
Profile: Alfonse D'Amato



Dope, Inc. mob behind New York senator

by Rogelio A. Maduro and Gretchen Small

New York's Republican U.S. senator, Alfonse D'Amato, has taken the lead in the Reagan administration's crusade to drive Gen. Manuel Noriega out of Panama. On May 20, the senator went so far as to demand that Noriega, the commander of the Panamanian Defense Forces, not only be removed from power, but that ways be found to *kill* him—even though D'Amato admitted that were Noriega tried, there would be no legal grounds for his execution!

D'Amato outlined his favored scenario in a dramatic exchange with CBS-TV's John McLaughlin. The United States must ask for Noriega's extradition, he began. "And then we serve notice to let him know we're going to take him out, one way or the other."

McLaughlin: "Would you execute him if he were found guilty in the U.S.?" D'Amato: ". . . I doubt if we'd get him out alive. There probably would be a firefight, and—" McLaughlin: "Suppose we got him out alive. . . ." D'Amato: "We'd try him." McLaughlin: "Would you favor the death penalty for him?" D'Amato: ". . . We don't have that kind of charges laid against him. . . . I would favor us using whatever force necessary to bring about his removal. . . . And if it took a firefight to bring him out, then so be it. And if something happened in that which brought about his demise, why, that's one of the risks."

Who is this self-proclaimed anti-corruption crusader? To what interests does Senator D'Amato answer?

D'Amato's 1986 campaign raised over \$8 million, and his 1992 reelection campaign has already raised over \$1.5 million. D'Amato told the *New York Times* on Oct. 20, 1986, that his top fundraisers were "the real estate developers George Klein and David Mack; Harold Bernstein, head of Northville Industries; the banker David Rockefeller; James D. Robinson III, chairman of American Express Company, and Charles Gargano, a construction executive. . . ."

Information available in the public record on D'Amato's financial supporters and friends, reveals that the senator's career—personally, financially, and politically—has been sponsored by or related to both organized crime and the Wall Street command structure of "Dope, Inc."—the international illegal narcotics cartel. Is it not interesting that General Noriega *personally* put through a banking law in Panama that

allowed authorities to shut any bank account which was proven to be used for drug-money laundering, in the international banking center based in Panama?

1. Picked up by Roy Cohn

Once elected U.S. senator for the first time in 1980, D'Amato was picked up by the Roy Cohn machine in New York City. Cohn, a partner in the law firm of Saxe, Bacon and Bolan, was well-known as the lawyer for members of the Gambino and Salerno crime families (after making his mark as assistant to the notorious Sen. Joe McCarthy).

On his first trip to Washington, D.C. after his election, D'Amato "brought along just one adviser—Thomas A. Bolan, a founder of the state's Conservative Party and an early and influential Reagan supporter, but a man D'Amato hardly knew. The two have since become close. Bolan, a law partner of Roy M. Cohn, serves as a middleman between the senator and Reagan aides," the *New York Times* reported on Feb. 13, 1983.

2. References for the Mattone Group

In May 1986, Mattone Group Ltd. cited Senator D'Amato and New York Gov. Mario Cuomo as references, in its bid for a multimillion-dollar expansion plan for the Pittsburgh airport. According to investigators, Joe Mattone—a contributor to D'Amato's campaigns (as was his lawyer, Philip Megna)—and Nicky Sands began lobbying Allegany County in 1985, to award the Mattone group a \$3 million contract for the construction of a third airport cargo building at the Pittsburgh airport.

Central to the Mattone scheme, was the establishment of a customs clearing house at the airport, to replace the present system, where items needing customs inspection are flown to Cleveland and trucked to Pittsburgh.

Despite the references from the "respectable" D'Amato and Cuomo, the Allegany County Board of Commissioners abruptly canceled its contract with the Mattone Group, when it discovered that its president, convicted felon Nicholas Sands (a.k.a. Nicky Santiago), is the godson of notorious mafia chieftain Carlo Gambino, and that the company is a front for organized crime.

Sands's ties to the mob were too much for Pittsburgh. He had been indicted and jailed in 1975 for embezzling \$500,000 from the pension fund of Carpenters' Local 3108, which he headed. He is the owner of several acknowledged mafia-linked trucking companies at Kennedy Airport in New York. He was a key associate of Donald Manes, Borough president of Queens, N. Y., who died an alleged "suicide" in the wake of the New York Democratic machine's devastating corruption scandals of the mid-1980s.

In May 1980, Sands himself was the victim of an attempted mob rub-out, when he was shot nine times as he was leaving his Queens home, yet he would not cooperate with the authorities on his assailants.

3. Defending friend Basile

On June 25, 1988, New York *Daily News* reported two other "errors" of judgment damaging to the image of anti-corruption crusader D'Amato. These revolved around the case of D'Amato's nominee for federal judge, Robert Roberto, who was forced to withdraw his candidacy after it was found he ran a so-called "undercover" investigation 17 years ago, in which Roberto personally went into massage parlors and indulged in sexual relations with prostitutes.

Behind the scandal were also Roberto's ties to the mob, through another friend of D'Amato's: Philip Basile. The *Daily News* reported:

"Senator Alfonse D'Amato (R-N.Y.), who nominated Roberto to the bench and praised him lavishly in an introduction to the Senate Judiciary Committee, said in a statement, 'I can certainly understand his decision.'

"Roberto also had come under fire for his action as a state judge in helping a reputed mob associate and convicted felon, Philip Basile, win liquor license renewals for his Long Island nightclubs. D'Amato had appeared as the only character witness on Basile's behalf. The Senate committee also said it was probing new allegations that Roberto accompanied former Nassau District Attorney William Cahn on 'numerous overseas trips for which Mr. Cahn double-billed both Nassau County and the National Association of District Attorneys.' Cahn was convicted of the charges."

Philip Basile, rock band manager and Long Island nightclub and restaurant owner, was tried and convicted in December 1983, for conspiring with reputed Lucchese crime family associate, Paul Vario, to win release for another crime family figure, Henry Hill, then a federal prisoner. Shortly after Basile's assistance secured his release Hill was arrested again: for drug-trafficking.

When Basile was brought to trial, Sen. D'Amato was the only witness to testify on behalf of his character! D'Amato testified that he had known Basile for 12 years. "I know him [Basile] as a honest, truthful, hardworking man, a man of integrity," D'Amato stated at the trial, the *New York Times* reported on Oct. 20, 1986.

A UPI wire of Dec. 10, 1984 described Basile as "a close

friend of Sen. Alfonse D'Amato," noting that D'Amato threw his 1980 victory party at Basile's Channel 80 Discotheque in Island Park, N. Y.

In February 1984, Basile was sentenced to five years probation, and fined \$250,000. Nonetheless, in July 1984, D'Amato's campaign accepted contributions from both Basile and his wife. When D'Amato's 1986 Democratic challenger for his Senate seat brought up the D'Amato-Basile ties, a D'Amato spokesman answered that D'Amato defended Basile because he was "a fellow who grew up in his old home town."

4. Mafia contributors

Charges that D'Amato was linked to organized crime followed him throughout that 1986 reelection campaign. D'Amato's opponent, Democrat Mark Green, released documents to the press showing that D'Amato had received contributions from at least seven mafia figures. Green demanded D'Amato answer the charge, giving the "pattern and prevalence of these gifts." These included:

- Sam Albicocco, listed in D'Amato's campaign contribution filings as the owner of Port, Ship and Dock, Inc. *UPI*, Oct. 26, 1986, wrote that Albicocco, "owner of a company with a reputed monopoly within the asphalt industry, is a close business and personal associate of a Lucchese crime family soldier, Aniello Migliore, according to a *Newsday* report." (Press sources allege that Albicocco has his fingers into Northville Industries, whose ties to D'Amato are cited below.)

- Anthony Bentro, a New York businessman convicted in 1978 in a pension kickback scheme;

- Fiori Persichilli, a Long Island businessman indicted in 1984 in a Suffolk County garbage collection case involving bribery of public officials;

- Emedio Fazzini, an owner of Jamaica Ash and Rubbish Removal Co., who was indicted in September 1984, on charges that he conspired with the Lucchese crime organization to monopolize garbage collection on Long Island;

- Nicholas Ferrante, owner of the Unique Sanitation company named in the same indictment as Fazzini;

- Thomas Ronga, owner of Detail Carting Co.;

- Angelo Ponte of Ponte and Sons Inc.

After Green's charges were made public, D'Amato's campaign announced that contributions had been sent back to four of the seven men cited. The *New York Times* reported Nov. 1, 1986: "Mr. D'Amato acknowledged yesterday that some of the contributors to his campaign were accused, though not convicted, of having ties to organized crime."

5. Protecting the junk bonds

In letters sent on Sept. 28, 1986, to U.S. Attorney Rudolph Giuliani and District Attorney Robert Morgenthau, D'Amato's Senate opponent, Mark Green, introduced a new charge: that of having taken illegal payoffs from a consortium

of speculators and corporate raiders. Green charged that D'Amato had committed "fraud, forgery, misrepresentation and other criminal violations" in conspiracy with the Wall Street investment house, Drexel Burnham Lambert, Inc.

Drexel Burnham Lambert, the leading U.S. financial firm dealing in the highly speculative "junk bond" market, is indeed one of D'Amato's top financial backers. The firm contributed more than \$200,000. for his campaign in 1986 alone, according to D'Amato's records filed with the Federal Election Commission. Other sources report that Drexel Burnham helped obtain nearly a million dollars in contributions from others for D'Amato in 1986, sponsoring several fund-raising dinners for their candidate where D'Amato made, as one source put it, "hundreds of profitable contacts" with financial leaders who paid \$1,000 per plate to meet the senator.

Drexel Burnham is also under investigation for fraud. On June 7, 1988, the Securities and Exchange Commission (SEC) voted to authorize the filing of securities fraud charges against Drexel Burnham, naming in particular its leading junk bond financier Michael Milken—another regular D'Amato contributor and fundraiser. The SEC announced it would wait to actually file the charges, however, until a parallel criminal probe of Drexel being conducted by U.S. Attorney Rudolph Giuliani is brought to court.

The SEC began its investigation into Drexel's activities following testimony by jailed stock speculator Ivan F. Boesky—another contributor to D'Amato's campaigns. Boesky, who pleaded guilty to securities fraud in April 1987, told government investigators that he had been involved in an illegal stock trading arrangement with Drexel's Milken and another Drexel investment banker, Dennis B. Levine, who was later convicted and jailed. Drexel had extended Boesky a \$1 billion-plus credit line for his operations.

D'Amato, as chairman of the Securities Subcommittee of the Senate Banking Committee (1980-86) and minority ranking member of that subcommittee (1986-present), has proved useful to these Wall Street backers. The senator delayed or sabotaged several major legislative proposals aimed at both restoring a measure of order to the frenzied financial markets, cutting the flow of drug money into the stock market, and stymied bills which would have curbed the rash of junk bond-financed corporate takeovers that have nearly destroyed U.S. corporate structure.

Cited by the press was the case in 1985, when the Securities Subcommittee held a hearing on a proposal to restrict junk bonds—one week after Drexel Burnham Lambert held a \$1,000 a person dinner for the senator. The proposed legislation was later withdrawn.

On Oct. 20, 1986, the *New York Times* drew attention to D'Amato's Wall Street ties. "D'Amato is chairman of the securities subcommittee of the Senate Banking Committee and securities firms and executives have given him at least \$500,000, according to D'Amato financial reports on file

with the Federal Elections Commission. The senator acknowledged, 'I have been a fighter for their interests' but he said there was no 'cause and effect' between contributions and his actions on legislation. He said the junk bond restriction was withdrawn because it would have affected all 'less than investment grade bonds.' About 100 dinners, lunches and cocktail parties, mostly in New York and Washington, have been prime vehicles for D'Amato's fund-raising, bringing in close to \$2 million," they reported.

Indeed, most of the small group of interlocked "kings" who run the junk bond market are contributors to D'Amato's campaign. Exemplary are:

- Saul Steinberg, Chief Executive Officer and Chairman of the Board of Reliance Group Holdings Inc. Steinberg is one of the largest and most consistent contributors to D'Amato's campaigns, as have been more than a dozen top Reliance executives.

Reliance is a \$7.2 billion umbrella company dealing in insurance, real estate development, liquefied petroleum gas distribution, consulting and technical services. One of its largest holdings is a new Spanish-language television network in the U.S., Telemundo Group. In 1987, more than 40% of Reliance's fixed-income portfolio came from junk bonds. Reliance, which has been frequently backed by Drexel Burnham in corporate takeover raids, also came under investigation for securities fraud by the SEC in the wake of the Boesky scandal.

In 1980, during divorce proceedings, Steinberg's second wife, Laura, filed a stockholder's suit against her husband, charging that Steinberg is "a heavy user" of narcotics who "as a consequence of his drug addiction . . . failed to attend many corporate meetings and to perform certain corporate duties," and that he paid out \$190,000 in company funds for illegal drugs, including cocaine, *Fortune* magazine reported in 1980. She further accused him of taking \$100,000 from Reliance to bribe a New York City official; the money was allegedly paid on behalf of another company he controls to win a contract to build bus shelters in the city.

- Meshulam Riklis of Rapid American Corporation. U.S. Customs Service sources report that Rapid American Corporation has been number-one on their watchlist for drug-smuggling across the U.S.-Canadian border since the mid-1970s. (United Brands' Carl Lindner, a frequent partner of Reliance's Steinberg in corporate raids, owns 40% of Rapid American). Riklis, himself a frequent business partner with Steinberg, was a major owner of the Investors Overseas Services (IOS) scam in the late 1960s, until he sold out to Robert Vesco in 1971. In 1973, he became a leading fundraiser for Israel's Gen. Ariel Sharon, a relationship which continues to this day.

- Other major D'Amato campaign contributors from Wall Street include top executives from: Dillon, Reed and Co; E. F. Hutton; First Boston Corporation; L. F. Rothschild, Unterberg, Towbin; Salomon Brothers; Shearson Lehman

American Express.

6. Wedtech scandal

Mario Moreno, former executive vice president of Wedtech, testified in New York that he had contributed \$30,000 to D'Amato, in exchange for his help in getting government contracts for Wedtech, but that the recipients did not know the money came from "an illegal source."

Moreno called D'Amato "one of the most important people" to Wedtech. The senator assigned three aides to spend hours working with Wedtech officials from time to time, he said, adding that without D'Amato's help, the company probably would not have gotten \$143 million in Navy pontoon contracts awarded it in April 1984.

D'Amato had sent Moreno a letter in that month stating in part: "I can truly say that without your advice and generous support, my position going into this year's election would be far different from what it is today." Asked if the contributions reflected belief in their causes, Moreno answered, "No, in exchange for favors that we expected to get."

A D'Amato spokesman called the testimony "ridiculous." D'Amato himself called his intervention in favor of Wedtech Corp. a mission of mercy, testifying on May 6, 1988 at the racketeering trial of Rep. Mario Biaggi that he had come to the aid of Wedtech as requested by Biaggi, but had not done so as a political favor to the congressman. His assistance to Wedtech was "not any more and not any less than we've done for hundreds and hundreds" of other companies, he insisted.

D'Amato did admit, however, that a Democratic group organized by a former Biaggi aide was "instrumental" in his 1980 victory, and called Biaggi's decision not to endorse his Democratic opponent Elizabeth Holtzman "complimentary" to him. He claimed that all his contacts with Biaggi were "always above board" with "not a scintilla of impropriety," the *New York Daily News* reported on May 7, 1988.

Examination of the FEC's list of contributors to D'Amato's 1986 campaign does indeed demonstrate that Wedtech Corp. executives John Mariotta, Anthony Guariglia, Fred Neuberger and Lawrence Shorten contributed thousands to D'Amato's re-election bid.

7. Northville and the Panama connection

The New York-headquartered Northville Corporation has played a prominent role in D'Amato's campaign interests. Not only does D'Amato cite Northville chief Harold P. Bernstein as one of his top fundraisers, but Federal Election Commission records show that Northville executives contributed over \$30,000 to D'Amato's 1986 reelection bid, and have provided large amounts as seed money for D'Amato's 1992 campaign.

Bernstein and Northville are certainly no disinterested bystanders to events in Panama: Northville is the largest minority shareholder (owning 39% of the shares) in the com-

pany which runs Panama's cross-isthmus pipeline, Petroterminales de Panamá. Petroterminales was one of the first U.S.-Panamanian companies to "volunteer" to refuse to pay taxes or pay earnings due the Solís Palma government.

The decision came as no surprise: Harold Bernstein's representative on the Petroterminales' Board is a leader of Panama's opposition movement, Gabriel Lewis Galindo.

Lewis Galindo's business associates are a tale unto themselves. Suffice it to say that Northville representative Galindo has been a "longtime business associate" of Colombian ex-President Alfonso López Michelsen, a man who has interceded publicly and repeatedly to argue for the Medellín cocaine cartel's economic and political interests in Colombia.

Northville Corporation imports more gasoline into the United States than any other company in the world. Its docks and storage tanks in Linden, N.J., Bonaire, Netherlands Antilles, and Panama, when added to company facilities on Long Island, give Northville storage capacity for 26 million barrels of petroleum, a larger capacity than that of most so-called "oil giants."

This "unknown" oil giant has been able to cover its activities for over 30 years, as it is privately owned by the Bernstein family. Its main role is that of a "middleman," and according to Gene Bernstein, in an interview with the *New York Times*, Northville "has been a behind-the-scenes player. Consumers and retailers were not aware of us and there was no reason for us to make them aware of us. The people we traded with knew about us, and that was the way we wanted it."

In addition to dominating the home heating oil industry on Long Island, one of the largest, most lucrative markets in the United States, Northville is the largest independent terminal operator in the East Coast, with a 2,000 acre storage farm in Linden, N.J. According to sources, Northville has been under investigation for tax evasion on the imported gasoline, and petroleum. The United States loses over \$1 billion every year in taxes from smuggled oil products.

Northville is a leader in another international oil scam—selling oil to South Africa. Since all OPEC members and virtually all other oil-exporting countries embargo South Africa, there is very little "non-embargoed" oil available on the international market. Although the Dutch government introduced an oil embargo against South Africa in 1981, the Dutch-run Netherlands Antilles was exempted from the embargo. Northville's refinery and transshipment terminal in Bonaire, Netherlands Antilles, has profited from this exemption.

As the London-based newsletter, *Latin American Regional Reports: Caribbean*, wrote on July 16, 1982: "The Netherlands Antilles is now a major transshipment port for 'laundering' oil supplies for embargoed South Africa. . . . It is clear that most of the oil is supplied from the three transshipment terminals in Curaçao (Shell), Aruba (Exxon) and Bonaire (Northville Industries/Paktank), and it originates from countries which officially embargo South Africa."