am" as a minority company. Hispan Am was an actual company formed by AL ALBIZURI from West New York, New Jersey. MASSELLI, however, said that they would bring Senator GALIBER into this affair using him as the minority. MASSELLI said GALIBER, through his political contacts, would bring in business

Subsequently, Jo-Pel obtained the Archer Avenue job from Schiavone. Later it again became necessary for NARGI to obtain an additional loan. After new negotiations with MASSELLI, MASSELLI agreed to supply the additional money in exchange for his receiving 50 percent of the profits from both the 41st Street and Archer Avenue Schiavone jobs.

On one occasion during this period, NARGI signed a paper in an attempt to obtain a loan. He did this under the directions of MASSELLI. NARGI does not believe this loan was ever obtained. At one time, the New York State Tax Department filed a \$22,000 lien against the Nargi Contracting account at the National Bank of Westchester for failure to pay New York State withholding taxes. NARGI does not believe this debt has ever been paid.

NY 183-1290

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NARGI had by this time lost all control over his company. The time frame for this effective control of Nargi Contracting passing from NARGI to MASSELLI was approximately a year and a few months after the initial \$50,,000 cash loan. The money utilized in the second and third series of loans was generated by MASSELLI drawing checks against the Pellegrino-Masselli Meat account and depositing them into the Nargi Contracting account. NARGI believes that the amount of these loans was approximately \$15,000 to \$20,000.

At this time, Jo-Pel and Nargi Contracting co-existed. In theory, Jo-Pel Contracting was renting trucks and equipment from Nargi Contracting in order for Jo-Pel to carry out the Schiavone Archer Avenue project. The rented equipment included dyna-ho, a 955 loader, 977 loader, pickup trucks and other items. NARGI advised that he is unaware of any rental fees ever being paid to Nargi Contracting by Jo-Pel.

NARGI became a salaried employee of Jo-Pel for approximately an 8 to 12 month period. During this time frame, Jo-Pel and Nargi Contracting were working on the two separate Schiavone contracts, both of which were personally being supervised by NARGI. After a time, NARGI observed five tractors and trailers on the Schiavone job sites. He determined that these were formerly owned by PETE MC DOUGAL who was going out of the construction business. NARGI estimates that each tractor and trailer was worth \$30,000 to \$35,000. He observed some documents concerning these tractors and trailers and he noted that they contained NAT MASSELLI's name and something like "W and M Leasing Company".

During 1978, having lost total control of the contracting businesses, NARGI "walked away" from the business after a heated argument with MASSELLI. MASSELLI kept all of NARGI's equipment and vehicles . NARGI advised that the vehicles' certificates of ownership were left with the Nargi Contracting trucks and that he never signed over his equipment and vehicles to MASSELLI or Jo-Pel.

NY 183-1290

NARGI advised that the reason he "walked away" from the business was because MASSELLI knows all sorts of dangerous people and that the risk was too great for him to object to MASSELLI's takeover of his business. NARGI said that he "walked away" from his construction company at this time because he realized he could not win. He knew that MASSELLI was a friend of PHILLIP BUONO whom NARGI knows as a "made guy" in the Mafia. He also knew that to fight a "made guy" meant danger to him since the word on the street is that, "made guys hurt people".

The books for Nargi Contracting were kept by MEL JAFFEE, an accountant who worked for HARVEY BENNETT a New Rochelle, New York accountant. JAFFEE was laid off by BILLY MASSELLI after a period of time and NAT MASSELLI, who is MASSELLI's son and also an accountant, took control of the books.

The Nargi Contracting Company books were initially given to MASSELLI when MASSELLI made the second loan to Nargi Contracting. The books were later returned to NARGI. NARGI again gave them to MASSELLI a second time about six months later when the Internal Revenue Service (IRS) claimed Nargi Contracting owed \$12,000 in employment taxes.

Concerning other business relationships between MASSELLI and Schiavone, NARGI advised that BOBBY LANZA, who lives in Staten Island, had had the trucking sub-contract for the Schiavone subway job on 63rd Street In Manhattan. LANZA, however, lost this job and MASSELLI, thereafter, took over this trucking contract. NARGI is unaware of the circumstances concerning MASSELLI's taking over of this trucking contract.

NARGI advised that he is unsure of the exact amount of money that MASSELLI loaned his company nor how much money was repaid to MASSELLI. This is because he was never given any written documents concerning loans and their repayment and also because MASSELLI controlled all the books for Nargi Contracting, Jo-Pel, and Pellegrino-Masselli Meats.

REDACTED

REDACTED

REDACTED

REDACTED

The following background information of NARGI was obtain through observation and interview:

Name:	LOUIS ROBERT NARGI
DOB:	8/3/26
POB:	Bronx, NY
Address:	22 Clover Place New Rochelle, NY 914-632-1253
Phone:	
Sex:	Male
Race:	White
Eyes:	Blue
Hair:	Grey-brown
SSAN:	057-20-4211
Height:	5'10"
Build:	Thin
Facial hair:	Gray moustache
Employment:	Paterno Contracting 39 Edison Avenue Mt. Vernon, NY - truck driver

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription:

3/20/81

LOUIS ROBERT NARGI, 22 Clover Place, New Rochelle, New York, was interviewed at his residence by Special Agents (SAE) WALTER C. CARROLL and CORINNE F. HIGGINS, who identified themselves to NARGI as SAE of the Federal Bureau of Investigation (FBI). At the outset of this interview, NARGI was advised by SA CARROLL that he was being interviewed regarding his knowledge of WILLIAM P. MASSELLI, State Senator JOSEPH CALIBER, their businesses and others.

NARGI advised that there came a time, when he was doing business as Nargi Contracting and Trucking Company (NCTC), when he needed a second loan from MASSELLI and who agreed to give him the loan. This loan was actually from Pellegrino Masselli North (PN) to NCTC and it was only granted after NARGI agreed to give MASSELLI 20 percent of the NCTC profits from the 41st Street excavation job. This loan was given before the formation of JCTC Contracting and Trucking Company (JCTC).

NARGI advised that JOE D (JOE DI CAROLIS), a construction foreman for Schiavone Contracting had advised him that his company had received a contract for the Archer Avenue, Cypress, New York, excavation project and that because he (NARGI) had been doing such a good job as a sub-contractor on the Schiavone 41st Street job that he (JOE D) would make sure that NARGI would get part of the new Archer Avenue job. NARGI thereafter submitted an acceptable bid to SCHIAVONE to be a sub-contractor on this job. Later, WILLIAM MASSELLI told NARGI that he (MASSELLI) had had a conversation with AL MAGRINI of SCHIAVONE, who advised him (MASSELLI) that NCTC could not be given the subcontract since NCTC was not a minority company.

NARGI and MASSELLI then discussed the use of an existing minority firm named, Hispan Am to which NARGI had access. MASSELLI rejected this idea because he (MASSELLI) wished to form a minority company with Bronx State Senator JOSEPH CALIBER. NARGI agreed to this provided he (NARGI) would be neither an officer nor a stockholder, but he would receive 70 percent of the profits for the Archer Avenue job. Subsequently, JCTC was formed by MASSELLI and CALIBER.

Interviewed on 3/5/80 at New Rochelle, New York File # NY 193-1228-6

CPH

By SAE CORINNE F. HIGGINS and
WALTER C. FARRELL/MCC/jr

Date Dictated 3/20/81

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Exhibit 65

NY 183-1290

NARGI advised that MASSELLI became involved in the Summer Lunch Program around the Summer of 1976 or 1977. MASSELLI's business name was "AM-PM Food Service" and his partner in this venture was JOE O'CONNOR, who is described as follows:

Name:	JOE O'CONNOR
Sex:	Male
Race:	White
Height:	5 feet 10 inches
Age:	45 to 50 years old
Build:	Medium
Eyes:	Wears glasses
Address:	Florida
Former Address:	Rockland County New York
Former Occupation:	School teacher
Ancestral Heritage:	Appears Irish

NARGI advised that O'CONNOR was a good talker and that O'CONNOR's function was to get places that would accept the Summer Lunch Program.

NARGI advised that MASSELLI needed additional office space from which to run the program because he (MASSELLI) would need several office workers. NARGI's office at 1455 Bronx Boulevard, Bronx, New York, which consisted of one large room and two small rooms was volunteered by NARGI and accepted by MASSELLI. NARGI had formerly owned this office, but by that time it was owned and administered by DAVID WEINBERG of W.R.K. Realty Company, Babylon, New York.

NY 183-1290

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NARGI advised that the Summer Lunch Program was run out of his office for a period of four or five months. MASSELLI had several employees including JOSEPHINE CIRILLO, who was and is MASSELLI's girlfriend, NAT MASSELLI, who is MASSELLI's son, JOE O'CONNOR, MARGARET NARGI, who is one of NARGI's daughters and others. NARGI advised that both NAT and WILLIAM MASSELLI had keys to his (NARGI's) Bronx Boulevard Office.

NARGI advised that while "AM-PM Food Service" used his office on Bronx Boulevard, NARGI also kept the check book, invoices, books, records, etc. of NCTC there. NARGI advised that the records of NCTC were later transferred to MASSELLI's office at 102 Bruckner Boulevard, Bronx, New York, by someone other than himself. About six months to one years after the NCTC books were moved to 102 Bruckner Boulevard, NARGI observed that his office equipment had also been moved to 102 Bruckner Boulevard. This equipment included an adding machine, a desk, a chair, and a filing cabinet. NARGI also determined that the "Bills of Sale" and the "Certificates of Ownership" for the NCTC heavy equipment and trucks were missing from his Bronx Boulevard Office. NARGI advised that it did not bother him that MASSELLI had taken his office equipment, but he was upset over the theft of the "Bills of Sale" and the "Certificates of Ownership". NARGI questioned both WILLIAM and NAT MASSELLI over the theft of these records to which they both denied any knowledge.

NARGI advised that MEL JAFFEE of 12 Dana Road, Monsey, New York, (914) 352-2626, had been his personal accountant, as well as the accountant for NCTC. JAFFEE worked out of the office of another accountant, HARVEY FENNELL of New Rochelle, New York. NARGI advised that JAFFEE continued to work for several months as the accountant for NCTC after the NCTC books were moved to 102 Bruckner Boulevard. JAFFEE was eventually fired by NAT or WILLIAM MASSELLI. Thereafter, the accounting functions for NCTC were handled by NAT MASSELLI. A few months prior to the theft of the NCTC "Bills of Sale" and "Certificates of Ownership", JAFFEE had advised NARGI that WILLIAM MASSELLI wanted to get his trucks and equipment.

NY JFD-1290

NARCI advised that after JCTC was formed and after the Archer Avenue job was started, MASSELLI wanted to get a \$500,000 loan. This loan was to be obtained from either the United States Department of Agriculture or Manufacturers Hanover Trust Company. The loan was to be in the name of either JCTC or PMW. MASSELLI wanted to use the NCTC equipment as collateral for this loan. NARGI agreed to allow MASSELLI to use the NCTC equipment as collateral, and he (NARGI) thereafter signed a document which listed all the NCTC trucks, tools, trailers, equipment, etc. This document would have allowed MASSELLI to use these items as collateral for his loan. NARGI advised that he does not believe this loan went through.

NARGI advised that before he "walked away" from his company and WILLIAM MASSELLI, he took registrations from one of his NCTC trucks. These registrations were for his 1971, Ford truck, License Plate Number 5304HZ, Vehicle Identification Number F25BEK83552 and expiration dates May 31, 1977 and May 31, 1978. NARGI advised that these registrations contain the forged signatures "LOUIS ROBERT NARCI" (May 31, 1977) and "LOUIS NARGI, Pres." (May 31, 1978). NARGI could not identify the writer of the forgeries.

NARGI advised that through him, NCTC bought heavy construction equipment from Foley Machinery Company, 855 Centennial Avenue, Piscataway, New Jersey. The salesman may have had the first name, TOM. NARGI advised that at least the following three items of heavy equipment were financed through STEVE COLUMBO of Credit Alliance Corporation, Box 66, Orangeburg, New York (914) 359-7700. One Dynahoe Number 190B was bought in the name Narco Enterprises for \$32,500 from George Malvese and Company, Incorporated, Box 295, 530 Old Country Road, Hicksville, New York (516) 681-7600, (212) 385-1900. One dump trailer was bought in the name NCTC for \$8,500 from Steco Sales, Incorporated, Lower Mill Creek Manor, St. Clair, Philadelphia, and a Brockway tractor was bought in the name of NCTC for \$30,000 from Milano and Sons, Incorporated, Croton Point Avenue, Croton on Hudson, New York. The purchase prices do not include fees and interest expenses.

NY 183-1290

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NARGI advised that PETE MC DOUGAL's businesses were named "Wateredge Trucking Corporation", "John Imos Equipment Company, Incorporated", and "J. Mc Dougall Equipment Corporation".

NARGI advised that Pig J is owned by EDDIE and MANNY GAROFALO.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/6/82

Morris Levin, Attorney, Inside Council, Schiavone Construction Company, Secaucus, New Jersey, telephone number 867-5070, was contacted in the law offices of Connell, Foley and Geiser, Gateway I Building, Newark, New Jersey. Levin was advised of the identity of the interviewing Agent and was further advised that he was being contacted concerning a meeting that took place between himself and William Masselli of Jopel Construction and Trucking Company on December 28, 1981. Levin thereafter voluntarily advised as follows:

Levin advised that during the early morning of December 28, 1981, Schiavone Construction was telephonically contacted by Masselli during which time, Masselli left a message that he wanted to meet with Ron Schiavone. Levin further advised that he later got in telephonic contact with Masselli concerning his original call during which time Masselli indicated that he did not want to talk over the telephone and arrangements were made for Levin and Masselli to meet later at Schiavone Construction.

Levin further advised that Masselli arrived at Schiavone Construction at approximately 2:30 p.m. during which time they met in the conference room. He indicated Masselli immediately made reference to the fact that everyone he talks to thinks he is "wired." Levin indicated Masselli started to undress in order to prove he was in fact not wired. Levin advised that he told Masselli he was not concerned about him being wired and told him to keep his clothes on. He advised that Masselli indicated he did not want to talk in the area of Schiavone Construction, and he requested to go outside. Levin further advised they got into his (Levin's) car, and after driving around the local area for awhile, parked at a municipal swimming pool in Secaucus, New Jersey.

Levin advised that during the meeting, Masselli indicated that he is going to jail on January 4, 1982, and

Investigation on 12/31/81 at Newark, New Jersey File No. Newark 166B-2471

by SA Richard J. Kaier SJD Date dictated 1/5/82 100070A

NK 166B-2471

needed at least \$40,000 of the money he alleges that is owed to him by Schiavone Construction. He indicated he had to have the money by December 29, 1981, for the purpose of paying off a fine and to clear up personal and business matters prior to starting his jail term.

Levin explained that Masselli, doing business as Jopel Construction Company, is a subcontractor of Schiavone Construction and on numerous past occasions, Masselli has complained to him and other Schiavone officials concerning contractual and billing disputes. Masselli maintains that Schiavone Construction owes him money. Levin added that there is currently a pending suit in New York Supreme Court filed by Masselli against Schiavone Construction for \$600,000. Levin advised that during this most recent meeting with Masselli, as noted above, Masselli showed him seven miscellaneous invoices claiming that Schiavone Construction owes him \$12,000. He also indicated that an additional \$10,000 is owed him as a result of billing discrepancies. Levin advised that Masselli's most recent allegation involves a contract with Schiavone for Jopel to haul away dirt. Levin advised that when the contract was initially negotiated between Masselli and Schiavone, Masselli wanted \$7.31 a yard. He advised Masselli accepted the final contract where both parties agreed to \$6.50 a yard. Levin advised that after the job was completed and Masselli was paid the agreed price, he submitted a bill for an additional \$58,000. Masselli claimed that Joe Dicarolis, President, Schiavone Construction, had approved the above contract for \$6.90 a yard.

Levin advised that at the conclusion of the above meeting, he informed Masselli that he was not in the position to give him any money, but would make his demands known to Schiavone officials. At this time, Masselli said something to the effect "You do what you have to do and I'll do what I have to do." After this remark, Levin felt that Masselli would initiate another law suit as he did relating to the \$600,000.

Levin further advised that at some point during the above conversation, Masselli also said something to the effect, "I'm suppose to go away Monday, but I don't have to if I help the government." Levin advised he

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indicated to Masselli that he had heard the government wants him to give them something on Raymond Donovan. He advised Masselli responded something to the effect, "They will help me if I give them anyone in Schiavone Construction." Levin was advised at this time that the Federal Bureau of Investigation (FBI) had originally received information that during the above meeting, Masselli exhibited a letter to him on Schiavone letterhead in the handwriting of Dicarolis. Levin advised that no such letter exists, but that Masselli did display a handwritten note in the handwriting of Dicarolis. He advised the note was displayed to him by Masselli in his attempts to substantiate his argument regarding money owed him by Schiavone Construction. Levin indicated that the note was in fact written by Dicarolis and contained various figures identifying loans provided by Schiavone Construction to Masselli. He advised that during the course of above conversation, he displayed the note at the same time indicating that he was always good on his word and paid off his debts to Schiavone Construction. He indicated that Schiavone Construction should do likewise and pay the money owed him.

Concerning the above note, Levin explained that approximately two years ago Masselli met with Dicarolis concerning a contract that Schiavone Construction awarded to another contractor. At that time, Masselli complained that the above contract was more lucrative than any deal Schiavone Construction Company gave him, and he argued that he was not getting his fair share. Levin advised that it was at this time Dicarolis provided Masselli the handwritten note which described some of the loans and other financial benefits that Masselli had gained in his dealings with Schiavore Construction.

Levin further advised that during the above meeting, Masselli did not verbally or otherwise threaten himself or others at Schiavone Construction.

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FEDERAL BUREAU OF INVESTIGATION

1/6/82

Date of transcription

Ted Geiser, Attorney, Law Office of Connell, Foley and Geiser, Gateway I Building, 16th Floor, telephone number 643-2060, was contacted at his place of employment. Also present was Mark L. Fledger, Attorney at Law, above firm. Geiser was advised of the identity of the interviewing Agents and was advised he was being contacted concerning a meeting which took place between Morris Levin, Inside Council, Schiavone Construction Company, Secaucus, New Jersey and William Masselli, Jopel Construction and Trucking Company. Geiser voluntarily furnished the following information:

Geiser advised that his firm represents Schiavone Construction Company and that Masselli, doing business as Jopel Construction and Trucking Company, is a subcontractor of Schiavone Construction Company.

Geiser advised that on December 28, 1981, he was telephonically contacted by Ron Schiavone during which time he was advised by Schiavone that Masselli had contacted his office the same day and requested a meeting with him (Schiavone). Geiser advised that in view of recent allegations concerning Raymond Donovan and Schiavone Construction and the recent appointment of a special prosecutor, he informed Schiavone that under no circumstances was he to meet with Masselli. Geiser advised that he instructed Schiavone to have Levin meet with Masselli.

Geiser further advised that later that afternoon, Levin and Masselli met in Secaucus, New Jersey during which time they discussed financial differences between Masselli and Schiavone Construction. Geiser further advised that Masselli on numerous occasions in the past has contended that Schiavone owes him money as a result of contract disputes. He advised Masselli presently has a \$600,000 law suit pending against Schiavone Construction in New York State Supreme Court.

Investigation on 12/30/81 at Newark, New Jersey File # Newark 166B-2471

by SA David L. Kauppinen DJK SA Richard J. Kaier RJK/sjd Date dictated 1/5/82

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Geiser further advised that to his knowledge there were no threats initiated by Masselli during above meeting and no letter was exhibited by Masselli.

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FEDERAL BUREAU OF INVESTIGATION

1/29/81

Date of transcription _____

ANTHONY PROVENZANO was contacted at the Federal Correction Institute, Lompoc, California. At the outset of the interview, PROVENZANO was advised of the official identities of the interviewing Agents. Before any further discussion by the Agents, ANTHONY PROVENZANO stated, "I know what you are here for, I talked to my lawyer this morning, I never met the man". SA CALLAHAN inquired of PROVENZANO what he meant. PROVENZANO advised, "I'm talking about that guy DONOVAN who has been selected by REAGAN for a Cabinet post".

REDACTED

I just wanted you to know that I never met DONOVAN and he never had a contract with my union".

REDACTED

Interviewed on	1/22/81	At	Lompoc, California	By	Detroit
SEARCHED	INDEXED	SERIALIZED	FILED		
Date dictated	1/27/81		FEB 4 1981		

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Exhibit 68

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STATE OF NEW JERSEY:
:s.s.:
COUNTY OF HUDSON :

GREGORY VASEL, being duly sworn according to law,
deposes and says:

1. I am the Controller of the Schiavone Construction Company.
2. On May 6, 1982 I searched the payroll records for the years 1960 through 1969 and found no evidence of either the Schiavone Construction Co. or the Buckley/Schiavone joint venture having employed a Jack McCarthy.
3. During my search I noted that a John McCarthy was employed as an iron-worker in 1969 on a job on Route 1 & 9 in Newark, New Jersey. His total earning were \$3,346.46. Our records indicate that his Social Security Number was 153-22-3612.
4. I found no other records of employment of any person with a name similar to Jack McCarthy.



GREGORY VASEL

Subscribed and sworn to
before me this 6th day
of May, 1982.

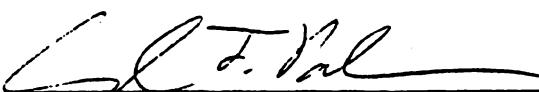


Exhibit 69

ARMAND F. PALMISANO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 7, 1985

memorandum

DATE: February 24, 1982

REPLY TO
ATTN OF: S. Michael Levin, Attorney-in-charge
Miami Strike Force
SUBJECT: Raymond Donovan

to: Gregory Joseph, Esq.
Special Prosecutor
1 New York Plaza
26th Floor
New York, New York 10004

On February 24, 1982, I met with David Rosen, Esq., at his office to discuss with him his recollections concerning the Patty Erra case.

Mr. Rosen stated that on November 3, 1964, he had a meeting with Eldon Hawley of the Tax Division to discuss the proposed failure to file prosecution against his client Patty Erra. The case had been forwarded to Tax Division with a recommendation of prosecution for failure to file tax returns for a period of about five years and the proof was based on expenditures. At that conference, Hawley told Rosen that the conference was unnecessary as the Tax Division was not going to recommend prosecution inasmuch as there was no starting point.

Sometime thereafter, Rosen received a call from then United States Attorney William Meadows advising Rosen that Erra was going to be indicted for tax evasion and failure to file. Rosen also recalled that Department of Justice attorney William S. Kenney was also involved in the prosecution. In July 1965 a number of people were brought before the grand jury in connection with the Erra prosecution and on August 6, 1965 after the indictment, Erra was arraigned.

About a month before the trial which was scheduled for January 10, 1966, Meadows called Rosen and asked for a meeting to discuss stipulations concerning trial. At the meeting, Meadows stated that they ought to try to settle the case and that the government would be willing to accept a plea to two of the failure to file counts. Rosen, who said that he was playing hardball on this case, told Meadows that he would be willing to bring an offer of a plea to one failure to file count to his client. That offer was made and accepted and on January 7, 1966, Erra entered a guilty plea to one count of failure to file and was thereafter sentenced to serve eight months and pay a \$10,000 fine.

Exhibit 70

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OPTIONAL FORM NO. 10
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Rosen's recollection is that the case was a very weak case from the start because the dollar figures were not substantial (the total dollars for the years involved were about \$70-80,000) and there was no starting point. Therefore, his defense was that Erra had made the money while he was a permanent resident of Cuba, under limited obligation to file a tax return and that the source of the expenditures during the subject years was a cash hoard. He understood that the Government was going to try to establish that the Johina Bar was the source of Erra's income during the questioned period and that the proof was based on the testimony of former employees and agents who had been in the bar and had seen Erra issue instructions to employees and enter the secured liquor area. Vincent Terriaca and Pat Corona were the ostensible owners of the Johina at that time.

Rosen has no recollection of the names Raymond Donovan or Schiavone in the context of the Erra prosecution. Nor had he received any witness lists, witness statements or Brady material which would have reflected those names.

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 1/28/81

On January 23, 1981, James J. Donelan, 333 Vine Street, Elizabeth, New Jersey, telephone number 527-8537, was interviewed and provided the following information:

Donelan advised that he is currently employed as the Executive Director of the Neighborhood Development Corporation (NDC), 128 Broadway, Elizabeth, New Jersey, telephone number 354-1677, a private non-profit organization which receives Federal funds and utilizes Comprehensive Employment Training Act (CETA) personnel for many of its projects.

Donelan advised that he has known Raymond J. Donovan the Executive Vice President of Schiavone Construction Company, Secaucus, New Jersey, since approximately 1961, and advised that his last active association with Donovan occurred in approximately 1970 to 1971. Donelan said he has not spoken to Donovan since 1970 or 1971, but during the period 1961 to 1971, he would describe his association with Donovan as one of being a close personal friend and an individual who had extensive business dealings with Donovan through Donovan's position at Schiavone Construction Company, and Donelan's own position with two companies that Donelan owned during this period.

Donelan advised that he was once a partner in a company called Flashers, Incorporated, a New Jersey corporation owned jointly by Donelan and Jose Fernandez-Heria. Donelan stated that Flashers, Incorporated, provided safety equipment rentals for construction jobs and other related projects such as public utility jobs, et cetera (ect.). Donelan stated that Flashers, Incorporated, became a subcontractor on virtually all of the Schiavone Construction Projects, during the early 1960's, as well as, being a subcontractor on the construction projects of numerous other companies. Donelan stated that during the early 1960's, Flashers, Incorporated, and another company called Selecto-flash of East Orange, New Jersey, were the only companies providing this particular service in the New Jersey, area during the 1960's. Donelan stated that in October, 1967, he sold his half interest in Flashers, Incorporated, and formed American Highway Sign Company, a New Jersey corporation wholly owned by Donelan. Donelan stated he continued to provide the same service as Flashers, Incorporated, and continued his

Investigation on 1/23/81 at Elizabeth, New Jersey File No. Newark 16IB-3133-13 72
by SA Stephen F. Edwards Date dictated 1/26/81 73
SA Robert J. Lenehan RJL/cas

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NK 161B-3133

association in this regard with Schiavone Construction Company and Donovan. Donelan advised that Flasher, Incorporated, had no ongoing association with Schiavone after American Highway Sign Company was formed. Donelan advised that from his initial association with Schiavone he increased his yearly business from approximately \$50,000.00 to \$100,000.00 a year in the early years, until by 1967, his companies were doing at least \$500,000.00 a year in business with Schiavone Construction, both as Flasher, Incorporated, and as American Highway Sign Company. Donelan stated that his company continued to do at least \$500,000.00 worth of business with Schiavone until Donovan went out of business.

Donelan advised that during the period of 1961, until 1969 or 1970, he was close to Donovan, that they enjoyed a mutually beneficial business relationship in which both companies were expanding rapidly and extensively, and there were no particular problems in this relationship.

Donelan advised that a problem developed in 1969, primarily because Schiavone Construction failed to honor a verbal agreement made between Donelan and Jack Frost a relative of Donovan, who was then acting as the purchasing agent for Schiavone. Donelan advised that this problem occurred because Frost had committed Schiavone to the financial backing of purchases for highway signs and cash advances to cover the payrolls of American Highway Sign Company, and use of Schiavone trucks and equipment to delivery the signs on a project on the construction of the New Jersey Turnpike. Donelan stated that the problem initially developed because Schiavone Construction was in a position of being unable to deliver the signs required for the turnpike project on a short deadline, and Schiavone Construction requested Donelan to take the project as a favor. Donelan stated that he initially did not want to take the project because American Highway Sign did not have all the facilities and equipment necessary at its disposal, but after further conversations with Donovan and Frost, agreed to undertake the project. Donelan stated he would never have taken the project on if it had not been for the commitments made by Frost, who he (Donelan) felt was speaking for Donovan when the commitments were made. Donelan stated that it is his own fault that he did not obtain the commitments in writing, but felt nevertheless that at the time when the commitments were made and the deal was

NK 161B-3133

struck he had no reason to believe that Schiavone Construction would not follow through on its commitment to him. As the project developed and Donelan began having problems he found that Frost was not going to deliver on his promises, and attempted to discuss the situation with Donovan. He finally obtained a meeting with Donovan, who told Donelan that Frost did not have the authority to make the commitments in the first place and also indicated that Frost had been telling Donovan that Donelan had a drinking problem and that Donelan was not doing everything he was supposed to do to complete the project. Donelan stated he eventually delivered on the contract receiving no assistance from Schiavone Construction, but also had tremendous problems with state inspectors that he had never experienced before on any jobs he had with Schiavone Construction.

Donelan stated that as a result of the aggravation concerning this particular project he subsequently suffered a heart attack and was advised by doctors to get out of the construction business. Donelan stated he did so and began operating a grocery business which had previously been operated by his parents.

Donelan stated it is his belief that the problem which developed with Donovan and Frost over the commitments Frost made to American Highway Sign Company, developed due to Donovan's interest in taking over his (Donelan's) business. Donelan advised that he had had a previous offer from Donovan to buy out Flashers, Incorporated, which he initially accepted but the deal fell through at the last minute. Concerning American Highway Sign Company, Donelan stated he had received no specific offers from Donovan to buy him out, but still believes that that Donovan wanted to own a company on his own, as opposed to being in an Executive Vice President position, which is what he was with Schiavone Construction. Donelan stated that Frost on a number of occasions had told Donelan that Donovan was always interested in being the owner of his own operation. In addition to this personal experience, Donelan stated he had heard that Donovan had been similarly involved in the takeover of a trucking company which had been contracted to haul fill on the New Jersey Turnpike Project in the Jamesburg, New Jersey, area. In this particular situation the trucking

company allegedly was squeezed by Donovan by means of withholding money or paying money slowly, and the ultimate result was that the Schiavone Company ended up with the trucking company's equipment. Donelan advised that he (Donelan) was present outside of the offices of Ronald Schiavone, at a time in which the individual who allegedly owned this trucking company from the Jamesburg, New Jersey, area went into a meeting with Donovan and Ronald Schiavone, exited the meeting sometime later visibly upset and Donovan later heard that Schiavone had taken over the equipment of that company. In this regard, Donelan stated that it was his impression that Schiavone Construction had a reputation of being "ruthless" of withholding payments on contracts to "squeeze" subcontractors, and Donovan seemed to have been the one at Schiavone who had the reputation of handling this kind of activity.

Donelan advised that Schiavone and/or Donovan owned the Fiddlers Elbow Country Club which is located along Interstate 78, in Northwest, New Jersey, near the Pennsylvania line in the vicinity of Netcong, New Jersey. Donelan stated that the country club is near an exit ramp that appeared to have been created to facilitate access to that club. Donelan stated that it is his understanding that while building Interstate 78, Schiavone and Donovan saw the land available and purchased it for the club. Donelan advised that Donovan told him about buying the land for the club before the highway project was under way in the middle 1960's.

Concerning labor negotiations, Donelan stated he had not known that Donovan was ever involved in labor negotiations at Schiavone Construction. Donelan stated that it was his understanding that Ronnie Schiavone handled all of the labor contracts and negotiations for the company.

Donelan stated that Donovan never demanded any kick-backs from him or any other kind of payments, or inducements for contracts that he (Donelan) obtained with Schiavone Construction as either Flashers, Incorporated, or American Highway Sign Company. Donelan stated he had observed that Schiavone Construction seem to have few or no labor problems, and he stated that it was "common knowledge" that "no show" positions and "no work" positions existed in the construction industry as a result of labor negotiations. Donelan advised however

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that he was not aware of any specific allegations that Donovan or Schiavone Construction had paid for labor peace or were extorted by labor union officials in order to ensure labor peace.

Donelan stated he had no knowledge that Donovan knew or associated with any organized crime type individuals or labor union officials, and further stated that it was his impression that Ronnie Schiavone handled the labor negotiation aspect of the business.

Donelan stated that Schiavone Construction Company seemed to be very adept at being low bidder on construction projects and then being able to have cost overrun or change orders approved as the project continued. Donelan stated he could recall discussing this in a general sense with Donovan, who seemed to take the position that Schiavone Construction success at operating in this manner was due to the fact that they did their "homework" and were very smart businessmen. Donelan advised however, that Donovan and officials at Schiavone Construction were supposedly very close to the New Jersey Turnpike Commissioner or Executive Director named Flanagan, who supposedly was the individual who would approve cost overrun or change orders.

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United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, D.C. 20510

May 20, 1982

Leon Silverman, Esq.
United States Government
Special Prosecutor
One New York Plaza, 26th Floor
New York, New York 10004

Dear Mr. Silverman:

This is in follow-up to our letter to you of April 1, 1982, which was a response to your letter of February 22, 1982.

The Committee has received relevant new information which we are summarizing for you below. It should be emphasized that the allegations summarized have not been investigated by the Committee. We don't know whether or not they are true. We do believe they are pertinent to your investigation.

On May 20, 1982, Committee staff interviewed James J. Donelan of 738 King George Road, Fords, New Jersey (201) 738-0492. The interview was conducted over the telephone by Committee Investigator Walter Sheridan. It was arranged at the request of Mr. Donelan, made through his lawyer Arnold Gold of Clark, New Jersey (201) 381-3988.

Mr. Donelan stated that he had a close relationship with Raymond Donovan from 1960 to 1970. He stated that he had a company which made warning flashers for highway construction. When he first met Donovan, Donovan and Schiavone had only one rented office and were a very small home improvement company. Donelan stated he would stop at Donovan's office at the end of the day and they would talk and drink scotch. Within a very short time he stated that the Schiavone Company was making millions on New Jersey turnpike construction.

He stated that Donovan told him he was able to get bids through inside information from William Flanagan, who was then and still is the head of the New Jersey Turnpike Authority. Donovan claimed to have known Flanagan since childhood. Donelan describes details as to how Donovan was able to under-bid other companies and still make a lot of money through renegotiations on certain items once he had the contract.

Exhibit 72

Leon Silverman, Esq.
May 20, 1982
Page Two

Donelan said it was rumored that Donovan and Schiavone had connections with organized crime figures. He saw persons he considered as possibly organized crime figures when he would stop in to visit with Donovan in his office at the end of the day. Donelan would leave the room when they came in.

He stated that it was well known that Schiavone had no labor problems because of these connections.

Schiavone's purchasing agent told Donelan that they knew the Kantor property was actually owned by the city. Dumping there saved the Schiavone Company a lot of money.

Donelan says he has a picture of himself, Donovan and Cornelius Gallagher taken at a bar he owned in Bayonne on St. Patrick's Day in 1968.

He states that Donovan knew who Briguglio was but he never saw them together.

He claims that Donovan reneged on money owed to him in 1970 and that he brought a suit against Schiavone. The day before the trial he was mugged and his car was stolen. When his car was located, the only thing missing were his records for the lawsuit. Valuables were left in the car.

He states that Donovan was able to arrange for an exit from the limited access highway which runs near the Fiddler's Elbow Country Club.

At one point, he claims, Donovan wanted him to front for him in the proposed purchase of the Great Western Hotel Chain. He declined.

He states that the Schiavone Company charged the state for fill it used to build the golf course at the Fiddler's Elbow Country Club.

Mr. Donelan states that he was interviewed for six hours by the FBI in January, 1981, approximately three days before our Committee voted to favorably report Donovan's nomination. The Committee never received a summary of any such interview, and learned of this information for the first time on May 20, 1982.

We wish to reiterate that we cannot vouch for the accuracy of this information. We will, however, continue to provide you with

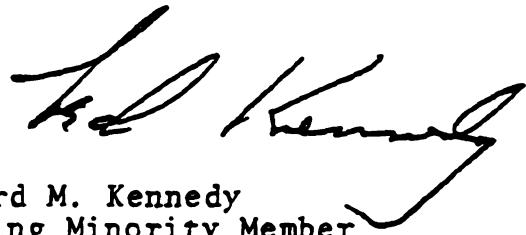
Leon Silverman, Esq.
May 20, 1982
Page Three

any information we receive that is pertinent to your investigation.

Sincerely yours,



Orrin G. Hatch
Chairman



Edward M. Kennedy
Ranking Minority Member

cc: William Webster
Director
Federal Bureau of Investigation

HAND DELIVERED TO Mr. WEBSTER at 6:30 p.m. on Thursday, May 20, 1982.

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KEVIN R. BARRY

OF COUNSEL
CHARLES E. WIGGINS

*NOT A MEMBER OF D. C. BAR

Pierson, Ball & Dowd

1000 Ring Building
1200 18th Street, N.W.
Washington, D.C. 20036

TEL (202) 331-8566
CABLE ADDRESS "PIERBALL"

May 26, 1982

OKLAHOMA OFFICE
FIRST OKLAHOMA TOWER
SUITE 1310
210 W. PARK AVENUE
OKLAHOMA CITY, OKLA. 73102
TEL. 405 235-7666

COUNSEL
THOMAS N. DOWD
ROBERT B. HANKINS

LOWELL J. BRADFORD
RETired 1980

FEDERAL EXPRESS

Leon Silverman, Esq.
Fried, Frank, Harris, Shriver
& Jacobson
1 New York Plaza
New York, New York 10004

Dear Mr. Silverman:

This will supplement my letter of May 21, 1982.

6. During the period that Raymond Donovan attended Notre Dame Seminary in New Orleans, September 1950 through January 1952, he purchased from a New Orleans drug store a pair of off-the-shelf reading glasses which were full sized with dark brown tortoise rims. During that period, Mr. Donovan was advised that it was not a good idea to become dependent on reading glasses and, to the best of his recollection, he did not use those glasses after departing Notre Dame Seminary. He did, however, have them in his possession in a drawer in his home. Neither he, his family nor his business associates recall that he wore glasses of any sort during the 1960's.

In 1971 or 1972, Mr. Donovan purchased from Dr. Weber's Optometrists in Maplewood, New Jersey, prescription reading glasses, which were of the half-moon type with black steel frames. Weber's does not keep prescription records longer than five years, and we are unable to verify this date or the type of glasses other than by recollection.

Mr. Donovan used the half-moon reading glasses until 1976, at which time he purchased from The Ultimate Spectacle a set of prescription reading glasses. In 1978 Mr. Donovan obtained from The Ultimate Spectacle bifocals with metal frames, of the type he

Leon Silverman, Esq.
May 26, 1982
Page Two

presently wears. (Attached is a statement from The Ultimate Spectacle.)

7. We have located in the records Universal charge forms issued by Delta Airlines indicating the issuance to Mr. and Mrs. Raymond Donovan of round-trip airline tickets from Newark, New Jersey, to Ft. Lauderdale, Florida. The tickets indicate that Mr. and Mrs. Donovan departed Newark on January 13, 1979 at 9:45 a.m. on Delta flight #137. These same records indicate that Mr. and Mrs. Donovan returned to Newark from Ft. Lauderdale on Saturday, January 20, 1979, at 1:10 p.m. on Delta flight #138. (According to the Universal charge form, these tickets were paid for by a charge on Mr. Donovan's American Express card. If desired by you, all of these materials can be furnished by Schiavone Construction Company.)

Neither Mr. nor Mrs. Donovan has any clear recollection that they left or returned exactly as indicated by these records, but neither do we have any evidence to indicate that they did not use the tickets as issued. We have attempted, through Delta Airlines, to get an absolute record of Mr. and Mrs. Donovan's travel during this period, but have been unsuccessful.

During the period that Mr. Donovan was in Boca Raton (which can be conveniently reached either from West Palm Beach or Ft. Lauderdale), he made arrangements for his niece and nephew, Mr. and Mrs. Peter Murray, whose address is 148 N.W. 8th St., Boca Raton, Florida, phone 305-391-3469, to attend the Superbowl in Miami. Tickets to the Superbowl were obtained through Schiavone Construction Company with the assistance of Mr. Woody Weiser, a partner of Raymond Donovan and Ronald Schiavone in the Sheraton Riverhouse Hotel at the Miami Airport. The tickets were delivered to Mr. and Mrs. Murray by Al Paradise of Schiavone Construction Company at the Sheraton Riverhouse on, to the best of our knowledge, Sunday, January 21, 1979. Mrs. Murray recalls that Mr. Donovan had given her \$50 for dinner after the Superbowl. She and her husband placed a telephone call and spoke to Mr. and Mrs. Donovan in Short Hills, New Jersey, at 11:26 a.m. on Sunday, January 21, 1979. (If desired, we can furnish the telephone records substantiating this telephone call.) Mr. and Mrs. Donovan recollect calling Mr. and Mrs. Murray at the Murrays' home in Boca Raton the evening of Sunday, January 21, after the Superbowl, and Mr. Donovan recalls kidding the Murrays that he had seen them on television. (We have attempted to obtain telephone records for the Donovans' home telephone in Short Hills, New Jersey, but have been advised that these records are not maintained longer than six months.)

Pierson, Ball & Dowd

Leon Silverman, Esq.
May 26, 1982
Page Three

Mr. Donovan has no specific recollection at this time of what he did during this period in Boca Raton other than to stay at their home at 571 Phillips Drive. At no time during this period did he see William Masselli, and at no time during this period or any other period has Mr. Donovan ever visited Mr. Masselli's condominium, which we understand to be in Hollywood, Florida.

Sincerely,

PIERSON, BALL & DOWD

DB/gr
Dean Burch

DB:gr

Enclosure

cc: Honorable Raymond J. Donovan
Theodore W. Geiser, Esq.

(212) 838-6138

THE ULTIMATE SPECTACLE INC.

1032 THIRD AVENUE • NEW YORK, 10021 — CORNER 61ST ST.

EYES EXAMINED
PRESCRIPTIONS FILLED
FACTORY ON PREMISES

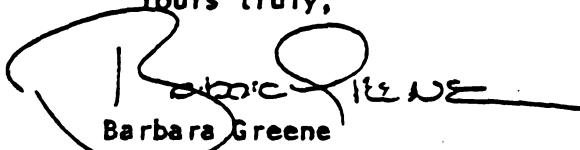
HOURS:
DAILY 9:00 A.M. TO 7:00 P.M.
THURS. TO 8:00 P.M.
SAT. TO 6:00 P.M.

January 26, 1980

To Whom It May Concern,

This is to certify that in August 1976 Raymond
Donovan purchased reading glasses and in December
1978 purchased bifocals from the Ultimate Spectacle.

Yours truly,


Barbara Greene

Ultimate Spectacle

TAPE	A-21
DATE MONITORED	3/10/77
INDIVIDUALS	JOE ADONIS RICH MAZZIATI NJSP WEISERT PAT KELLEY MISUR
TYPE OF RECORDING	ALAMO TRUCKING
PLACE	JERSEY CITY, NEW JERSEY

103007

PAT KELLEY AND THREE OTHER PEOPLE ARE ENGAGED IN
A GENERAL BUSINESS-TYPE CONVERSATION REGARDING A
CONTRACT AT A RAILROAD

NEWARK DIVISION CANNOT ASSIGN IDENTIFIER TO
THE CONVERSATION AS NAMES ARE NOT USED DURING THE CONVERSATION
AND NEWARK PERSONNEL ARE NOT FAMILIAR WITH THE VOICES OF
THOSE RECORDED.

103008

UM #1 Ahm, Parkway? Up there in Saddlebrook.
What about that other pit (UN). That second
pit. You don't have enough material between
the two pits to deliver there?
UM #2 Oh yeah (UN).
UM #3 Oh yeah, we got more than enough. We got
To sign up that second one.
UM #2 There's about 80 thousand in (UN) pit. So like
That's the second pit (UN)
UM #2 Yeah that's (UN)
UM #1 All we'll use is 20 thousand for the parkway.
So we got to find (UN)
UM #2 (UN) 100 and 60 thousand.
UM #1 For what?
UM #3 Saddlebrook.
UM #1 No, Saddlebrook is, ah
UM #2 100 and 60 thousand.
UM #1 40, 60, then the shrinkage is gonna run I guess
around ah, 80 thousand.
UM #2 80 thousand
UM #3 Well out of the 80, only 20 is (UN).
The other stuff we'll use in, ah, the other
pit.

UM #2 See, we made a better deal out on 208.
We make more money because we buy it
cheaper.

UM #1 Where you haul, where you haulin now?

UM #3 (UN) in Wayne.

UM #2 (UN) that bridge.

UM #1 (UN) What do you mean you got to,
you got to go under, ah, property at
Doremus Avenue plus (UN)

UM #3 Under property as contracted (UN). Here's
the problem (UN) with that material.

UM #2 Um hum.

UM #1 Then we're gonna have to sign a contract.

UM #2 Um hum, um hum (UN)

UM #3 (UN) I'm talkin about

UM #2 Yeah.

UM #1 Why jeopardise everything we got goin.

UM #2 Don't plan for the other thing.

UM #3 (UN) percent of it. Cause if, ah, problem
could arise (UN).

UM #1 Um hum.

UM #3 (UN) if it does, if we have any problems, why
jeopardize (UN) Republicans with this.

Do you agree?

UM #1 Yeah.

- UM #3 Now the man mentioned, that, ah, you know
- UM #2 Now once again you brought up a good thing (UN) that, ah, we get together (UN)
- UM #1 (UN)
- UM #2 (UN) post the bond (UN) He did the last job in Parsippany
- UM #1 (UN) that will have (UN) that will have to Ah, ah, that will be ah, about a 2 and a half million dollar bond (UN)
- UM #3 (UN) we might not have to (UN) another bond to hold. Contract to show that you're capable to doin somethin.
- UM #1 I know.
- UM #3 Cause you talkin about a sizable job. She only asked you to come up with a portion of the bond.
- UM #2 Well we'll give her the other (UN)
- UM #1 Well we got two, two routes to go.
- UM #2 We could work somethin with one guy.
- UM #1 What about the guy he nominated?
- UM #3 Nominated for the (UN). Can't get to him (UN), In case somethin goes wrong, we'll hurt him.
- UM #1 What about the company I got from New York.

(* Not pertinent; talk regarding equipment)

UM #3 I know I got Tommy Shearer (ph), ah,
800 and 50 thousand dollar bond.

UM #1 (UN)

UM #3 Remember those bonds I showed you in,
ah, I showed them to, ah, Ray.

UM #2 Ah, with Ray, you know, you know we could bring
Freddie in another door, he,

he could perform. You know what I mean.

(* Not pertinent; talk regarding bonds
and equipment)

UM #3 That Parkway (UN)

IM #1 (UN)

UM #3 Contract

UM #1 (UN)

UM #2 Saddlebrook.

UM #3 Well let's see, we already started on
it (UN)

UM #2 He's down at the port (UN).

UM #1 Huh.

UM #2 He's down at the port, you know, doin that
ah, job he's got as far as she knows.

UM #3 See we could do it one of two ways here.
Pat just asked me about this, ah, Parkway
job here (UN)

- UM #2 Now we got a kid that's workin for us.
Friend of mine and he's supposed to
have some money today, right.
- UM #3 Yeah, yesterday.
- UM #2 What I was gonna do with him is this.
He's our operator. I was gonna give him a
piece of some of that stuff up there (UN).
You know what I'm talkin about. There
aint. there aint, there aint no big
score here (UN) job. To keep him happy, I think
I'll (UN) we need 5 thousand (UN). I think
I'd rather let him (UN) you know what
I'm talkin about? Unless, I don't know
(UN).
- UM #1 The contracts a 100 and 70, ah, 8 thousand
for the Parkway.
(* Not pertinent; regarding load pricing)
UM #3 20 dollars. So it's costin us 46 dollars
a load for the cheap stuff plus loadin. The
loadin (UN) 26 and I want Schiavone to load.

- UM #2 (UN) figure him for 16 yards, so multiply
ah, 240 times 16 comes to, ah, about 39
dollars, right?
- UM #3 240 (UN), 240 a yard?
- UM #2 (UN)
- UM #3 to load?
- UM #2 No, we're getting, Joe said what (UN)
- UM #3 No he said how much does it cost to load?
- UM #2 How much does it cost to load? We know
what the the truckin (UN).
- UM #3 The loadin up (UN). You gotta figure, ah,
15 like, ah, 20 cents.
- UM #2 You got (UN)
- UM #3 We get enough cause we got (UN)
- UM #2 (UN)
- UM #3 30, ah, 30 dollars.
- UM #2 What the (UN) 26
- UM #3 Say 70 cents (UN)
- UM #2 So it (UN). Were gettin how much a yard
for that stuff?
- UM #3 We get 240.
- UM #2 240 for the (UN)
- UM #3 240 times 16
- UM #2 (UN) 600 hundred for (UN). Figure 8
dollars to load, right? (UN) I don't
know either way who you figure.
- UM #3 (UN)

103014

UM #2 Allright, are you in a position to
 come up with the 5 (UN)

UM #3 Honestly, I don't see how your gonna
 come up with 5.

UM #2 (UN)

UM #3 See I got my kid supposed to have 15
 thousand today. What I was gonna do with him
 was up the northern end up there with
 all that small shit like this here. Give him
 a piece of that (UN). You know what I'm
 talkin about.

(* Balance not pertinent; approximately
150 feet of tape in this conversation.)

103C15



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535
26 Federal Plaza
New York, New York 10278

May 29, 1982

Leon Silverman, Esq.
Fried, Frank, Harris,
Shriver and Jacobson
25th Floor
One New York Plaza
New York, New York 10004

Dear Mr. Silverman:

This will confirm our telephone conversation of May 20, 1982.

This is in response to your request that the Federal Bureau of Investigation determine whether a specific former informant (hereinafter referred to as informant) would be willing to speak to the Special Prosecutor and subsequently appear before the Federal Grand Jury in connection with your investigation of Labor Secretary Raymond J. Donovan.

The informant's attorney said he was not receptive to advising his client to either speak to the Special Prosecutor or appear before the Grand Jury because of his concern over the possible disclosure of the informant's identity. The attorney said that he had sent a letter to the informant asking the informant to immediately contact the attorney. We have not yet heard from the informant's attorney.

On Monday, May 24, 1982, I received information from the Agent who formerly handled the informant that the Agent received a telephone call from the informant over the preceding weekend (May 22-23). The informant stated that informant had heard from the attorney and the informant did not want to cooperate with the Special Prosecutor. The informant said the reason for this was because it could result in the informant's identity becoming known and if that happened the informant feared for the safety of not only the informant but

Exhibit 75

Leon Silverman, Esq.

also the safety of the informant's family. We believe that the informant's concerns for safety in that event are well founded, based upon our awareness of the informant's past activities and associations.

Those concerns must be taken into consideration in any future action.

In our view an effort to locate and produce the informant before the Grand Jury and the exposure of the informant to the Grand Jury, as well as the documentation of his appearance there, would greatly expand the risk of his past cooperation with the Government becoming known outside the Grand Jury process and we strongly urge you not to do so.

Sincerely,



Kenneth P. Walton
Deputy Assistant Director in Charge
New York Office



U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535

June 2, 1982

Leon Silverman, Esq.
Fried, Frank, Harris,
Shriver and Jacobson
25th Floor
One New York Plaza
New York, New York 10004

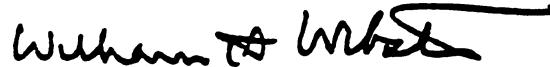
Dear Mr. Silverman:

On May 29, 1982, you reviewed transcripts of three conversations recorded in an organized crime investigation during May, 1982. There were references made in each of the conversations concerning whether Secretary of Labor Donovan was likely to continue in office. You requested Executive Assistant Director John E. Otto to have an informant, who was present during the conversations, recontacted to determine the full nature of the references to Secretary Donovan. The informant, recontacted on June 1, 1982, stated the references to Secretary Donovan were merely incidental. They occurred prior to and after a main business meeting. No mention was made of Secretary Donovan in the main meeting. Those portions of the conversations which concerned Secretary Donovan were not the focus of the FBI investigation; were not anticipated or provoked; and, did not provide the basis for any FBI investigation of Secretary Donovan. The informant said the informant possesses no information that Secretary Donovan had participated in, is currently participating in, or planned to become involved in any acts of illegality.

In view of the lack of any criminal aspects in the references to Secretary Donovan in these conversations and the likelihood that investigating them would lead to identifying the informant and thereby risk the informant's safety as well as jeopardize a major organized crime investigation, we urge you not to further pursue this specific information. We recognize, however, the decision is yours as Special Prosecutor whether to pursue this as part of your responsibility.

On May 29, 1982, after you completed the review of the transcripts you returned them and requested that they be maintained by the FBI. They will be preserved in FBI files.

Sincerely,



William H. Webster
Director



NEW YORK, N.Y.
NEWS

D. 1,606,365—S. 2,237,494
NEW YORK CITY METROPOLITAN AREA

P. 9 Col. 1
JAN 4 1982



PEOPLE

By PHIL ROURA and TOM POSTER

SAY RAY OFFERED 250G TO CONTROL PAPER

Secretary of Labor Raymond **Donovan**, a major backer of the defunct newspaper The Trib, invested about \$350,000 in the New York tabloid in 1978 and tried to pump another \$250,000 to gain control of the paper but was blocked by the brother-in-law of former U.S. Sen. James Buckley, it was learned.

Donovan's dealings with The Trib and his relationship with Douglas LaChance, former head of the newspaper deliverers union, may come under scrutiny by special federal prosecutor Leon Silverman, who will probe allegations of a union payoff by Donovan's company in a separate matter. Donovan asked for the probe following allegations that he was present when a payoff was made to buy labor peace for the Schiavone Construction Co. of Secaucus, N.J.

The Trib began publishing in Jan. 1978 and, after an initial sale of 250,000 copies, LaChance's drivers refused to distribute it. Donovan called LaChance, and the two met in the Hotel Algonquin bar. The day after this meeting, confirmed by Assemblyman Doug Prescott (R-Queens), then an aide to publisher Len Safir, LaChance lifted the stoppage.

Safir confirmed that Donovan tried to pump new money into the paper in order to gain control. "He

put \$250,000 on the table at a meeting of our board of directors," Safir said yesterday. "But that would have given him control of the paper, and Buckley's brother-in-law, Ray Learsy, who was the major stockholder, didn't want to give up control. Buckley was also at the meeting, but he didn't say a word. Donovan's money was rejected."

Safir, Buckley's original campaign manager, folded the paper shortly before the three dailies here were struck in the summer of 1978. He insisted he had no knowledge about what took place at the Jan. 10 meeting or how Donovan had persuaded LaChance to call off the stoppage by his drivers.

"I had nothing to do with the talks because I was busy at the paper," said Safir. "Donovan was protecting his investment by meeting with LaChance."

Also involved with the newspaper as board members were William J. Casey, now director of the CIA, and former Secretary of the Treasury William Simon, who had invested \$20,000 but withdrew before publishing started.

LaChance is in federal prison for accepting illegal payments of \$250,000 from newspaper distributors. An appeal to reduce the term recently was denied.

Exhibit 77

The Labor Secretary and a Wildcat Walkout

Publisher to Testify on Donovan Role in Settling Brief Strike at Tabloid

By George Lardner Jr.
Washington Post Staff Writer

The founder and publisher of a short-lived New York tabloid, Leonard Saffir, is scheduled to testify this week before a federal grand jury investigating the business activities of Labor Secretary Raymond J. Donovan.

The inquiry, involving the defunct New York Trib, centers on Donovan's role in the quick settlement of a one-day strike by members of the newspaper deliverer's union in January, 1978.

At the time, Donovan was a major financial backer and member of the Trib's board. The wildcat strike was settled after a meeting in a hotel bar and a series of late-night phone calls between Donovan and the head of the newspaper deliverer's union, Douglas LaChance, according to Saffir, who is now publisher of the Bridgehampton News on Long Island.

LaChance was subsequently convicted of labor racketeering in an extortion case on an unrelated matter and is serving a 12-year prison term.

The FBI questioned Saffir recently about a reported "agreement" that apparently followed the conversations between Donovan and LaChance.

Saffir said he was told by the FBI that, under the arrangement, a company known as Empire Trucking, which was formed to deliver the Trib from its printing plant to pickup points, agreed to fire its non-union drivers and hire members of LaChance's union.

Saffir said he never signed such an agreement and never heard of it until the FBI asked him about it several weeks ago.

Now, Saffir said, he isn't even sure that Empire Trucking, which "folded when we folded," ever had any non-union help to begin with.

The episode involving the Trib took place shortly after the new morning daily began rolling off the presses in a Somerset, N.J., printing plant on Sunday night, Jan. 8, 1978.

According to Saffir, the papers were to be picked up at the plant by Empire, which was specially formed as a so-called "relay company" to

haul the papers to the New York metropolitan area. There they were to be picked up by the Metropolitan News Co. and a number of other newspaper distributors whose drivers belonged to LaChance's union.

"I didn't want to be in the circulation business," Saffir said in one of several telephone interviews. "I went to Carl Levy [the head of the Metropolitan News] and said, 'We're going to start a paper. Can you handle the distribution?' He said yes.

"I said, 'That's all I want to know. I don't want any drivers working for me.' Carl Levy set the whole thing up."

The Trib signed an agreement with Empire to drop the papers off in the metropolitan area "for a blanket price," Saffir says. The agreement itself "had nothing to do with union or non-union," he said, but the price was predicated on the drivers' being non-union. "The difference would have been a lot of money, probably double the salaries," Saffir said. He said that as far as he knows, the original price was adhered to.

The first press run of 250,000 was delivered and sold Monday, Jan. 9, without a hitch. But the next edition was hit by a wildcat strike. According to news accounts at the time, a number of LaChance's drivers refused to pick up the paper, apparently because Empire was not unionized.

However, Saffir recalls, "It was LaChance's drivers who were at the plant to pick up the papers the first night and it was LaChance's drivers who didn't pick up the papers at the plant the second night . . . I don't know if Empire was in place at all the first couple of nights."

The Trib does not appear to have focused on the distinction at the time. Its lawyers simply went into state court on Tuesday, Jan. 10, and got a temporary restraining order against LaChance's union and a number of the distributors.

Donovan, meanwhile, apparently attempted to mediate the dispute, according to Saffir, who estimated that Donovan's company, Schiavone Construction of Secaucus, N.J., had invested about \$350,000 in the paper and owned 20 to 25 percent of it.

According to Saffir, Donovan left the Trib's offices late Tuesday afternoon and met with LaChance and



RAYMOND J. DONOVAN

... a was backer of short-lived tabloid the union's attorney, Kevin McGrath, in the bar of the Algonquin Hotel. Saffir said he seized on the opportunity and sent an aide, Doug Prescott, over to deliver the court order to LaChance.

When Donovan returned to the Trib's offices, Saffir recalled, "he was angry that he was meeting secretly and here I had sent over the court order . . . Donovan told me it wasn't settled at that point, but he was going to continue talking to them."

That night, around 11 p.m., Saffir said, "I went out to the printing plant not knowing whether we were going to publish or not." Meanwhile, he said, Donovan and LaChance kept talking by phone.

"Close to midnight," Saffir continued, "LaChance called me up. He wanted promises from me that I would sit down and draw up a special contract with him, with the union.

"I said if he wants to call me at the office and see me properly, okay, but at midnight I was not making any deals. I threatened him, said I'd dump the papers on his front lawn. He hung up on me. Donovan called me back and said LaChance was mad as hell. I stayed there. All of a sudden, the trucks came in and picked up the papers up."

But once again, Saffir recalls now,

"it was still the trucks LaChance had control of, which means they weren't non-union."

Afterward, Saffir said, both Donovan and union lawyer McGrath "kept after me" on several occasions to sit down with the union. Donovan, the former Trib publisher recalled, "called me up and said, basically, 'Hey, these guys are going to do it again.'"

Saffir said he did meet with McGrath about a month after the one-night strike, "just to discuss the possibility of getting a contract with the union," but nothing came of it.

Then the FBI called Saffir several weeks ago and asked him about "a second agreement" with Empire. "The FBI told me they found that [Empire] did get rid of the non-union drivers . . . a day or two after the dispute," Saffir said. "It's obvious they would have had to pay the union drivers more." Saffir said the FBI told him Empire claimed it had a second agreement with the Trib. "I told the FBI it's news to me."

Saffir added that the FBI told Empire it couldn't find a copy of the agreement either. He said he believed the FBI interviewed the head of Empire Trucking, but Saffir could not recall his name.

"I said it looks funny," Saffir said. "It's conceivable that Empire fired the non-union drivers and hired union drivers because they were told they were going to get a contract. It could have been that someone said okay, but there was never an agreement."

Asked who might have given that okay, Saffir said, "I have no idea."

Saffir said he assumes that Empire did have non-union drivers on its payroll for a brief time, but he isn't sure.

"Who the hell knows?" he said. "There was a company we were paying thousands of dollars to do a job. Could it have been a paper company? It could have been."

Neither the head of Metropolitan News, Carl Levy, nor McGrath, who was the union's lawyer, could be reached for comment. Donovan has adopted a posture of making no comments on any aspects of the investigation. LaChance is in prison for extorting more than \$250,000 from various delivery companies.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/21/82

CARL LEVY, President, Metropolitan News Company, 47-25 34th Street, Long Island City, New York, former President of the Newspaper and Mail Deliverer's Union (NMDU), was interviewed at his place of employment by Special Agents (SAs) of the Federal Bureau of Investigation (FBI), who advised LEVY of their identities, and purpose of the interview, and LEVY provided the following:

LEVY was questioned as to any knowledge and/or information he might have concerning a meeting between DOUGLAS LA CHANCE, former President of the NMDU, and any representatives of the Trib Newspaper, alleged to have occurred at the Algonquin Hotel in New York City.

LEVY advised that he knew, on approximately January 9th or 10th of 1978, that LA CHANCE was to have a meeting with representatives of the Trib Newspaper to resolve a delivery problem between the Trib and the NMDU. By way of background, LEVY advised that the Trib was a newspaper which was transported from Somerset, New Jersey into the New York City area. The Trib employed a trucking outfit known as Empire Trucking Company. The two major principals of Empire Trucking were PHIL VASTA and LEO D'ANGELO. Empire Trucking did not utilize NMDU drivers. As LEVY explained, Empire was being used exclusively to transport the Trib into New York to a specific location, in this case Metropolitan News Company. Metropolitan News would then distribute the Trib throughout the New York area.

LEVY advised that it was unheard of to attempt to organize truck drivers such as those employed at Empire Trucking. He advised that he at some point told LA CHANCE that he was wrong in attempting to organize Empire Trucking Company. However, LEVY said LA CHANCE was determined to prevent the Trib from being delivered unless the Trib utilized NMDU drivers at Empire Trucking Company.

LEVY advised that there was uncertainty in the NMDU leadership as to whether to allow the Trib to be delivered. He advised that the New York night business agent, MONTE ROSENBERG, was allowing the paper to be delivered, while the New Jersey business agent, JACK WOLFSON, was not allowing delivery.

Investigation on 1/20/82 at Long Island City, New York, File # NY 183A-1014
 by SAS KIM D. FRISINGER and
FREDERICK A. WALZ/PAW/cal Date dictated 1/21/82 Exhibit 79

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/2/82

JACK WOLFSON, Route Manager, New York Post Newspaper, South Street, New York, New York, was interviewed at his place of employment by Special Agents (SAs) of the Federal Bureau of Investigation (FBI), who advised him of their identities and the purpose of the interview, and WOLFSON provided the following information:

WOLFSON was asked if he could provide any information regarding a meeting at the Algonquin Hotel between DOUGLAS LA CHANCE, former President of the Newspaper and Mail Deliverers Union (NMDU), and any representatives of the Trib Newspaper in early 1978. WOLFSON advised that he knew nothing about this alleged meeting, other than what he had read in the newspaper. He stated that he was the New Jersey Business Agent for the NMDU at the time the meeting was to have taken place. He stated that he was of the opinion, at that time, that the Trib should have been using NMDU drivers to deliver the papers, but at that time they were not.

WOLFSON said he went to DOUGLAS LA CHANCE, and complained to him about the situation with the Trib. He stated that as Business Agent, he would not allow the papers to be delivered by those news companies in New Jersey, which had contracts with the NMDU. The matter was finally resolved with the Trib agreeing to use NMDU drivers. WOLFSON stated that that was all that he knew about the Trib's dealings with the NMDU.

WOLFSON was asked if he kept in touch with DOUGLAS LA CHANCE, who is presently incarcerated in Danbury Federal Correctional Institution. WOLFSON stated that he had kept in touch. WOLFSON was asked if he would communicate to LA CHANCE, the FBI's interest in the Trib matter, and to see if LA CHANCE would wish to cooperate in this matter. WOLFSON advised that he would do so.

Investigation on 1/27/82 at New York, New York File # NY 183A-1014
 By SAs KIM D. FRISINGER and FREDERICK A. WALZ/PAW/cal Date dictated 1/29/82 Exhibit 80

78

79

80

3

4

5

State of New York)
) ss.:
County of New York)

EDMUND GALKE, being duly sworn, deposes and says:

1. I reside at 87 Chateau Drive, Oakdale, New York.
2. I am a member of Local 138 of the International Union of Operating Engineers. Local 138's jurisdiction covers Nassau and Suffolk County in the State of New York.
3. In 1972 I was working for Schiavone Construction Company, as an oiler on a pipe layer, on a job Schiavone was doing in Seaford, New York. Schiavone was installing an outfall pipe for a sewage system underneath the bay (I don't recall the exact name of the bay).
4. I worked for Schiavone on this job for about a year and one-half.
5. As far as I know this job was one of the first jobs that Schiavone did on Long Island.
6. Several months after I began working for Schiavone Herbert Parmenter, the lead engineer (shop steward) for Local 138 on the job asked me if I would go to his house and do some paneling. At the time Herbert Parmenter was also a member of the Executive Board of Local 138. I don't recall the exact date that I was asked to do this work but I believe that it was either in the fall or in the spring.
7. I agreed to do the work that Parmenter requested and for five or six days I worked at Parmenter's house and put paneling up in two of his upstairs bedrooms. Parmenter's house was located in Northport, New York. Parmenter told me that he would take

care of me and make sure that I got paid by Schiavone for the time I spent at his house. In fact, I did get paid by Schiavone for the entire period that I worked on Parmenter's house, even though I never showed up on the job.

8. Schiavone's superintendant on the job was a man named Joe Vergari. Although I never spoke to Vergari about what I had done for Parmenter I would assert that it would be quite difficult for him not to have known that I was absent from work for five-six days.

9. In around 1976 someone from the Suffolk County District Attorneys office came to my house and asked me if I would cooperate in their investigation of the Suffolk County Southwest Sewer District Project, an investigation which involves allegations that officials of Local 138 were taking payoffs. I agreed to cooperate and spoke with detectives named Bryan McDonald and Al Rosenthal. During our conversation I told the detectives all that I have related above.

10. Subsequently I was interviewed by Jeff Schaffler of the Organized Crime Strike Force and two FBI agents (these interviews took place at different times). I spoke to Schaffler for the first time in early 1980 (and have spoken to him many times since then) and spoke to the FBI agents in June or July 1981.

11. I have spoken with Jeff Schaffler and the FBI about no-show jobs arranged by officers and lead-engineers of Local 138 and about other illegal and fraudulent acts committed by officers of Local 138.

12. I will provide further details of the above described matter if requested.

I have read the foregoing two pages consisting of twelve numbered paragraphs and I swear that they are true to the best of my knowledge.

Edmund L. Galke
Edmund Galke

Sworn to before me this
14th day of February, 1982

Arthur Z. Schwartz

Notary Public

ARTHUR Z. SCHWARTZ, Esq.
Notary Public State of New York
License No. 10000000
Qualified in Westchester County
Term Expires March 30, 1983

Inter-Office Correspondence

USE THIS FORM FOR ALL OFFICE CORRESPONDENCE—WRITE ON ONE SIDE OF PAPER ONLY

To Company Executives, Project Managers
Project Superintendents

From _____

Date April 22, 1980

Joseph A. DiCarolis

Subject: Schiavone Construction Co. Golf Outing

The Executive Committee has decided to book Monday July 28, at Fiddler's Elbow Country Club, and to use that day to invite to a social function those Business Agents of the various Unions in New Jersey and New York that our construction projects have had an association with over the past twelve months.

The Committee is hopeful that a function specifically set aside which would allow the Business Agents and our Supervisory Personnel to mix in a pleasurable surrounding, with no business discussions, will create an atmosphere where we can all get to know each other better.

The complete facilities of Fiddler's Elbow will be available to us for golf, tennis, cards or just relaxing.

The day would begin as early as 8:00 a.m. with golf and would finish about 10:00 p.m. after an excellent dinner.

Please send a list to the main office of those Union personnel that you deal with and that you would want to invite.

Our Company personnel will be limited to Company Executives, Project Managers and Superintendents only.

Union personnel should be limited to only those Agents who are now or who have within the past year been associated with a Company project.

It is the Committee's hope that a successful day will lead to this year's outing being the first in a series of annual affairs.

Monday, August 4, has been set aside as a rain date.

Please have your lists in by Friday, May 16 or sooner.

Further discussion will be available at the May 8 scheduled meeting.

Joseph A. DiCarolis
Senior Vice President

/c

Exhibit 82

354286

SUN) May 8 '77	MON) May 9 '77	TUE) May 10 '77	WED) May 11 '77	THU) May 12 '77	FRI) May 13 '77	SAT) May 14 '77
				RJM to 60 SEC office all day. ML2(???)	SIC/Joint Venture Meeting, Barbizon Hotel (w/RJD) (5) SEC to 60 60 to Wall to SEC (w/RJD)	RJM to 60 60 to ATL with Frank Stiffler & RJD through lunch (ML2, sub) RJM to 60 60 to SEC
R A S					Hunan Yuan with R. Mitchell re: Pen- sion Investments \$104.70 (2) SIC Joint Venture above w/RAS (5) 60 to SEC 60 to Wall to SEC (with RAS)	SEC to 60 (w/JD) 60 to SEC with Frank Stiffler & RAS through lunch (ML2, sub)
					University Club 6:15 (8) Iron Workers 11:00 a.m. (8)	Ramada 9a.m. Trenton Governor's Office 12:00 (8) Aeroruso - Noon (8) SEC to 60 (w/RJD)
Villa Cessare, Hillsdale, N.J.	\$93.30 (2) FECC	Beverages \$6.00 Buffets(2) \$9.00 2 pers. (6)			Queens to Perth Amboy (11:30am) Perth Amboy to Queens (1:30 pm)(ML2, sub)	The Store, Basking Ridge, NJ with J. Perrante, future stone & blacktop work \$46.40 (2) Sheraton NWK with T. Simpson, Cutler, Re- cycling Co., future work \$18.27 (2) SEC to 60 60 to SEC to Drier Drier to TES
					Prudenti's Lunch with A. Albicocco (ML2, sub)	Prudenti's Lunch with Local 29 Pres., B.A. + lawyers \$76.11 (1)
62-40°F, 51 Avg. .09 Precip.	46-38°F, 42 Avg. .37 Precip.	59-42°F, 51 Avg. 0 Precip.	66-48°F, 57 Avg. 0 Precip.	75-51°F, 63 Avg. 0 Precip.	75-77°F, 66 Avg. 0 Precip.	(2) 69-51°F, 60 Avg. 0 Precip.

SUN) May 15 '77	MON) May 16 '77	TUE) May 17 '77	WED) May 18 '77	THU) May 19 '77*	FRI) May 20 '77	SAT) May 21 '77
R A S	Joint Venture Board of Reps. meeting thru lunch w/RJD, JD (ML2, unsub) Rum to 60 SEC to 60 (w/RJD, JD) 60 to RUM	FECC - Drinks "Meeting...Italian Co." (6) with I.G.I. reps. through lunch (ML2, sub)	In SEC office all day (ML2, unusub, see below)	Wall to Rum to 60 JFK to 60 60 to ATL	FECC - Drunks, Dinners 4-6 pers., \$112.25 (6) All day (ML2, sub)	
	Joint Venture w/RAS, JD (see above) SEC to 60 (w/RAS, JD) 60 to Wall to SEC (with JD)	Day at club all day (Caruk) (7)	"Tied up w/RAS" per Caruk (7)	FECC Buffets and Dinners - 8 pers. \$243.55 (6) Out of SEC Office for day (per Caruk) (7)	Short A.M. Meeting with Caruk (7) SEC to 60 (12:34am) 60 to TBS (3:21pm)	
	AFA Golf Outing FECC (8)	Joint Venture w/RAS, RJD (see above) SEC to 60 (w/RJD, RAS) 60 to Wall to SEC (with RJD)	Park Lane Hotel Dinner 6:30 (8) SEC to 60 (4:46 pm) with RAS	825 Fund 10:00 a.m. Local 825 Pension entire day (ML2, sub)	Noon - Nicelli (sic) at Jerry's (8) 6:00 Fri/union officials (8) Lunch w/Liguori and Maselli (ML2, sub) FECC to 60 (7:33am) 60 to FECC (4:45 pm)	FECC Buffet, Golf 2 pers. (6)
	72-49°F, 61 Avg. 0 Precip.	80-51°F, 66 Avg. 0 Precip.	88-60°F, 74 Avg. 0 Precip.	86-67°F, 77 Avg. 0.10 Precip.	68-56°F, 62 Avg. 0 Precip.	79-63°F, 71 Avg. 0 Precip.
						(3)

SUN) May 29 '77	MON) May 30 '77	TUE) May 31 '77	WED) June 1 '77	THU) June 2 '77	FRI) June 3 '77	SAT) June 4 '77
FECC-Buffet 2 pers. (6)		SEC to 60 (w/JD) 60 to SEC (w/JD)	RUM to 60 60 to SEC (w/RJD)	Sardis Rest., NY (3) SEC to Tamsent to 60	Busrunner BKT NJ (3)	
R A S						
FECC-Buffet 2 pers. \$9.60 Golf (6)	FECC Golf (6)		SEC to 60 60 to SEC (w/RAS)			
Black River and Raritan Public House, Chester, NJ \$25.93 (2) FECC-Buffets 3pers. (6)		SEC to 60 (w/RAS) 60 to SEC (w/RAS)	Hunan Yuan, J. Lynes re: Nassau County Outfall \$36.85 (2) Don Fineman 11:00a.m. (6) Fitz Claim 9:00 a.m. (8) SEC to 60 to Queens 60 to SEC	Tamsent PA AGC Convention thru 6/5 (8)	Tamsent PA AGC of NJ Convention \$74.75 (2)	
				Prudenti's Lunch with Local 15 B.A. \$28.35 (1)		
72-53°F, 63 Avg. 0 Precip.	71-53°F, 62 Avg. .08 Precip.	74-53°F, 64 Avg. 0 Precip.	69-60°F, 65 Avg. .04 Precip.	85-63°F, 74 Avg. 0 Precip.	71-57°F, 64 Avg. .04 Precip.	80-54°F, 67 Avg. 0 Precip.

SUN) June 12 '77	MON) June 13 '77	TUE) June 14 '77	WED) June 15 '77	THU) June 16 '77	FRI) June 17 '77	SAT) June 18 '77
	11:30-12noon meeting with RJD & Caruk (7) Wall to RUM	Wall to RUM TEB to 60 (w/RJD) 60 to ATL	RUM to 60 JFK to SEC	Wall to RUM		
	11:30-12 noon meeting with RAS & Caruk (7)	TEB to 60 (w/RAS) 60 to TEB		SEC to 60 60 to SEC	FECC-Drinks \$2.25 Golf \$22.64 (6)	FECC-Golf \$71.50 (6)
	Gian Marino Secondo NYC \$83.05 (2)	Jade Fountain Clifton, NJ \$15.90 (2)	BCA Office 3:30 (8)	The Store, Baslik Ridge, NJ with J. Ferrante re: Asphalt work \$41.22 (2) \$25 Fund (8) St. Regis Hotel 5:00pm (8)	FECC-Dinner \$26.45 2 pers. Wally Baker 9:30 (8) SEC to 60 (2) 60 to SEC (8)	
		NOTE: See chart for 6/10 re Prudenti statement date	Prudenti's lunch with F.D. (?) (1) \$35.81 (1)	Prudenti's lunch with Carpenter BA (1)		
	81-61°F, 71 Avg. 0 Precip.	77-63° F, 72 Avg. 0 Precip.	80-65° F, 73 Avg. 0 Precip.	74-63° F, 69 Avg. 0 Precip.	86-68° F, 77 Avg. 0 Precip.	

SUN	JUNE 26 '77	MON	JUNE 27 '77	TUE	JUNE 28 '77	MED	JUNE 29 '77	THU	JUNE 30 '77	FRI
R A S	RUM to 60 (w/JD) 7:40 a.m. SEC to Westchester Country Club (w/RJD) and return from WCC to SEC	RUM to Wall 60 (6:38 p.m. w/RJD) to RUM	Wall to RUM 60 to NWK 60 to SEC (w/JL, JD)							
R J D	10:30-11:30 meeting with Caruk (7) SEC to Westchester Country Club (w/RAS) and return from WCC to SEC Spoke w/McGuinness af. WCC (11)	SEC to 60 (7:57 a.m.) w/JD 60 (6:38 p.m. w/RAS) to RUM to St. Bar.	Fugazy Continental LIC, N.Y. \$125.25 OK to Caruk for bond (7)	FECC \$10.35 Drinks - Rest. \$9.70 - Golf \$47.06 (6) Approved Caruk vaca- tion day (7)						
J D	FECC - Golf (6)	Sheraton NWK \$16.38 (2) CCA Golf Outing (8) RUM to 60 (w/RAS) 7:40 a.m. 60 to SEC (9:33 a.m.)	SEC to 60 (7:57 a.m.) w/RJD 60 (2:40 p.m.) to SEC	Pulleritz Aldrich (8) SEC to 60 (w/JL) 60 to SEC (w/RAS, JL)	Ironmortars 10:30 a.m. (6)					
	82-68° F. 75 Avg. 0 Precip.	81-67° F. 74 Avg. 0 Precip.	80-68° F. 74 Avg. .38 Precip.	86-69° F. 78 Avg. 0 Precip.	84-71° F. 78 Avg. 0 Precip.					(9)

CALENDAR SOURCES

1. Prudenti's Monthly Statements to SCC (with individual attached chits)
Rec'd. SCC Jan. 12, 1982
S.P. 350407 - 350446
2. American Express Statements (Original Statements Produced by SCC)
Rec'd SCC Feb. 3, 1982 (Items A7-A9)
S.P. 352737 - 352798
3. American Express Statements (Photocopies Produced to SCC by Amex)
Rec'd SCC Jan. 25, 1982 (Items 10-12)
S.P. 351922 - 352049
4. American Express Statements (Photocopies Produced by SCC)
Rec'd SCC Jan. 12, 1982 (Item 2)
S.P. 350098 - 350192
5. Minutes of S.I.C. Joint Venture Meetings 1977
Rec'd SCC Jan. 27, 1982
S.P. 352317 - 352319
6. F.E.C.C. Chits
Rec'd SCC Jan. 29, 1982
S.P. 352354 - 352657
7. P.N. Caruk Diary
Rec'd SCC Jan. 27, 1982 (Item A)
S.P. 352273 - 352304
8. J. DiCarolis Diary 1977
Rec'd SCC Feb. 1, 1982
S.P. 352710 - 352725
9. Minutes of G.C.A. Special Meeting of May 25, 1977
Rec'd G.C.A. Jan. 12, 1982
S.P. 175001 - 175005
10. Finneran and King Time Sheets
Rec'd G.C.A. Feb. 3, 1982
S.P. 175194 - 175221

Calendar Sources

11. Edward McGuiness (Local 147) Diary 1977
Rec'd Soipser, Weinstock
S.P. 440002-440162
12. Theodore E. King
Grand Jury Testimony Feb. 9, 1982
Transcript PP. 825 - 826
13. Local Climatological Data for New York NWSO LaGuardia Airport,
New York, for January through December 1977
U.S. Department of Commerce Official
Publication, Certified Feb. 9, 1982
14. Local 29 - minutes of Trustees' meeting
Welfare, Vacation and Pension Funds
Rec'd. SCC Feb. 5, 1982
S.P. 410001-410035
15. Helicopter Flight Records:
 - 15A. S.A.C. In-Flight Work Sheets
Rec'd Feb. 3, 1982
 - 15B. Pan Am Metroport East 60th Street
Daily Activity Sheets
Recv'd Feb. 3, 1982
 - 15C. Island Helicopters Corp.
34th St. Helicopter Operations Record
Rec'd Feb. 2, 1982
S.P. 389001-389017
 - 15D. Pan-Am (Teterboro) Landing Times
Rec'd SCC Jan. 25, 1982
S.P. 351763-352271
16. MORRIS LEVIN FILE MEMOS
 - ML 1 - Memo of Jan. 11, 1982 re: Prudenti's Luncheon
(analysis of period May 2 - May 24, 1977)

Rec'd SCC Jan. 12, 1982
S.P. 350066 - 350072
 - ML 2 - Memo fo Feb. 1, 1982 re: Revision of Jan. 11, 1982
memo (analysis of period May 2 - May 24, 1977)

Rec'd SCC Feb. 1, 1982
S.P. 352705 - 352709

Symbols on May helicopter logs

N 202 SC - Boeing (light twin)
N 201 SC - Bell Jet Ranger (light single)

Helistops/Airports
(EXCEPT outside charters)

TEB	Teterboro Airport - Pan Am
Rumson	Mr. Schiavone's former residence
Sec	Secaucus office
Drier	Former Drier Steel yard in Queens
ATL	Atlantic Highlands, N.J. (Private helistop near Rumson)
GRD/LRF	Unknown, to be supplied if and when deciphered
WALL	Port Authority Downtown helistop
60	Pan Am Metroport - E. 60th Street
34	Island Airways Midtown - East Side @ 34th
30	Port Authority - West 30th Street
Queens	Leased dock at foot of Nott Avenue, Long Island City
F.E.C.C.	Fiddler's Elbow Country Club, Bedminster, NJ
S. J. Groves	Private helistop - Woodbridge, N.J.
TRN	Mercer County Airport, Trenton, N.J. (also TRET)
Perth Amboy	A.J. Ross Enterprises, Keasby, N.J.
BPCA or WTC	Either private helistop or Port Authority helistop at Batter Park City opposite World Trade Center
JFK	John F. Kennedy Airport, Port Authority
LGA	Marine Air Terminal, Laguardia Airport, Butler Aviation

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Symbols on May helicopter logs
continued

Shrine	St. Joseph's Shrine, Sterling, N.J.
E.W.R.	Newark Airport
Kupper	Airport between New Brunswick and Somerville, N.J.
Edison	Ramada Inn, Edison, N.J.
Wilkes Barre	Wilkes Barre, Pennsylvania
Union	Union County, N.J., Exact location not known
NTPKE or NJ TPK	N. J. Turnpike Authority office, So. Brunswick, N.J.
DOT	N.J. Department of Transportation, Trenton, N.J.
CTR ST	Dock at foot of Center Street, Newark, N.J.
Exit 3	Exit 3 on N. J. Turnpike

Outside Charters

Passengers (except outside charters)

RAS	Ronald A. Schiavone
RJD	Raymond J. Donovan
JD	Joseph A. DiCarolis
RCC	Richard C. Callaghan
J.L.	Gerry Ligouri
B.L.	Morris (Buzz) Levin
A.M.	Albert J. Magrini
V.A.P.	Al Paradise

Symbols on May helicopter logs
continued

Passengers

F.S.	Frank Stifelman, Esq.
B.P.	Robert Pedersen
AA	Andy Amisano
Luigi	Luigi Guissanni
M.C.	Mario Capogrosso
P.S.	Paul Scagnelli
G.V.	Greg Vasel
Jerry S	Jerry Santangelo
Bid	(Transporting Bid documents)

Remarks

A	(Except outside charter names)
B	Schiavone Construction Co.
C	Schiavone/Fitzpatrick Joint Venture
SIC	Hydromar Corp.
R	Schiavone/I.G.L./Crimmins Joint Venture
H	George Reenstra, Pilot
	Chip Harper, Pilot

Memorandum



TPP:JDD:jm
DEPARTMENT OF JUSTICE

Subject: Allegations of possible criminal conduct
by Secretary of Labor - Raymond Donovan

Date:

December 4, 1981

To: THOMAS P. PUCCIO
Attorney-in-Charge

From: JAMES D. HARMON, JR.
Assistant Attorney-in-Charge

In a memorandum dated November 27, 1981, which I prepared for your signature, it is stated that Raymond Donovan actually passed an envelope containing \$2,000 to Louis Sanzo of the Blasters Union. This statement is incorrect and reflects a mistake on my part and does not consist of any change in information provided by Mario Montuoro. This mistake is a result of the passage of time between an interview with Montuoro and the preparing of the memorandum and represents nothing more than faulty recollection on my part.

In fact, Joseph DiCarolis was seated at the table in Prudentia Restaurant between Donovan and Sanzo. While seated next to Donovan, DiCarolis removed the envelope from his pocket and handed it to Sanzo.

Exhibit 84

Memorandum

TPP:JDD:jd
DEPARTMENT OF JUSTICE



Subject:

Allegations of possible criminal conduct
by Secretary of Labor - Raymond Donovan

Date:

December 4, 1981

To:

THOMAS P. PUCCIO
Attorney-in-Charge

JAMES D. HARMON, JR.
Assistant Attorney-in-Charge

In a memorandum dated November 27, 1981, which I prepared for your signature, it is stated that Raymond Donovan actually passed an envelope containing \$2,000 to Louis Sando of the Blasters Union. This statement is incorrect and reflects a mistake on my part and does not consist of any change in information provided by Mario Montuoro. This mistake is a result of the passage of time between an interview with Montuoro and the preparing of the memorandum and represents nothing more than faulty recollection on my part.

In fact, Joseph DiChrolis was seated at the table in President's Restaurant between Donovan and Sando. While seated next to Donovan, DiChrolis removed the envelope from his pocket and handed it to Sando.

Exhibit 84

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 5/4/82

Kenneth Edwin Carter, after being advised of the identities of the interviewing agents and the nature of the interview, furnished the following information:

Carter was born April 9, 1947, at Jacksonville, Florida. He is currently unemployed and on an extended trip throughout the world, having recently traveled through Central America and is now touring Europe. He has no permanent address at this time, has no immediate plans for return to the United States and can be contacted through his sister, Joyce Jarvis, 4602 Tunis Street, Jacksonville, Florida, 32205, telephone (904) 388-9929.

Carter was previously employed with Schiavone Construction Company (SCC) of Secaucus, New Jersey, from 1968 until late 1980, when Carter quit the company for personal reasons and started traveling around the world. Carter was hired by SCC Vice President Albert Magrini. Carter first worked for SCC for about six months as a laborer, a member of Local 731, then was hired by Magrini as an office manager for several projects. Carter held the position as on-site office manager on the Vernon Boulevard project at Long Island City, New York, from 1974 until he left the company in 1980.

His responsibilities as office manager at the Vernon Boulevard project were basically the coordination of record-keeping functions in connection with the project. He was the only clerical employee of SCC on the project. One of his primary duties was payroll records and preparation. Other major duties were inventory and requisitioning of equipment, some supply purchasing, and safety procedures.

Carter worked under a project manager who was also on the site. The original project manager was Genarro Liguori, who is now a 2nd Vice President at SCC in Secaucus, New Jersey. Joe Theobald was the next project manager at the Vernon Boulevard site and after about a month Peter Steinborn took over as project manager and also held the title of project engineer. Steinborn was still the project manager when Carter left SCC in late 1980.

Since Carter's job responsibilities overlapped into several areas, he also worked in close connection with and more

Investigation on April 30, 1982 at Karlsruhe, Federal Republic of Germany File # Bonn 211-1

by SA Dennis R. Dickson
SA Robert M. Farning

RME:bs Date dictated May 3, 1982

BON 211-1

or less under the supervision of several officers at SCC in Secaucus, New Jersey, such as the people who were in charge of personnel, payroll, purchasing, etc.

Carter advised there were, on the average, about 150 workers on the Vernon Boulevard project, a figure which varied from time-to-time depending on the stage of construction and the type of work being done. There were usually between 10-20 work crews on the job, each headed by a foreman and a work crew might vary from 5 to 50 workers, depending on the job. There were also several sub-contractors involved in the project from time-to-time; however, Carter was not involved with their work crews, time-keeping, or payrolls.

Carter described the payroll and time-keeping procedures as follows: Since all the workers were union workers, all hiring and scheduling of work crews was handled by the project manager through the appropriate union locals. Carter would be notified by the project manager that a particular work crew was to be starting on the job and on the day the crew started, the foreman would bring the crew into Carter's office and after presenting their identity and Social Security numbers, etc., they would be employed. Carter would furnish the foreman some blank time sheet forms and then every day the foreman would turn in to Carter a time sheet for the previous day listing the worker's names and the hours they worked. These were then furnished to the project manager for approval. Although the project manager had the approval authority and responsibility, this authority was usually delegated to the superintendents who worked more closely with the work crews on the actual work being done. Since the superintendents were much more familiar with the particular jobs being done, they were in a much better position to actually know who was and who was not on the job. After approval of the time sheets, usually by both the superintendent and the project manager, Carter entered the data on computerized ledger sheets which were then picked up by company courier every Monday morning.

The time sheets were then processed at Secaucus by a data processing company and the payroll checks were then delivered to the job site on Wednesday for distribution to the workers on the same day.

BON 211-1

A company courier brought the paychecks to the job site on Wednesday morning where Carter received them and distributed them, usually just before or during the lunch hour, when the men who were working underground would be coming up for lunch. The checks were usually already separated according to union and each work crew, headed by a foreman. Carter then distributed the checks to the appropriate foreman or union steward, who in turn distributed the checks to each worker on his crew.

The company utilized an auditing procedure in connection with the distribution of payroll checks which worked in the following manner: About every two months, sometimes less frequently, the checks would be brought to the job site by an SCC accountant rather than the usual courier. Either Carter himself or one of the stewards who was assigned to work in the office would accompany the accountant to the job site where each foreman would be told to gather his crew in order to receive their paychecks. Each worker would then have to appear, present identification, usually a New York driver's license or Social Security card, and sign for receipt of the check. No particular accountant ever performed this audit regularly and the accountant who came to the job site was usually a different one each time. The head of the payroll department at Secaucus, New Jersey, Joseph Aulisi performed this function at the Vernon Boulevard project maybe once or twice between 1974 and 1980.

Carter advised he was never notified in advance that an auditor was coming. It did occur on perhaps one or two occasions that in talking to someone at SCC headquarters in Secaucus on other routine matters, it would come out in conversation that one of the accountants was coming to the job site, which obviously meant an audit, but Carter never relayed this information to anyone, with the possible exception of casually mentioning it to the general manager. Carter also noted that it was usually fairly obvious to anyone who was paying attention that an audit was going to occur on a particular Wednesday in that the regular company courier usually arrived between 9 - 10 a.m., with the payroll checks on a given Wednesday morning. If the checks had not been delivered to the site by 10 a.m. or so, that was usually a good indication that an accountant/auditor was bringing the checks as they usually came a little later, around noon, to distribute the checks.

BON 211-1

Again, no one would know this until after 10 a.m. or so when the regular courier had either not arrived yet or had arrived and not brought the paychecks with him, so that one could speculate that the checks were being delivered later by an auditor.

Carter advised he was not aware of anyone having had any advance knowledge of or receiving prior notification of an audit to be conducted and felt sure that if such were the case he would have known about it.

In response to a question concerning his knowledge of "no shows" or "ghost workers," Carter advised he is familiar with the practice; however, he is not aware of any such practices occurring on the Vernon Boulevard project. Carter advised that one of his unofficial functions was to keep a check on such practices and his routine duties called for him to occasionally go out to the job site and check with the foremen and/or various workers on a number of administrative-type matters. Carter always made it a point to engage the foremen and workers in casual conversation about the job or other matters and to ask about what this or that worker or crew was doing and how the job was going and in so doing was able to pretty well determine who was and who was not on the job site. All of the workers also had to report initially to Carter when they first started on the job, so that he in effect had met all of them personally and through handling the time sheets on a daily basis was quite familiar with the names of the workers and which crew they belonged to. As noted previously, it was also the responsibility of the various SCC superintendents on the job site to insure that the workers were actually on the job and to review and approve the time sheets submitted to Carter by the various foremen.

Carter stated he felt fairly certain that the practice of "no shows" or "ghost workers" did not exist to any degree and he certainly was not aware of it, if it did. Carter stated it is in the nature of worker-foreman relationships that occasionally a worker will have a good excuse to be off the job for an afternoon, for reasons maybe related to family sickness or some personal problem and upon being requested, the foreman will unofficially let the man go and then go ahead and submit a time sheet to show the man had worked. Carter stated

BON 211-1

that although he did not positively know of such occurrences, he suspected this type of situation probably occurred from time-to-time on a very limited scale.

Carter estimated that about two or three times a year he detected a situation wherein a time sheet was submitted for a worker whom Carter knew had not been on the job the day before. When he received the time sheet in such a situation, Carter immediately notified the project manager and the foreman who had submitted the time sheet and in no instances was the worker paid for that day. In most of these situations it was simply an oversight by the foreman.

When asked about the names Arthur or "Artie" Martin, Frank Russo, Carmine Buonanno, and John Busso, Carter advised the name of Artie Martin meant nothing to him. As to Buonanno, Carter has heard that name in connection with an alleged Mafia or Cosa Nostra "Family" in New York, but could not recall the name Carmine Buonanno nor associate it with anyone at the Vernon Boulevard project. Carter advised Frank Russo is a very common name but could not associate it with anyone at the Vernon Boulevard project, as is also the case with the name John Busso. Carter advised that as timekeeper he was familiar with the names of workers at the Vernon Boulevard project: however, a large percentage of these workers had Italian names and the above four names did not seem familiar to him as employees at Vernon Boulevard.

Carter advised he was certainly familiar with Sonny Petito, a foreman of Local 29 of the Blasters, Drillrunners and Masons Union. Carter stated that to the best of his knowledge, Petito never had any advance knowledge of company payroll audits and felt there was no way he could have received any suc. advance knowledge.

Carter stated that Local 29 of the Blasters, Drillrunners and Masons Union usually had five or six crews on the job, each with a foreman and a general foreman to coordinate the various work crews. Petito held the position of foreman and general foreman for Local 29. Carter was familiar with the name of Louis Sanzo as president of Local 29 and recalled he visited the Vernon Boulevard project maybe once or twice during the six years Carter was on that job.

BON 211-1

Carter was not familiar with the name of Sam Cavalier, Sr., and was not familiar with the term "boss" as an official of a union local unless it referred to the president of the union. Carter assumed that the designation of Cavalier as "boss" of Local 29 referred to him being connected with a Mafia or La Cosa Nostra family. Carter stated it was alleged or more or less accepted as fact that most or all of the New York unions were in one way or another controlled or influenced by the New York Mafia families. Carter stated he had no specific knowledge that such was the case with Local 29 or any other unions on the job and did not know the name of Sam Cavalier.

Carter reiterated he had no knowledge of any "no shows" in connection with Local 29 or any other unions and expressed his belief that such practices did not occur on the Vernon Boulevard project, at least not on a significant scale and that any such occurrences were on a very limited and isolated basis. Carter also stated he was not involved in any "kickback" arrangements with any union or company officials and knew of no such arrangements among other employees of SCC and union officials.

Carter stated he is very familiar with Raymond Donovan, the executive vice president of SCC, who had held that position during the entire time Carter worked for SCC. Carter stated it was his understanding that Donovan owns 35% of SCC and his expertise is in labor relations and he generally handles purchasing of concrete and steel for the company. He stated he believed Donovan may have visited the Vernon Boulevard project site once during 1974-1980 and described his role in the company as being more oriented towards the financial end than the actual construction jobs.

Carter stated he has met Donovan many times at company social and business affairs and is on a first-name basis with him as well as with all the officers and directors of SCC. Carter described SCC as a very close-knit company, sort of a family situation in which everyone is on a first-name basis. There are about 200 employees of SCC who work with each other on a very informal basis. Annually, the company sponsors a trip for most of the employees' trips such

BOX 211-1

as a week-long cruise on a ship to the Caribbean where business and company affairs are discussed in an informal atmosphere. During these and other company affairs, Carter has become well acquainted with Donovan as well as his family. Carter stated he had no knowledge of Donovan being involved in any sort of illegal or unethical activities.

FEDERAL BUREAU OF INVESTIGATION

July 23, 1975

Date of transcription

PATRICK KELLY, 39 Harrison Street, Apartment 8,
Montclair, New Jersey, furnished the following information:

28TH

He advised that on June 28, 1975, PATRICK KELLY attended a closing at the Office of CARL GANNEY (PM) and that YANNER (PM) regarding the second mortgage commitment of the MALFATANO deal. Present at this closing was SAM MALFATANO, ALLEN TURTLETOP, MIKE CASALLA (PM), and PATRICK KELLY. During the closing proceedings, a conversation developed regarding problems state officials encounter with different types of indictments of which bid rigging and paving contracts were involved. MIKE CASALLA, presently working for SAM MALFATANO stated that he hoped he would never be called as a witness, as he had been second in command of Turco Paving Company, at Kearny, New Jersey for a number of years. CASALLA stated TURCO was heavily involved with bid rigging and paving swindles in the Hudson and Bergen County areas.

It was stated that TURCO must not have been aware of these illicit transactions at which point, CASALLA stated TURCO was aware of everything that was happening including bid rigging and paving swindle schemes. CASALLA indicated that he possessed a great deal of knowledge as to how millions of dollars were made in paving and sewer contracts in both counties. GANNEY and YANNER were not present during the above conversation.

CASALLA further stated that when TURCO began operating in Bergen County, it was necessary for him to meet "the powers to be" regarding bid rigging before he could be accepted. CASALLA stated that during 1972, a great deal of work was done by the Turco Company on the extention and repaving of Route 17. CASALLA also stated that TURCO did a great deal of mortgage manipulations with his industrial park and nursing homes. TURTLETOP stated TURCO had a very good source who was providing him with mortgage financing through which great profits were being made on the over disbursments of monies. TURTLETOP stated that he had informed TURCO that he should get out of the nursing home business and handle only construction projects on a management basis.

Interviewed on 7/11/75 at Newark, New Jersey File # Newark 92-2317
by SA PLACIDE J. JUMONVILLE las Date dictated 7/17/75

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

re 6/29

Exhibit 86

NK 92-2317

Turco Paving was also involved in a number of contracts either as a primary contractor or a sub-contractor at the Military Ocean Terminal, Bayonne, New Jersey. It was stated that many tons of asphalt and seal coating to be used on construction projects both in Bayonne and Jersey City was dumped into sewers and garbage dumps. TURCO was paid directly for these materials as though they were actually being utilized in his construction projects. It was explained that most of the contracts regarding laying asphalt and seal coating is figured on the gallon or tonage basis and great profits can be made by discarding this material and claiming same as having been utilized as part of the construction project. On the tonage basis, the inflated figure is sometimes three and four times that which is actually utilized.

AGREEMENT

dated

January 4, 1978

P A R T I E S

The Trib New York, Inc., a New York corporation,
with its principal office at 711 Third Avenue, New York,
New York (the "Trib").

Empire News, Inc., a New Jersey corporation, with
its principal office at 218 North Randolphville Road,
Piscataway, New Jersey ("Empire").

R E C I T A L S

A. The Trib is a New York morning daily newspaper.
It contemplates that it will begin circulation on or about
January 9, 1977, primarily in 30 counties in and around
the City of New York.

B. Empire is in the trucking business.

Exhibit 87

C. The parties have agreed that Empire will pick up and distribute copies of the Trib to the Trib's wholesalers; distribution centers, post offices, truck terminals and airport terminals (exclusive of retail outlets and home delivery agents), upon the terms and conditions of this agreement.

T E R M S

The parties agree as follows:

1. The term of this agreement will be one year, commencing on the first day of publication of the Trib and terminating one year thereafter.

2. During the terms, on each day that the Trib is published, Empire's trucks will pick up copies of the Trib at such printing plant or printing plants (within a 50 mile radius of New York City) at which the Trib is being published and deliver those copies of the Trib to the places designated by the Trib, at such time and in such manner as the Trib may direct, from time to time. Empire shall, at all times, utilize and have on hand, a sufficient

number of trucks to handle the daily pick up and delivery of all copies of the Trib not to exceed eleven trucks; and all of Empire's trucks shall be used exclusively for the pick up and delivery of the Trib except as may be permitted by paragraph 9 of this agreement.

3. In full compensation for all of Empire's services and all of its expenses incurred in connection with those services, the Trib shall pay to Empire and Empire shall accept the sum of \$1,800.00 for each publishing day, payable bi-monthly. That sum is based upon an anticipated circulation of up to 250,000 copies daily and to a maximum of 72 pages per daily newspaper. If the aggregate number of pages on any day should exceed 18,000,000 pages, and if as a result thereof, it shall become reasonably necessary for Empire to add additional trucks to its normal daily run, then and in that event, the Trib shall pay to Empire additional compensation therefor, in an amount of \$180. per day for each such additional truck with a driver.

4. Empire shall have available at all times, at no cost to the Trib, not less than one idle truck and one driver to be available on an emergency basis should any of its other trucks be disabled or should Empire for any reason be unable to utilize all of its regularly utilized trucks. Any additional trucks required because of the Trib's breakdowns or for other emergencies caused by the Trib, shall be subject to additional charge in a mutually agreeable amount.

5. At the Trib's request, in its discretion and at its sole cost and expense, Empire shall supply all of Empire's trucks or drivers, or both, with remote control communication devices, such as "beepers" or commercial CB equipment; and all trucks will bear posters or signs containing the name of THE TRIB prominently displayed on their sides.

6. At the Trib's request, and without charge, Empire will pick up from the wholesalers along their truck routes, such returns of the newspapers as may be available from time to time and deliver the returned newspapers to

such place or places as may be agreed upon, for a rate of \$5.00 per ton, above the Fiber Market News (first listed prices) prices therefor, to be paid by Empire to the Trib, or credited against Empire's bi-monthly billings.

7. A load shall not exceed 46 pounds per bundle or such other weight as may be permitted by the wholesalers, and Empire's drivers shall load and unload its trucks, except for loads at those plants where loading is performed by the plants.

8. The services contemplated by this agreement are expected to require only a part of each publishing day, and the parties contemplate that from time to time the trucks may be employed for other profitable purposes by contract to other third parties. In any case of conflicting use of the trucks, the needs of the Trib shall have absolute priority; and in no event will the trucks be used for any illegal purpose or any purpose that will bring embarrassment or disrepute to the Trib.

9. The Trib has informed Empire that due and satisfactory performance of this agreement by Empire is essential to the Trib. Accordingly, if in the Trib's sole judgment, Empire's performance of its obligations under this agreement is not satisfactory, then the Trib shall have the right to terminate this agreement on not less than 60 days written notice of termination served by the Trib upon Empire.

10. Any and all disputes, differences, controversies or disagreements between the parties to this agreement arising out of, under or by reason of or relating in any way to this agreement, or to its validity, breach or enforcement thereof, (except for the termination provision in paragraph 10 hereof) shall be determined by arbitration in the City of New York before the American Arbitration Association, in accordance with the rules and practices of that Association then obtaining; provided, however, that not-

withstanding such rules and practices, any such arbitration shall be held before a single arbitrator, chosen in accordance with the rules and practices of the Association. An award made in any such arbitration shall be final, binding and conclusive upon the parties hereto; and the parties consent that judgment may be entered thereon in the Supreme Court of the State of New York, New York County, and consented to the jurisdiction of that Court for these purposes. It is the intent and purpose of this provision that disagreements regarding costs, which may arise from time to time, be submitted to arbitration under the provisions of this paragraph and that pending the determination of those proceedings, the parties continue with their obligations hereunder so that THE TRIB may continue to be sold and distributed without interruption for dispute which may arise under this agreement.

11. On holidays observed by the Trib, in which it does not publish, the Trib will reimburse Empire \$650.00 for such occasions.

12. (a) This agreement shall be governed by, construed and enforced in accordance with the laws of the State of New York.

(b) This agreement sets forth the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and supersedes all prior agreements, discussions, arrangements and understandings relating to the subject matter hereof.

(c) All notices, consents, requests, instructions, approvals and other communications under this agreement shall be deemed given when contained in a writing and mailed by registered or certified mail, postage prepaid, addressed as follows:

To Empire:

Empire News, Inc.
218 North Randolphville Road
Piscataway, New Jersey

Attn: The President

To The Trib:

The Trib New York, Inc.
711 Third Avenue
New York, N. Y. 10017

Attn: The President

(d) All the terms, covenants, and conditions in this agreement shall be binding upon and inure to the benefit of and be enforceable by the parties thereto and their respective successors and assigns (by law or by contract).

(e) This agreement may be amended, modified, superseded or canceled, and any of the terms or conditions herein may be waived, only by a written instrument executed by Empire and the Trib, or in the case of waiver, by the party waiving compliance. No waiver of any matter shall be deemed to include a subsequent waiver of any such matters or a waiver of any other matter.

IN WITNESS WHEREOF, this agreement has been duly executed on the day and year first above written.

88

ATTEST:

Secretary

EMPIRE NEWS, INC.

By: 

THE TRIB NEW YORK, INC.

ATTEST:

Secretary

By: 

AGREEMENT MADE this 12th day of January 1978 by and between EMPIRE NEWS INC. OF N.J., 218 North Randolphville, Piscataway, N.J. 08854, hereinafter called "The Wholesaler" and the Newspaper and Mail Deliverers' Union of New York and Vicinity, hereinafter called "The Union."

W I T N E S S E T H:

The parties hereby incorporate by reference the terms and conditions of the Agreement dated March 31, 1975 to March 30, 1978 between The Union and Publishers (N.Y. Times - Daily News) which are applicable to the delivery of The Trib by The Wholesaler which is attached hereto and made a part thereof, except as specifically modified herein.

This Agreement covers the delivery of The TRIB and The Wholesaler agrees to limit his operation to the delivery of The TRIB only.

The Wholesaler hereby recognizes The Union as the exclusive representative for collective bargaining of all its employees engaged in the delivery of The TRIB and in the operations performed by the following: chauffeurs and relaymen.

The Wholesaler also agrees to employ a minimum of ten men for said delivery.

Exhibit 88

This Agreement shall be in force and effect from
January 12, 1978 until March 30, 1979.

It is further agreed by The Wholesaler that if it stops handling The TRIB, The Wholesaler will pay those employees who have been regular situation holders for over one year with The Wholesaler, three weeks severance pay.

This Agreement is subject to ratification by the Executive Board and General Body of The Union.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Empire News Inc.

By

Hubie Vasto

Newspaper and Mail Deliverers' Uni

By

Reactive to Feb 15, 1978

Hubie Vasto

4/4/78

