

# The Frankfurt mafia is finally beginning to feel the heat

by Volker Hassman

On Monday night, Feb. 1, 1969, around the railroad station of Frankfurt am Main, the financial capital of Germany, it's payday for U.S. soldiers, and, as usual on such days, there is plenty of action on the streets. There's also action in the New York City Bar, on Moselstrasse. There is a fight between the GIs and the bar manager; people go outside, and shots are fired. A soldier collapses on the sidewalk with a bullet in the neck. The owner of the bar is accused, but denies his guilt. The lineup with witnesses, however, takes place six weeks later. Meanwhile, the suspect is able to go to Milan and return with his hair cut and weight so changed that he cannot be unambiguously identified as the assailant. The case is quickly closed.

Now, 22 years later, the police have reopened the case, with 24 witnesses, two of whom identify the bar owner as the one who fired the shot. The district attorney's office subsequently certified the investigation as "sloppy," and is considering a charge of attempted murder. Murder is subject to a statute of limitations of 20 years. The bar owner is Hersh Beker, the "red light king" of Frankfurt, who is currently under investigation by the district attorney on suspicion of formation of a criminal organization, evasion of taxes, and illegal gambling. Beker has taken refuge in Israel and lives in a suite in the Hilton Hotel in Tel Aviv, beyond the reach of German justice.

## Corruption of city officials

If we stand before the house at 50 Kaiserstrasse and glance at the business name-plates, it's easy to overlook a plain panel simply inscribed with the name "Beker." But this is false modesty. Through Hersh Beker runs one of the trails to organized crime in Frankfurt. Since June 1989, the district attorney and the police have been conducting investigations of the bosses of the red light district, Hersh "Harry" Beker and his brother Chaim, called "Charlie." They are said to have made \$26.65 million through their illegal casinos alone, with a clear profit of \$8.11 million. These brothel kings are not small fish. *Der Stern*, on the basis of police evaluations, speaks of "possessions in the value of more than \$117.65 million up the sleeve" of Hersh Beker.

For such funds, however, prostitution, bars, and gambling are not enough. The Bekers also are involved in the real estate market, which is traditionally connected to the crime scene, and not only in Frankfurt. Here, the two made

profits of millions at the expense of the city of Frankfurt, with the help of officials of the municipal government. When the Christian Democratic Union (CDU) under Walter Wallmann moved onto the City Council in 1977, they intended to drive the red-light district out of the train station neighborhood. There was big talk of smashing the networks of prostitution, criminality, and drug dealing. Later, it was merely a matter of a transfer to east of the city; and disgust with the underworld was not too strong to prevent direct contact being made with the Bekers.

The city wanted to offer the brothel kings a "substitute area." In the later search of the Beker villa in Dreieich-Götzenhain near Frankfurt, the police found a copy of the draft of this ordinance. The Bekers' corrupt contacts in the government paid off for the brothers. Those who first knew of the transfer also made the first money out of the deal. Under the cover business of Frankfurt Properties, London, Beker received an exclusive contract for the purchase of a tract on Breiten Gasse 26 am Ostende der Zeil, on which a 220-room brothel was to be built, as the city government wanted it. One clause stated that Beker would be awarded a compensation of \$45.29 million in case his brothel monopoly were not guaranteed. Lease contracts of over \$2.35 million annually were to be concluded with nine directors, all, according to the police, belonging to a "highly criminal procurer milieu," all of whom were acquaintances, friends, or partners of the Bekers. The government business with the bosses was discreetly handled by the head of office of real estate, Müller-Helms, and City Treasurer Gerhardt through the municipal Charity Fund Foundation, which was thoughtfully established more than 500 years ago by the generous citizens of Frankfurt for the care of "fallen women."

But that was not all. For \$5.38 million five further pieces of property were created around the planned brothel in a new "tolerance area." In recompense, they gave the city three houses in the area of the Elbestrasse and Moselstrasse, and gained an explicitly sweetheart price: \$10.12 million. From 1970 to 1988, the Bekers had made only \$2.41 million on the properties. The municipal Charity Fund again acted as purchaser. Investigatory officials conjecture that, with the help of the head of the office of real estate, who runs the business of the foundation, Beker may have evaded another \$764,705 in taxes. Shortly before the sale, Hersh Beker had quickly concluded a rental contract with his brother Chaim

that the city could then get rid of only by paying \$882,353. Those funds ended up, according to *Der Stern*, in Beker's special account number 6-002547 in the municipal savings bank "with the best wishes" of Gerhardt and Müller-Helms.

### The 'Israel connection'

The dubious dealings of the city with the crime bosses has been, of course, in the headlines for some time, and yet it was not until a broadcast on Channel 2 (ZDF) on March 5, 1991 that the drumbeat over the "Mafia am Main" finally began. The coverage, with police, prosecuting attorneys, and journalists as witnesses, provided evidence on the structure of organized crime in the city. It extends from large-scale extortion of money through drug trafficking, to murder by contract, to the laundering of drug money in legal businesses. In this connection, the real estate market traditionally plays an essential role. The real "bombshell" from television writer Jürgen Roth exploded toward the end of the program. The millionaire real estate dealer and Joseph "Joschi" Buchmann, who is well known in underground circles, could be considered as the "godfathers" of organized crime.

Roth then documented the participation of Buchmann in Beker's business with the city for the three houses in the train station neighborhood. Also, Buchmann was alleged to be in the background of the Breiten Gasse business. According to ZDF, the Bekers and Buchmann each earned \$2.94 million for a further purchase through District Attorney Meulenbergh. In the telephone book, the latter has the same business address as Dr. Hensel, who represents Beker as well as Buchmann as attorney. With representatives of the city, including city treasurer Gerhardt, Hensel had in 1987 discussed protection of the monopoly for the brothel managers, according to Roth. He is also active in the "Society for the Friends and Supporters of the University of Tel Aviv," which was founded by Buchmann. The honorary chairman is still Gerhardt.

Naturally, those involved were not interested in knowing with whom they were dealing. That cannot be. Frankfurt's police chief Dr. Gemmer, sent in May 1984, according to *Der Stern*, a report from the Israeli daily newspaper *Yedioth Aharonoth* to Wallmann's office, which the latter initialed. Under the headline, "The Jewish 'Bosses' of Frankfurt," the activities of the Beker brothers were documented in detail. Buchmann didn't need this information; he knew the milieu quite well.

The Beker brothers' careers began in the 1960s in Frankfurt. Hersh Beker advanced from doorman at the Imperial Night Club to business manager, and in 1965 took over the New York City Bar, the establishment that formerly belonged to Joseph Buchmann. Brother Chaim got into the Salambo Bar on Elbestrasse. They ran brothels and peep shows, and gradually developed into the kings of the neighborhood. The trajectory of the Bekers was typical of the rise of the notorious Israeli mafia in Frankfurt since the beginning of the 1970s. Police chief Dr. Gemmer said that, in his day, the well-organized heroin busi-

ness was in the hand of "the Israeli gangsters." Thus, the drug gang of "Big Joe" Amiel, which had connections to the influential Jewish mobster Meyer Lansky in the United States, was caught in a police dragnet. Gemmer declared war on the "smart Israeli business people behind the drug trade" by setting up a special commission.

Joseph Buchmann, who is now vociferously defending himself against the suspicion of being the "Godfather am Main," is himself responsible for his reputation. The French author Jacques Derogy described the speculators as a sort of outpost for the Lansky mob after the war. According to Derogy, the Polish-born survivor of Auschwitz first rose in the black market as a young man after the war in Frankfurt and also dealt with underground dollar currency. When the cashier of his organization tried to leave with millions of dollars, he was murdered. Buchmann was arrested, but then released, because a member of the mob took responsibility, according to Derogy.

Buchmann was also successful. He opened bars, including the above mentioned New York City Bar, and witnesses from that time ascribed a leading role to him in the train station neighborhood. An editor of the newspaper *U.S. Over-*

## Mayor's wife defends Frankfurt drug lobby

On May 11, days after her husband Andreas von Schoeler became the new mayor of Frankfurt, Ulrike von Schoeler abused her position as a reporter for the Hessischer Rundfunk radio station to defame the Anti-Drug Coalition and the American politician and economist Lyndon H. LaRouche, one of its founders. For 12 years the ADC has been the boldest opposition to drug legalization in Germany, and a sharp critic of Andreas von Schoeler's liberal drug and security policies.

The broadcast by the mayor's wife coheres with an international pattern of attacks by the U.S. drug lobby and CIA circles of the Bush administration against Lyndon LaRouche, who has announced his presidential candidacy against Bush in 1992. His exposure of the big names of the international drug business, since he commissioned the book *Dope, Inc.* in 1978, and his protest against the dirty Iran-Contra "weapons for drugs" deals fostered by then-Vice President Bush, have made him and his associates targets of a violent "McCarthy-style" slander campaign. "Journalist" Ulrike von Schoeler has tarred all probes into the Frankfurt mafia as "conspiracy theory."

*seas Weekly* called Buchmann the “King of Crime City,” and found himself unexpectedly in jail for libel. With friend and partner Israelowicz, Buchmann entered the Eros Center Business, and established himself in the real estate business. By 1966, then 36 years old, “Joschi” Buchmann had become the largest single landowner in Frankfurt. In a book, author Roth called him the greatest speculator in the train neighborhood and the west end, along with Ignaz Bubis and the Iranian Ali Selmi. His friend Selmi was also a business partner of the Lebanese Albert Albela, who also worked for the Casino du Liban, a drug transshipment point in the Near East with connections to Intrabank, of the mob empire of gangster boss Meyer Lansky. Legal records on the shady affairs of the Selmi bank fill many filing cabinets.

According to Derogy, Buchmann also invested in hotel and other construction projects in Israel, helped by then Israeli Finance Minister Pinhas Sapir. Sapir had to resign at the beginning of the 1970s because he was involved with the drug-bank Banque de Crédit Internationale (BCI) of Tibor Rosenbaum. Rosenbaum’s bank, which also set off the infamous Helaba Affair in Hesse, was a location for laundering of drug revenues for the Lansky syndicate.

### Laundering criminal proceeds

Organized crime consists not only of small and large payoffs; the buying, selling, or operation of brothels; or tax evasion. It also involves a criminal apparatus where the money from prostitution and, above all, drug trafficking, flows in part into lucrative real estate businesses. Any investigations must begin with the gigantic sums of money that flow through this area. According to information from the Frankfurt police, the annual turnover in heroin alone in Frankfurt is about \$105.88 million. Acting criminal police chief Peter Walter speaks of the reinvestment of dirty money in legitimate businesses such as real estate.

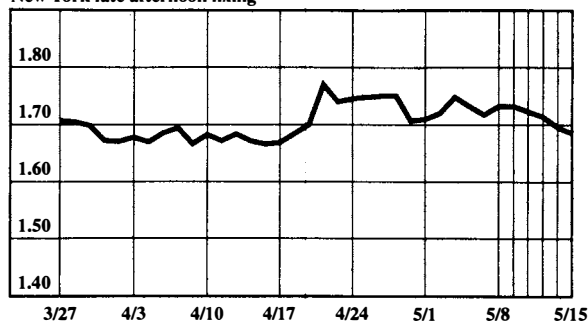
This apparatus is tightly run internationally, and is connected in Frankfurt also with the Italian mafia, large Yugoslavian mobs, and Turkish drug rings. It is known to the Bonn Justice Ministry that “quite a considerable” portion of the estimated \$600 billion world annual turnover through drugs goes through Germany, and that means Frankfurt. This money must therefore be laundered. “Organized crime in this city is a business dealing in billions,” Walter said. “We expect that we will soon have an economic power in Frankfurt that has no competition and that can shove all other legal businesses into the background.”

Now, the taboo has been broken. For the first time, names are named in the public media. Whoever caused this, the connections of this apparatus must now be discovered. No matter that a Joseph Buchmann may feel himself “chased by journalistic demagogues” in extravagant newspaper ads, and will be protected by outraged conservatives such as the *Frankfurter Allgemeine Zeitung* or CDU functionaries in Frankfurt: The book is open, and additional chapters can be written.

## Currency Rates

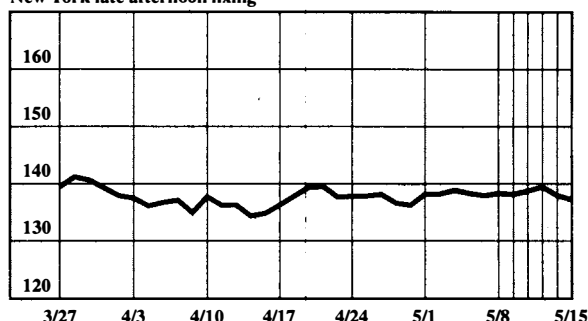
### The dollar in deutschemarks

New York late afternoon fixing



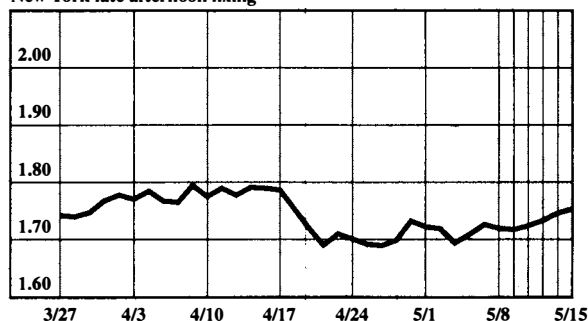
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

