

Agency Information

AGENCY : FBI
RECORD NUMBER : 124-10201-10037
RECORD SERIES : HQ
AGENCY FILE NUMBER : 92-3182-40

Released under the John
F. Kennedy
Assassination Records
Collection Act of 1992
(44 USC 2107 Note).
Case#:NW 45679 Date:
11-15-2017

Document Information

ORIGINATOR : FBI
FROM : ROEMER, WILLIAM F. JR.
TO : DIRECTOR, FBI

TITLE :

DATE : 02/03/1959
PAGES : 32

SUBJECTS :

GAL, INVEST, "TOP HOODLUM PROGRAM", ACT

DOCUMENT TYPE : PAPER, TEXTUAL DOCUMENT

CLASSIFICATION : Unclassified

RESTRICTIONS : 4

CURRENT STATUS : Redact

DATE OF LAST REVIEW : 02/17/1998

OPENING CRITERIA : INDEFINITE

COMMENTS :

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 2/3/59	INVESTIGATIVE PERIOD 12/1/58 - 1/20/59
TITLE OF CASE GUS ALEX, aka.		REPORT MADE BY WILLIAM F. ROEMER, JR.	TYPED BY FBT
		CHARACTER OF CASE ANTI-RACKETEERING	

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REFERENCE: Report of SA WILLIAM F. ROEMER, JR., dated 11/25/58, at Chicago.

- P -

LEADS

THE BUTTE DIVISION

AT SUN VALLEY, IDAHO

As noted in my airtel dated January 21, 1959, ALEX and his wife intend to spend 11 days at the Sun Valley Lodge, Sun Valley, Idaho, commencing February 12, 1959. Butte will insure complete coverage of ALEX's activities, phone calls, and associates while in Sun Valley.

APPROVED: <i>[Signature]</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW		
COPIES MADE: 2-Bureau (92-3182) <i>100471</i> ✓ 2-Butte 1-Newark (Info) 1-New York (92-955) (Info) 2-Chicago (92-373) <i>100-61-1000</i> <i>copy</i>	92-3182-40	REC-44	
	FEB 9 1959		
	<i>[Stamps and signatures]</i>		

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CG 92-373

THE CHICAGO DIVISION

AT CHICAGO, ILLINOIS

Will continue to conduct investigation regarding the current activities and so forth of GUS ALEX in conformance with Bureau letter to New York dated 11/27/57, entitled "TOP HOODLUM PROGRAM, AR".

COPIES TO OTHER OFFICES

One copy of this report is being designated for Newark and one copy for New York for informational purposes, due to the fact that the report contains information regarding the trip to New York and New York City, taken by CG 6232-C, where he solicited the cooperation of top hoodlums and other prominent hoodlums in New Jersey and New York City and because the results of this solicitation are reported therein.

INFORMANTS

<u>Informant</u>	<u>Agent</u>
CG T-1 CG 6232-C	(On 10/14/58 and 11/20/58 to SAs WILLIAM A. MEINCKE and JOSEPH G. SHEA)
CG T-2 CG 6029-S	(On 12/12/55, to SA JOHN J. OITZINGER)
CG T-3 CG 6272-C	(On 11/20/58, to SA WILLIAM F. ROEMER, JR.)
CG T-4 PCI EUGENE LIEBERMAN	(On 11/21/58, to SAs VINCENT L. INSERRA and PAUL B. FRANKFURT)
CG T-5 GEORGE E.Q. JOHNSON, JR., Attorney, Bank Building, Clark and Adams, Chicago	(On 12/17/58 to SA WILLIAM F. ROEMER, JR.)

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA WILLIAM F. ROEMER, JR. Office: CHICAGO
Date: 2/3/1959

File Number: Bureau 92-3182
Chicago 92-373

Title: GUS ALEX, aka.

Character: ANTI-RACKETEERING

Synopsis: ALEX continues to reside at 4300 North Marine Drive, Chicago, although he has been in New York City, Las Vegas, Nevada and Europe during most of the period covered by this report. Officials of Atlas Brewing Company, unable to find records of ALEX's past employment although information has been developed that he was a salesman there for approximately 8 years. Seven associates of ALEX identified. Informant advised that in order to operate a handbook in the Loop of Chicago, a bookie must obtain the sanction of ALEX and if given approval, call all bets into a syndicate "clearing house", where ALEX splits the income from the book, usually 50-50. Informant involved in dispute with a subordinate of ALEX obtained assistance of New York and New Jersey hoodlums and was able, through their help, to present true facts of dispute to ALEX, with result that ALEX's subordinate was discredited and informant was able to make arrangements with ALEX and his top aide FRANK FERRARO, to operate gambling houses in the first ward of Chicago, which is controlled for the syndicate by ALEX. Veteran Chicago Detective advised that he believes ALEX kidnapped and probably killed CLEM GRAVER, Illinois State Representative, in 1953, due to the fact that

This document contains neither recommendations nor conclusions of any kind. It is the property of the FBI, and is a loan to your agency; it and/or its contents are not to be distributed outside your agency.

II. ASSOCIATES

CHARLES "CHAPPIE" BERTUCCI

CG T-1, who has furnished reliable information in the past, advised that recently he was involved in a monetary dispute with LOUIS TORNABENE. He stated that TORNABENE was a partner of his in a gambling operation located in the Santa Fe Hotel on the corner of Polk and Dearborn, Chicago, and that TORNABENE had cheated him out of a total of approximately \$19,000.00. He stated that in order to arbitrate this dispute he went to SAM BATTAGLIA, a high level syndicate hoodlum, who in turn met with a representative of GUS ALEX's in order to settle the dispute. The informant stated that the representative of GUS ALEX's was one C. BERTUCCI, well known as "CHAPPIE", who resides at 303 West 32nd Street, Chicago, Illinois. He stated that BERTUCCI drives a 1954 blue Cadillac convertible. He also advised that BERTUCCI is carried on the payroll of the city of Chicago but that he does not work for the city of Chicago even though he receives \$100.00 a week from the city.

CG T-1 advised that on November 18, 1958, he was contacted and advised to meet GUS ALEX and his Lieutenant, FRANK FERRARO, at the Normandy Bar, across the street from City Hall, in Chicago. He stated that he met ALEX and FERRARO and that after advising ALEX of his side in the dispute with TORNABENE, ALEX placed a call for TORNABENE to join them immediately. He stated that when TORNABENE arrived at the Normandy Bar, he was accompanied by "CHAPPIE" BERTUCCI, who stayed outside in the car when TORNABENE came inside.

It is noted that CG T-2, who has furnished reliable information in the past, advised on December 12, 1955, that CHARLES "CHAPPIE" BERTUCCI is part owner of "Joey's Tavern", 5496 South Lake Park, Chicago. This informant also noted that BERTUCCI was a close friend of JOSEPH JAMES BAGNOLA, former Unlawful Flight to Avoid Prosecution - Murder fugitive, I.O. number 5920.

LOUIS BRIATTA

CG T-3, who has furnished reliable information in the past, advised that a top lieutenant of GUS ALEX is LOU

GEORGE LEIDERMAN

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CG T-3 advised that during the past several years one ~~GEORGE~~ LEIDERMAN was a well known bookmaker, who operated on a large scale in the Loop. He stated that in the late 1940's, LEIDERMAN took a bet from a better located in the Southwestern portion of the United States. This better lost and was unable to pay off LEIDERMAN. LEIDERMAN therefore accepted ownership in an oil well in Texas or Oklahoma owned by the better. Several months later the well produced sufficient oil to make a millionaire out of LEIDERMAN. Later, largely as a result of the Kefauver hearings, LEIDERMAN left the gambling business and now has an office at 188 Randolph where he deals in oil.

It is noted that in approximately May, 1958, while SA ROEMER was surveilling GUS ALEX in the Randolph Towers barber shop, 188 Randolph, a well dressed man entered the shop and was addressed by what SA ROEMER felt was Mr. LEBERMAN (PH) by a barber. ALEX immediately called to the man "GEORGE come here". It is believed this must have been LEIDERMAN, whom the informant described above. He was approximately 50 years old, tall, medium-heavy build, dark hair.

On December 10, 1958, it was observed that the building directory at 188 Randolph listed GEORGE LEIDERMAN in suite 620-627. When questioned as to the association between LEIDERMAN and ALEX, informant stated that he knows of none directly but due to LEIDERMAN's prominence in the Loop, it certainly figures that he is acquainted with ALEX.

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PAT MARCI

CG T-1 stated that when he was contacted in order to meet with GUS ALEX at the Normandy Bar on November 18, 1958, as described more fully below under the caption "Position of Gus Alex in the Chicago Crime Syndicate", it was PAT MARCI who called the informant and set up the meeting. He stated that when he arrived at the Normandy Bar, MARCI met him and brought him directly to the table of GUS ALEX and introduced him to ALEX and FRANK FERRARO.

CG T-3 advised that LOUIE BRIATTA is the man under ALEX, who has organized the gamblers in the Loop and who keeps them in line. He said that under BRIATTA are many underlings who constantly visit the bookies to insure that ALEX's interests are well provided for and that no one is crossing him. He identified one SID FRASER as being one of these underlings.

CG T-3 stated that years ago, men like JOHN LYNCH, MAL CLARKE, GEORGE LEIDERMAN and EDWARD DOBKINS were the "big bookies" in the Loop but that within the past several years the syndicate has "pushed" these men more and more until all of them decided that it was not worth it anymore and left the business in Chicago. Now, he said, the gamblers in the Loop are almost entirely "dagos" and very few have the personal integrity and good will which the old timers had.

CG T-1 advised, as previously reported, that GUS ALEX interceded in a dispute between LOUIS TORNABENE, notorious Chicago handbook operator and the informant, by taking TORNABENE's side in settling the matter in favor of TORNABENE. CG T-1 stated that ALEX's influence was sufficient to overcome the influence of SAM BATTAGLIA and other highly placed hoodlums, who sided with the informant, probably due to ALEX's control of the first ward, the area which CG T-1 stated ALEX controls for the crime syndicate in Chicago. The informant has now furnished additional information concerning this dispute regarding the role played in it by ALEX, as follows:

On October 10, 1958, CG T-1 stated that he had gone out to collect a gambling debt of \$6,000.00, which was owed to himself and LOUIS TORNABENE. The informant explained that he had taken the bet from an individual unknown to LOUIS TORNABENE. The individual lost and, therefore, owed the sum of \$6,000.00 to himself and LOUIS TORNABENE. The informant advised that in his opinion he had been muscled out of money honestly owed to him by TORNABENE and, therefore, took it upon himself to keep the \$6,000.00 and not turn over TORNABENE's share to him. The informant advised that he telephoned TORNABENE and told him that he planned to keep the money, as he felt that the money was due him and that if TORNABENE had any ideas otherwise, that the informant would take the entire matter up with hoodlum contacts of his on the

East Coast. The informant advised that he had planned to make a trip to the East in order to settle the whole dispute; however, the \$6,000.00 came into his hands before he had time to make arrangements to go East. He advised that he was positive that he would be able to straighten the entire situation out because he recontacted his associates in New York and New Jersey and felt that there was a minimum of risk in holding out the money on TORNABENE.

Informant advised that he contacted TORNABENE and told him that he would, under no circumstances, pay him any money, after which he decided that he should immediately leave Chicago and make the necessary contacts in Newark and New York to back up the threats which he had made to TORNABENE.

On October 14, 1958, informant advised that since he had departed from Chicago, he had been in daily contact with his wife who advised him that at about 1:00 p.m. on Saturday, October 11, 1958, LOUIS TORNABENE and BENNIE BERNARD, notorious Chicago cartage thief, came into their grocery store and asked for the informant. The informant said that these two individuals told his wife, "I want you to know that your husband has \$6200.00 of ours and we want it - if he doesn't come up with it we'll kill him." Informant advised that it was LOUIS TORNABENE who made the above statements. At about 6:30 p.m. on the same day, both TORNABENE and BERNARD again appeared at the store and told a young male employee, not to open the store on Sunday. The informant advised that on Saturday night his wife had contacted the Maxwell District, Chicago Police Department, advised that she had been threatened, and asked for a police escort home, and again in the morning to work. Informant advised that no details were supplied to the police; however, one Lieutenant GORE, who is known to the informant, apparently for friendship sake, caused informant's wife to be escorted to and from the store. Informant advised that on Sunday, the 12th, at about 10:30 a.m., BENNIE BERNARD appeared at the store. Informant advised that LOUIS TORNABENE never made a re-appearance at the store after Saturday, the 11th. BENNIE BERNARD on Sunday stated "You know if he doesn't get that money up, no matter where he goes we have connections. We'll get him and kill him." Informant advised that on Monday, the 13th, his wife said that BENNIE BERNARD again re-appeared between 10:30 and 11:00 a.m., at which time he said, "You know the money is not LOUIS', but his (meaning (BENNIE BERNARD) and his partner - he's going to get hurt - guys we are with are angry." BERNARD said

that he had gotten in touch with LOU and had calmed him down, and that if the informant straightened things out now everything would be okay. But if he did not, he would get hurt. We'll get him."

Informant advised that on October 14, 1958, knowing that BENNIE BERNARD was on federal probation, he made a telephone call to the United States Probation Office, Chicago, Illinois, determined that a Probation Officer by the name of WITMORE was in charge of BERNARD's probation, and he told WITMORE that BENNIE BERNARD had come to his store on several occasions, had made threats to his wife, attempted to force the employees to keep the store closed, and made threats against his person. Informant advised that he did not give WITMORE all of the details as to the reason the threats were made.

Informant advised that on October 14, 1958, his wife advised him that a probation officer by the name of WITMORE had appeared at the grocery store during the afternoon of October 14, 1958, and had BENNIE BERNARD with him. The probation officer interviewed the informant's wife in BERNARD's presence and asked if the allegations were true, at which time BERNARD budded in and said, "All I said to her was if (the informant) doesn't pay the \$6200 back we're going to get him and he'll get hurt." Informant advised that his wife told the probation officer that she was distraught and was in no frame of mind to answer further questions. Informant advised that since that time, neither BERNARD nor TORNABENE appeared at the store. However, the windows in the grocery store were all smashed over the last weekend.

On November 6, 1958, the informant contacted the Chicago Office of the FBI and advised that he had been in Newark contacting hoodlum connections, and had also been to New York City, where he contacted various people in an effort to straighten out his situation. He advised that he felt sufficient pressure had been brought to bear by the New York connections and he had been told to return and no harm would be done to him and that the matter with TORNABENE had been settled.

The informant supplied the following information regarding his contacts on the East Coast. He said that about

October 16, 1958, he made his first contact with one PETE LE BLANC in Hasbrook Heights, New Jersey. He advised that during the time that he ran gambling operations in New Jersey himself, he became well acquainted with PETE LE BLANC, as LE BLANC had been an active member at that time in the Moretti, Addonis & Anastasia Gang. He advised that MORETTI, ADDONIS and ANASTASIA, of course, are now dead and that PETE LE BLANC has taken over in that section of Jersey. He advised, however, that LE BLANC is, in effect, a powerful man in himself; however, he no longer has any organization behind him due to the fact that the Bergen County area in New Jersey is pretty well cleaned up regarding gambling and numbers, due to the extreme pressure which had been brought to bear by States Attorneys and police in that area. LE BLANC advised him that he no longer could use a telephone and he was reluctant to make contacts with other known hoodlums in the immediate area, due to the fact that the FBI was conducting extensive investigation and was apparently worrying them a great deal. Informant advised that LE BLANC told him that he would take the matter into consideration and that he might consider a trip to Chicago to contact the proper authorities and plead the informant's case. Informant advised that after a sufficient length of time it became apparent to him that LE BLANC was going to take no action. Informant advised that the meet with LE BLANC was at the offices of an attorney, N. CORELLA, at the corner of Second and Summit, Lindhurst, New Jersey. He advised that CORELLA had set up the meet between himself and LE BLANC.

Informant advised that after it had become apparent to him that LE BLANC was not the answer to his problem, he moved into the Newark area, and on about October 23, 1958, he contacted one TONY BANANAS (described as white male, age 40s, 6', 185-90 pounds, well built, athletic, Italian) at Dot's Restaurant on Route 10, about 15 miles west of Newark. He advised that this restaurant is frequented by hoodlums in the area and TONY had selected it as a meeting place. According to the informant, TONY BANANAS' sphere of influence is in Newark and he controls a good measure of the gambling occurring in the area. He advised that TONY is well placed in the syndicate and is considered an extremely powerful man.

The informant advised that the meet with TONY BANANAS had been set up for him through a friend, one AL DIVOTO, a bookie and an individual who has good contacts among bookies and hoodlums in the Newark area. He advised that AL DIVITO sells cars in Kearny, New Jersey, and that he is employed by the Chevrolet Company on Kearny Avenue. The informant advised that this is the only Chevrolet dealership on Kearny Avenue; however, he could not recall the name. He advised that DIVITO is not well placed regarding the top hoodlums and is, in effect, letting a rather small bookie operate at present. However, due to the operation that he now runs and those that he has run in the past, he knows the right people and was able to set up a meet with TONY BANANAS.

Informant advised that the sum and substance of the meeting with TONY BANANAS was that TONY told him to take his problem to PETE LE BLANC, who would be in a better position to do something for him, as PETE knew of his past reputation and would be in a better position to vouch for the informant than he (TONY BANANAS) would be. TONY advised that if he didn't get any satisfaction, however, to return and TONY would see that the situation was straightened out in Chicago. Informant advised that he did not want to tell BANANAS that PETE LE BLANC had been contacted and had offered very little assistance, so he dropped the matter and made no further effort to contact BANANAS. He stated that on about October 25, 1958, he contacted LOUIS "Coca Cola".

He advised that this meeting took place in Newark on 7th Avenue near High Street. He advised that if one was facing Broad Street, the place would be on the south side of 7th Avenue. He advised that the place was a little store which contained a TV set and several tables and chairs and nothing else. He advised that it was a meeting place for hoodlums in the area.

The informant described LOUIS "Coca Cola" as white, male, late 40s, 175 pounds, 5'7"-5'8", well built, greying brown hair, Italian. He advised that LOUIS "Coca Cola" was connected with the numbers and horse books in the Newark area. He stated that the above mentioned store was used in connection with both activities; however, messages were taken to and from the place by runners and although there was one telephone in the place it was not used for business at all.

He advised that LOUIS "Coca Cola" is a powerful lieutenant to RICHIE "The Boot", a 70 year old hoodlum who is one of the most powerful individuals in numbers and horse books in the Newark area. He advised that LOUIS "Coca Cola" listened to his story and tried to find flaws in it, indicating that LOUIS TORNABENE might have been right in his action. Informant felt that LOUIS "Coca Cola" did not know him or his reputation well enough to be in a position to help him. He advised that LOUIS "Coca Cola" asked if he knew JOHNNY MARSHALL (MARSHALL CAIFANO), Chicago top 10 hoodlum. The informant had never met MARSHALL and, of course, denied that he knew him to LOUIS "Coca Cola", and that just about ended any further discussion.

The informant then advised that he felt that he would be in a better position if he made some contacts in the New York City area with some top hoodlums that he knew over there and felt that he would get better satisfaction and make faster headway than he was in the Jersey area. Informant decided to contact one SALVATORE ESPOSITO. He advised that SALVATORE ESPOSITO is a "bean man" for New York hoodlums and at one time had been a member of Murder Incorporated. Informant advised that he knew SALVATORE ESPOSITO personally for a period of approximately 15 years after he had been released from prison. SALVATORE ESPOSITO had served about 12 years for murder. He advised that he had dealings with ESPOSITO in the past when he (informant) was closely associated with the Addonis and Moretti Gang in Jersey. He advised that ESPOSITO works for the New York City hoodlums; however, he lives in New Jersey and he advised that ESPOSITO now resides at 11-43 Hoehn Street, Lodi, New Jersey, telephone number Gregory 2-1663. He advised that he contacted SALVATORE ESPOSITO and his brother, TONY, in New York City at a little social club which is actually a store front location on 102nd Street between 2nd and 3rd Avenue. He advised it is on the north side of the street and the number is probably 245. He advised that this store is a meeting place for hoodlums in New York City and is simply an empty store which has several chairs and tables and a television set. He advised that he met SALVATORE and TONY for the first time about October 25, 1958. SALVATORE told him immediately that he would be able to straighten out the situation with little difficulty.

During the course of conversation, SALVATORE mentioned the name FISCHETTI as a person who was presently in New York, and the individual from whom he took orders. He advised that he would get in touch with him as soon as the informant left and attempt to get permission for himself and his brother, TONY ESPOSITO, to come to Chicago for a meeting with TORNABENE and anyone else TORNABENE might want to have present. The informant advised that SALVATORE did not mention the first name of FISCHETTI, but did say that this individual was then living in New York City. Informant advised that he was in no position at that time to inquire further into the situation. During the course of the conversation, SALVATORE ESPOSITO advised that the last time he was in Chicago was in 1953, in connection with a killing. The informant attempted to get the time of the year that SALVATORE was in Chicago; however, he was unsuccessful. SALVATORE did state, however, that he spent most of his time in the Rush Street area of Chicago, at that time, and apparently knew a lot of places and people in that particular area of Chicago. SALVATORE did not elaborate any further on the killing which took place in 1953. Upon leaving, the informant was assured by ESPOSITO, that he had nothing to worry about. It would be all taken care of and he would get in touch with him again.

He advised that several days later, about October 28, 1958, he was contacted and ESPOSITO set up a meet for Maschios Restaurant in Lindhurst, New Jersey. Informant explained that Maschios is a place which he, the informant, had once owned, and is a legitimate restaurant in Lindhurst and was chosen only because it was easily accessible by both individuals. He advised that on about October 28, 1958, TONY and SALVATORE met him at Maschios and they continued the discussion of the informant's problem. At this time, the informant paid \$1000.00 to SALVATORE and TONY and he was told by SALVATORE and TONY ESPOSITO that he could call up his wife and tell her not to worry about a thing, that nobody would be around the grocery store and that the matter had been completely taken care of. At this time SALVATORE scheduled another meet for Sunday, November 2, 1958.

At this time, the informant again met the above individuals at Maschios, at which time he was advised by them that he now had a partner and advised that SALVATORE and TONY ESPOSITO were to get an additional \$2000.00 if the matter had been completely cleared up and that the informant was

to expect no more trouble under any circumstances from either LOUIS TORNABENE or any of his associates. Informant advised that he said no deal to this proposition, but advised that SALVATORE and TONY ESPOSITO would get the \$2000.00 when they came to Chicago and entered into a conversation with LOUIS TORNABENE and his associates. Informant advised that at the end of this meeting he had been completely satisfied that TONY and SALVATORE ESPOSITO would get the \$2000.00. Informant advised that the ESPOSITOS said that they were agreeable to this and that they would come and straighten out the situation some time before the Christmas holidays.

The informant advised that under the circumstances, of course, he would be immediately suspicious of a shake-down by the ESPOSITOS, however, he advised he has known them for many years, has had dealings with them in the past, and has found that they were extremely reliable in anything they said and felt they were in no position to go sour on him or attempt to shake him down. Informant advised that he felt positive that nothing more would come of any trouble with the TORNABENES.

Informant advised that since the windows in his grocery store were broken on October 17, 1958, there has been no threats of violence or any movements made toward his property or any member of his family. Informant advised that he has been back in Chicago for several days and has, in effect, notified LOUIS TORNABENE of the fact that he is back and where he could be located and also indicates that he considers the matter of \$6200.00 closed.

The informant advised that regarding the New York City situation, the city is running good on horse books and that the payoff is \$1800 per month per telephone to the New York City police. He advised that the situation regarding horse books in New York City and in other parts of the East is different from Chicago, in that the syndicate hoodlums do not exert the pressure upon it that they do in Chicago, and they take far less from the bookie take. He advised that the main occupation on the part of a bookie as far as his expenses are concerned is the \$1800.00 per month per phone that he must pay to the law.

CG T-1 stated that he was contacted on November 18, 1958, by PAT MARCI, who called the informant at his place of business and said that he wanted to set up a meeting between the informant and GUS ALEX at the Normandy Bar, vicinity of 100 North La Salle Street.

The informant advised that he arrived at the Normandy Bar and Cocktail Lounge, 5:00 on November 18, 1958. He advised that PAT MARCI brought him directly to the table of GUS ALEX and introduced him to ALEX and an individual that was with GUS ALEX, who was introduced to him only as FRANK, but whom he learned later was FRANK FERRARO.

The informant advised that after MARCI made the introductions, MARCI went to another table and did not participate in any of the following conversation.

The informant advised that the individual, introduced to him as FRANK, began the conversation and indicated that he had gotten a call from some people in New York. FRANK advised the informant that he knew all of the details pertaining to the informant's difficulty and dispute with LOUIS TORNABENE. Further, FRANK wanted the informant to reiterate the entire facts to GUS ALEX and himself. The informant advised that he went into complete detail regarding the entire dispute whereupon ALEX asked him if he wanted to face LOUIS TORNABENE with his story and his accusations. The informant advised that of course he would, whereupon GUS ALEX placed a call for TORNABENE to join them immediately.

The informant advised that TORNABENE arrived about fifteen or twenty minutes later and was driven to the Normandy Bar and Cocktail Lounge by CHAPPIE BERTUCCI. The informant advised that CHAPPIE BERTUCCI stayed outside in the car while LOUIS joined them in conversation.

GUS ALEX and FRANK FERRARO aggressively and minutely questioned LOUIS TORNABENE regarding the particulars of the gambling dispute with the informant. The informant advised that TORNABENE was unable to give coherent answers, did not have the facts and figures in his mind and was obviously lying, whereupon ALEX became furious, called TORNABENE a "degenerate gambler" and stated emphatically TORNABENE had never had the sanction of the outfit regarding his own personal gambling. The informant explained that what ALEX meant was that although TORNABENE had sanction of the outfit to run a book he had not been permitted to gamble on his own. The informant gathered from the dispute between TORNABENE and GUS ALEX, that this was not the first time that TORNABENE had gotten himself into trouble with ALEX in connection with his own personal gambling.

The informant advised that while ALEX was still questioning TORNABENE, FRANK FERRARO left to interview CHAPPIE, who was still in the car. When FRANK returned, he made it obvious that from his interview with CHAPPIE, CHAPPIE was unable to come up with straight answers regarding the entire affair and both FRANK and ALEX became furious with TORNABENE. The informant advised that the entire dispute was settled in favor of himself and that ALEX was apologetic about the treatment he had received from TORNABENE. At the end of the dispute ALEX turned to TORNABENE and said "Now you're responsible for (the informant's) safety". TORNABENE turned and professed not to know what ALEX was talking about whereby ALEX clarified himself by saying that he knew TORNABENE had hired someone to kill the informant and now he better hire someone to protect him because if anything happens to him it would be his, TORNABENE's, end.

The informant advised that GUS ALEX specifically inquired about any physical damage that had happened to the informant's store as a result of the dispute with TORNABENE, whereupon the informant told him about the broken windows and the malicious spattering of paint, and so forth. ALEX said, "That's BENNIE BERNARD's work, he has been doing that for years." The informant said that ALEX was extremely bitter towards BENNIE BERNARD and he said he would take care of BENNIE himself. The informant advised that he was very surprised at ALEX's attitude toward BENNIE BERNARD and that ALEX said that BENNIE BERNARD would not be allowed in the Loop in the future.

The informant advised that during ALEX and FRANK's interview, LOUIS TORNABENE was badly shaken and left in a highly nervous condition. ALEX also got LOUIS TORNABENE to admit that he had actually threatened the informant's life and was seriously admonished for it. ALEX called TORNABENE a liar and after he left advised the informant that TORNABENE had been a good man for him until he started fooling around with the horses, himself. The informant advised that the entire matter had been settled in the informant's favor and GUS ALEX told him, the informant, that he had been very highly recommended by New York people. ALEX was also quite interested in the informant's gambling situation in Chicago and asked how many phones he had and if they were operating. The informant advised that he had several phones and an apartment location and was ready to operate, however, he had been holding the entire operation at a standstill until the above dispute was settled.

ALEX expressed a great interest in the details in which the informant had set up his operation and told the informant to keep everything down for the moment and that he, ALEX, would see him again in regard to the gambling operation.

The informant advised that after TORNABENE had left ALEX was talking freely about his displeasure with TORNABENE and said "that he might take everything away from him". The informant advised that the entire meeting took approximately two and one-half hours and that he went home from the Normandy about 7:30 in the evening.

The informant advised that he called SALVATORE ESPOSITO at Lodi, New Jersey, the following morning, Wednesday, November 19, 1958, and told SALVATORE the outcome of the meeting and all the particulars as to what had transpired. ESPOSITO gave his approval and told the informant "to be sure and not give them a nickel, it was all taken care of by them". SALVATORE advised that he and TONY ESPOSITO would still come to Chicago sometime in the near future and the informant also agreed to send an additional \$1000.00 to SALVATORE within a week for the services which they and their two friends in New York had performed in connection with this dispute. The informant advised that SALVATORE and TONY ESPOSITO would probably simply come to Chicago to make contact with the individuals responsible for the mediation of the above dispute and perhaps handle some other personal business. The informant advised that his own dispute was now over and that he did not expect the ESPOSITOs to take any action regarding it and he felt that they had performed their function as he had expected.

On November 26, 1958, CG T-1 advised that at about 7:45 P.M., on November 25, 1958, he received a telephone call in Chicago from SALVATORE ESPOSITO. SALVATORE advised that he had flown into Chicago and wanted to see the informant and have supper at the Singapore. SALVATORE ESPOSITO said that he and his brother, DOMINIC, had driven from New Jersey and were staying at the Croydan Hotel in Chicago. The informant advised that he met SALVATORE and DOMINIC at the Singapore where they had dinner and nothing of a business nature was discussed. The informant advised that after dinner he drove them to the Croydan Hotel where they were already registered in Room 1009.

The informant advised that he went up to the room with SALVATORE and DOMINIC where SALVATORE and DOMINIC told him that they wanted to collect \$5000.00. The informant advised that SALVATORE and DOMINIC tried to explain to him that the \$6200.00 which the informant took prior to his trip did not belong to LOUIS TORNABENE and that they had come out to collect \$5000.00 and turn it over to its rightful owner. They said they wanted \$2500.00 that day and \$2500.00 within a week. The informant advised that DOMINIC and SALVATORE knew about the meeting which he had had with GUS ALEX. DOMINIC and SALVATORE confirmed the fact that ALEX was very displeased with TORNABENE's action. The informant advised that neither DOMINIC nor SALVATORE would tell him to whom the \$5000.00 was to be paid and he, the informant, took the attitude that DOMINIC and SALVATORE were simply trying to shake him down for \$5000.00 and promptly told DOMINIC and SALVATORE that he would not come up with the money under any circumstances unless he knew to whom it was going.

The informant advised that he could not understand at that time the reversal in SALVATORE's and DOMINIC's attitude toward the dispute. The informant advised that if SALVATORE and DOMINIC were not attempting to extort \$5000.00 from him, then GUS ALEX must be behind the pressure somewhere. The informant advised that he left the Croydan Hotel after promising to meet DOMINIC and SALVATORE at the hotel at 1:00 P.M. the following day for further discussion. The informant advised that he planned to tell DOMINIC and SALVATORE that under no circumstances would he come up with any money and they could do as they please about it.

The informant was seen entering at 11:36 A.M. and leaving at 12:05 P.M. While the informant was in the hotel, a 1954 or 1955 Montclair Mercury, white and red sedan, was noted in the parking lot adjacent to the Croydan Hotel. The license number was noted as 1958 New Jersey BJ6634. At 12:10 P.M. the radio message was received that the informant was calling regarding the meet. At 12:13 P.M. telephonic contact was made with the informant at which time he explained that DOMINIC and SALVATORE were waiting for him in the lobby of the Croydan Hotel and that they seemed to be in a great deal of a hurry and wanted to get back to New Jersey for Thanksgiving. They explained that they were leaving immediately. They told him that they would relay the message that the informant was not going to pay the money to their contacts and that they would

be back to see him again in Chicago. They instructed the informant to call SALVATORE the following Sunday in New Jersey. The informant advised that neither SALVATORE nor DOMINIC made very little more reference to the \$5000.00, saying "all right so you haven't got it, we'll straighten it out later". He advised that with that he left.

On December 2, 1958, the informant was again contacted at which time he advised that he had received a telephone call Sunday, November 30, 1958, from SALVATORE ESPOSITO, indicating that he would fly out to Chicago the following Monday or Tuesday. The informant advised that on Tuesday, December 2, 1958, SALVATORE ESPOSITO again called and said that DOMINIC, his brother, and one other individual would be out to see him the same day. SALVATORE said they were flying to Chicago via American Airlines, Flight 737, arriving from Idelwild Airport, New York, at Chicago, at 3:05 P.M., December 2, 1958. The informant was instructed to meet the plane.

On December 3, 1958, the informant advised that he met the above airplane which landed at Midway Airport, Chicago, at 3:10 P.M., December 2, 1958. He advised that DOMINIC ESPOSITO was accompanied by one ANTONIO (TONY) TROMBINA. The informant advised that he drove DOMINIC ESPOSITO and TONY TROMBINA directly to his, the informant's, place of business, where TROMBINA said he wanted to use the phone to get in touch with GUS ALEX immediately. Upon arrival at the store, the informant advised that TROMBINA told him to get in touch with GUS ALEX right away.

The informant said that he was going to call PAT MARCI, who would set up a meet for ALEX with TROMBINA. TROMBINA inquired as to who MARCI was and when the informant explained, TROMBINA showed some surprise that a politician would be the one to set up a meet but the informant explained that that was the way it was done and he could not set up a meet in any other way. TROMBINA then told the informant to call MARCI, which he did. The informant advised that he called MARCI and explained that he wanted to see ALEX. MARCI indicated that ALEX would be hard to reach and probably would be unavailable for a meet but said he would call back in a few minutes.

The informant advised that MARCI called back from the Normandy Lounge and at this time TROMBINA grabbed the telephone and began talking to MARCI in Italian. The informant advised that the only thing he could overhear was that TROMBINA introduced himself on the phone, spelling out his name and saying that he was sent by TOTO or TATA from New York, a good friend of his. Within a few minutes the telephone rang again and the informant was pretty sure that FRANK FERRARO was on the telephone and after TROMBINA talked to him for a few minutes a meet was made to see GUS ALEX in about fifteen minutes at the Normandy Lounge. The informant advised that they left about 4:30 P.M. by cab and drove directly to the Normandy Lounge.

When they arrived the informant advised that he saw DE ARCO, PAT MARCI, FRANK FERRARO and someone whom he did not know, occupying a table at the Normandy Lounge. The informant explained that DE ARCO and apparently ALEX have a booth in this lounge which they always use and receive telephone messages on a yellow telephone in this booth. The informant explained that FRANK FERRARO introduced himself to TROMBINA. He explained that FRANK FERRARO and TROMBINA then went to another table and engaged in some conversation. He and ESPOSITO were kept separate. He advised that in a few minutes GUS ALEX entered and joined the conversation with FERRARO and TROMBINA. He advised that in about twenty minutes they sent for DOMINIC ESPOSITO, who also joined the conversation. The informant advised that he was kept too far away to hear any of the conversation. The informant advised that in about an hour they sent for him and GUS ALEX dominated the following conversation:

ALEX explained that the informant owed \$5000.00 but did not make it clear at this point to whom the money was to be paid, however, indicated that it was either to ALEX or FERRARO. ALEX did not seem to press for the money and told the informant he would have plenty of time to get it up and tentatively set one year from that day to come up with the money.

The informant said that he seemed to get mad and ALEX bawled him out in no uncertain terms starting off by saying, "How long have you been in Chicago?" The informant replied and ALEX said, "Men with your experience and being in Chicago, you should know that no one operates in that district without my OK". At this point ALEX explained that the \$5000.00

which they were talking about did not have any particular significance in the dispute that the informant had had with LOUIS TORNABENE.

ALEX told the informant that the \$6200.00 which he took did not belong to the informant entirely indicating that some of that money, if it had gone through the proper channels and had not been stopped by the informant, would have gone to TORNABENE and then part of the money to GUS ALEX.

ALEX explained then that the informant had done right by going to New York in an effort to reach well placed people to straighten out his dispute with TORNABENE, however, he made a mistake by taking the \$6200.00 first. ALEX then said that in this instance, as far as he is concerned, the \$5000.00 was not the important thing as he certainly was in no need of money but said that the principle of the thing was involved and indicated that the \$5000.00 payment would be simply a payment to ALEX and FERRARO to allow the informant to operate gambling interests in the district which they control.

Then ALEX became very interested in the book set up which the informant had, inquiring as to how many phones he had, customers, and so forth. ALEX then said that he would see to it that the informant could operate and that "we will send some people over".

At the conclusion of the meeting the informant advised that everyone was on friendly terms and ALEX said that he would set the informant up and not to hurry about the \$5000.00. ALEX said he would see to it that he would make plenty of money and that the \$5000.00 owed to ALEX would be, in effect, insignificant.

The informant advised that they did not discuss any particulars as to how the money was to be paid, in what amounts, or when, however, there was no doubt left in his mind that either FERRARO or ALEX would receive the payments. The informant advised that the remainder of the meeting was on friendly terms and that the meeting broke up about 6:45 P.M. when the informant went home.

The informant advised that about 12:30 A.M. on December 3, 1958, he got a telephone call at his home from DOMINIC ESPOSITO, who said that he wanted to see the informant the following day at 9:00 at his hotel room at the St. Claire Hotel, 160 East Ohio Street. The informant inquired as to how he would know what room to go to and ESPOSITO said that he was there under an assumed name but had forgotten how he had pronounced or spelled the assumed name. The informant said that the best DOMINIC could was that it sounded like SPELLO. Then DOMINIC said, "Oh, the hell with the name, just come up to Suite 20E". The informant advised that he made the meet at which time TROMBINA and ESPOSITO said that there would be no more heat and GUS ALEX had set him up in business and that they had provided the informant with an excellent standing in the syndicate in Chicago. They reiterated the fact that GUS ALEX would set the informant up and he, the informant, would have one fine operation. They advised the informant that they were going to see ALEX and FERRARO that morning before leaving again for New York and New Jersey. DOMINIC ESPOSITO told the informant that now he has a partner in Chicago, GUS ALEX, and that he, DOMINIC, is also a partner in New Jersey and that the informant is to contact DOMINIC by telephone and report the progress of his booking enterprise.

The informant said that he put little credence in the fact that DOMINIC ESPOSITO tried to cut in as a partner and said that he simply humored ESPOSITO at the time knowing full well that once he got going DOMINIC ESPOSITO would receive nothing from any operation which he was running. The informant advised that as things turned out DOMINIC realized that he had made the informant look powerful in the eyes of ALEX and that he, the informant, now was apparently going to get a real good deal, which ESPOSITO wanted to cut himself in on.

Information has previously been reported, showing that GUS ALEX is the syndicate leader who controls the Policy Racket on the south side of Chicago. Information has also been developed through CG T-3 that ALEX is syndicate leader of the Loop but has no interests on the south side. This informant stated that he knows reliably that RALPH PIERCE controlled the south side for the syndicate. This seemingly conflicting information appeared irreconcilable until the following information was developed:

CG T-4, who has furnished reliable information in the past, advised that he became involved in a dispute concerning LENNY PATRICK, Chicago top hoodlum. He stated that PATRICK was involved in a shakedown and that he went to Lieutenant ENRIGHT, Acting Captain, 25th Police District, in Chicago, in order to have ENRIGHT force PATRICK to cease and desist in his shakedown. Lieutenant ENRIGHT informed the informant that he was unable to do anything about the situation because PATRICK is connected with policy in the 25th District and because policy is controlled in the Loop. Lieutenant ENRIGHT stated that if PATRICK was operating a book in the 25th District, Lieutenant ENRIGHT could tell him to stop his shakedown or threaten to close the book, but since the Policy, being operated in the Loop, was not being controlled from Lieutenant ENRIGHT's district, ENRIGHT was, therefore, powerless to stop the shakedown even though the shakedown was occurring in the 25th District.

In view of the above information furnished by CG T-4, it would appear since ALEX controls the Loop and policy is controlled from the Loop, that ALEX does, in fact, oversee the policy racket for the syndicate as has been previously reported.

2. Possible Involvement of
ALEX in Gang Crime in
Chicago

Sergeant CHARLES FITZGERALD, Chief of Detectives, Chicago Police Department, advised SA LENARD A. WOLF, on December 3, 1958, that several State Representatives are paid \$30,000.00 per year to vote as they are told by the syndicate in the Illinois State Legislature. He stated that these legislators have become popularly known as the "West Side Bloc". Sergeant FITZGERALD stated that he received information from what he considers to be a reliable authority, who is in a position to know that CLEM GRAVER, who was a member of the Illinois State Legislature, and who was kidnapped in 1953, was killed because he was a member of the "West Side Bloc" and therefore on the payroll of the syndicate and because he refused to vote the way he was instructed by the syndicate. Sergeant FITZGERALD stated that his informant advised that GUS ALEX was the triggerman for the syndicate, who disposed of GRAVER.

CG 92-373

The following informants are furnishing current information regarding ALEX:

CG 5973-C
CG 6232-C
CG 6272-C

The following informants have furnished recent information concerning ALEX, but have not furnished any information during the period covered by instant report:

CG 6215-C
CG 6241-C

The following Potential Criminal Informants are furnishing current information concerning ALEX:

TURA FOLTZ
RAY LONGTREE
PAUL RAFFLES

In addition to the above, Sergeant MICHAEL A. SERRITELLA of Evergreen Park, Illinois, Police Department, who enjoys a certain amount of ALEX's confidence, having grown up in ALEX's old neighborhood contemporaneously with him, is contacted regularly. He now resides two blocks from ALEX's mother's residence in Evergreen Park. Also, Mr. and Mrs. JOSEPH VINCENT, who reside across the street from ALEX's mother and brother, are contacted regularly. It is noted that ALEX receives his mail at his mother's address and visits there often.

In order to aid in the determination of a possible move on the part of ALEX and his wife, arrangements have been perfected with BENJAMIN LEVIN, Superintendent of the Lake View Post Office, which covers ALEX's residence at 4300 North Marine Drive, Chicago. Mr. LEVIN, who was last contacted on October 13, 1958, advised that he will immediately contact this office in the event he receives a removal notice from either ALEX or his wife, MARIANNE RYAN. It is noted that it

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is not felt likely that ALEX would request a removal notice, but it is felt extremely likely that MARIANNE RYAN, due to her career as a professional model, would be most desirous of furnishing a forwarding address to the Post Office.

It is noted that CG 6272-C, who has furnished reliable information in the past regarding ALEX, whom he has known for approximately 20 years, was developed from an initial approach regarding ALEX, last summer. He has now qualified as a criminal informant by furnishing information of interest regarding practically all Chicago top hoodlums plus information concerning many other prominent Chicago hoodlums and six top hoodlums of other offices.

Attention is drawn to the information set out in the details of this report under the caption "Criminal Activities" and subcaption "Position of Gus Alex in Chicago Crime Syndicate", wherein information obtained from CG 6232-C (T-1) is set out.

Investigation conducted by the Newark Office verified the existence of the places referred to in New Jersey by the informant and the existence of hoodlums in New Jersey who were contacted by the informant during his successful attempts to influence them to intercede for him with GUS ALEX in Chicago. As a matter of interest the Newark Office determined that "TONY BANANAS" is identical with ANTONIO ROCCO CAPONIGRO, Newark top hoodlum and that LOUIS "Coca Cola", is probably identical with LOUIS DE BENEDETTO, an associate of RUGGERIO BOIARDO, also known as "RICHIE the Boot", a former Newark top hoodlum.

The Newark Office also determined that other hoodlums contacted by the informant were well known New Jersey hoodlums.

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