

Arizona's Mob Gambled On Sen. John McCain

by Anton Chaitkin

A remote-controlled bomb blew up investigative reporter Don Bolles on June 2, 1976, in a Phoenix parking lot. Before he lost consciousness, Bolles was able to indict his assassins with the words, "They finally got me. The mafia. Emprise. Find John Adamson." Since 1969, Don Bolles had been investigating the mafia's "Emprise" race-track company, whose gambling empire was at the center of the gangster takeover of Arizona politics. In published articles and in testimony for government probes, Bolles revealed the Mob's engine of corruption.

The Bolles murder shocked the country—but justice was never done. The trigger-man, John Adamson, ended up in the FBI's witness protection program after his murder conviction. Emprise and the mafia escaped harm by corrupting Arizona's law enforcement. And a national team of reporters, pledged to avenge Bolles' death, was blatantly diverted from investigating his enemies, under the influence of Bolles' own employers in the Mob-allied Arizona news media.

John McCain—the Republican U.S. Senator from Arizona whose political career was sponsored by the Mob apparatus that triumphed over Don Bolles—now aspires to the Presidency. McCain, with his "Bull Moose" pressure on President Bush and his hyped-up role in the Congress, currently plays an important part in the political-gangster faction's push for all-out imperial war. Thus, an account of his actual sponsors will be of significant public interest.

The Mob in Arizona

McCain moved to Arizona in 1980—four years after the Bolles assassination—and divorced his first wife in order to marry into the Emprise set that Bolles had probed. James Hensley, father of McCain's new wife Cindy, was a top lieutenant of Arizona Mob underboss Kemper Marley. After Hensley's conviction on liquor racketeering charges, Marley set up Hensley in a huge beer distributorship. This Marley-crafted enterprise backed McCain's entrance into politics, and McCain and his wife were given control of Hensley and Company, worth tens of millions of dollars.

During World War II, organized crime kingpin Meyer Lansky's partner Gus Greenbaum brought Kemper Marley into nationwide organized crime, when Marley and mobster Peter Licavoli were made Greenbaum's managers of the Western states' illegal racetrack wire-service. Don Bolles' articles had detailed the move to Arizona of Greenbaum, Mor-

ris ("Moe") Dalitz, Willie Bioff, Joseph ("Joe Bananas") Bonanno, and hundreds of other racketeers.

Greenbaum made Marley the chief of the racetrack wire in 1946, while Greenbaum concentrated on building the new Lansky-controlled gambling center in the neighboring state of Nevada, with his Las Vegas project manager Benjamin "Bugs" Siegel. The following year the Mob suspected Siegel of robbing them and executed him. Greenbaum himself was assassinated in Arizona in 1958, leaving Marley, Hensley, and their allies in a commanding and lucrative position.

The state became a mafia base of operations, because the political establishment, led by the Pulliam publishing family (*Arizona Republic*), enforced a new rule in post-World War II Arizona: Productive industry and agriculture were to be frozen out; gambling—at race tracks, in real estate scams, and later in casinos—was to set the tone for the new "service" economy.

Arizona banks led the way with secret, numbered accounts, allowing the Mob to launder money just as Dope, Inc. has done in "offshore" centers such as Switzerland and the Cayman Islands. The Arizona Republican Party became a Mob agency. The dominant Valley National Bank—controlled by partners of Marley/Greenbaum/Pulliam such as Robert Goldwater, Sen. Barry Goldwater's brother—laundered Mob money and reportedly invested in Lansky's Las Vegas casino development.

The Emprise corporation has sat at the criminal center, for the past half century. The Buffalo, New York-based company was the middleman for bootlegging and Mob finance between Canada, the Bronfmans, and the gangsters in Cleveland and Detroit. Don Bolles showed that mobster Moe Dalitz had put \$250,000 through Emprise back in 1937, and that Emprise—controllers of Greyhound racetracks in Arizona—had been the mafia all along.

Emprise and the McCain Machine

Bolles' searchlight led to a 1972 Federal conviction of Emprise, on conspiracy to hide mafia control of a Las Vegas gambling casino. Emprise just changed its name to "Delaware North," and all 162 subsidiaries and 70,000 employees continued under the rule of Jeremy Jacobs, son of Emprise founder, Mob big-shot Lou Jacobs.

Bolles described Kemper Marley's rise as head of the mafia's wire service for betting on races at Emprise and other tracks. Marley supplied liquor served at the Emprise tracks. And Marley's henchmen, the Hensley family (later McCain's sponsors), sold one of their racetracks to the Emprise apparatus.

Since John McCain came to power at Hensley, in the U.S. House of Representatives and then in the Senate, the family's ties to Emprise have remained steadfast. Both Hensley and Emprise/Delaware North are secret, family-run enterprises. But as gambling has come to dominate Arizona, the connection has not been closely guarded. The *Arizona Republic* re-



The Arizona political establishment turned the state into a mafia base of operations, shutting down productive industry and agriculture, and setting up casino gambling as the base of the new "service" economy. Among the key players are John McCain's partners, family, and financial supporters.

ported on Feb. 15, 1991, "Hensley & Co., a Phoenix-based beer distributor, rewards its drivers and sales people with parties at Phoenix Greyhound Park. . . . 'It's been an excellent motivator for us to use for incentive contests,' said Dave Daulton, assistant vice president at Hensley."

A multi-millionaire with the Mob-originated beer money, McCain counts as his crucial partner P. Robert Fannin, long the most powerful professional lobbyist for Emprise/Delaware North's racetracks. Bob Fannin, son of an Arizona governor, was finance chairman for McCain's 1998 Senate race.

After serving as the key Arizona fundraiser for McCain's 2000 campaign for President against George W. Bush, Bob Fannin was made chairman of the Arizona Republican Party in 2001. That July, when Sen. Joe Lieberman (D-Conn.) came to Arizona to plot party-wrecking and Mideast war strategy with McCain, Republicans booed—but Emprise's Bob Fannin praised the Lieberman-McCain axis.

Now that Fannin is chairman of McCain's state party, and known as the "godfather of lobbyists," he is placed to help force through an expansion of gambling. Though Fannin is technically supposed to suspend his lobbying while he is the GOP chief, his partner at the Steptoe and Johnson law firm, Jeffrey A. Sandquist, has continued to represent Emprise/Delaware North officially.

All this puts John McCain in the middle of the Mob's historical drive to turn America into a giant casino.

McCain is a member, and the former chairman, of the Senate Indian Affairs Committee. He has long schemed and pushed to get gambling casinos placed on Indian reservations.

Indian lands could have been the base for great tribal wealth from productive enterprises: mining, factories, and family farms. But as the Anglo-American financier establishment shut down agro-industrial development, Indian reservations were targeted for land-scams and casino projects as part of the unprecedented real estate-based debt bubbles of the 1980s and 1990s.

Land sales fraud, run by associates of Kemper Marley and other gangsters, had been a prime focus of Bolles' investigative reporting. Billions of dollars have been stolen from hapless victims of Arizona wasteland real estate frauds. And while most Arizona Indians have remained in poverty, the international gambling industry has moved casinos into some tribal areas, bribing tribe members with a bit of the loot.

The November 2002 Arizona election ballot will feature a choice between different ends of McCain's

gambling-expansion initiative. One referendum would allow vastly increased casino gambling on Indian reservations. Another would permit Emprise/Delaware North to put slot machines at its Greyhound racetracks in Phoenix and other locations. And there is yet a third gambling referendum.

Rumor has it that McCain's man Bob Fannin has been boasting that this ballot clutter will cause a "chaos scenario": Confused voters would reject all the ballot measures, throwing gambling-expansion decisions back to the legislature and a new governor, who are expected to be more friendly than the voters to the Emprise gang.

'Solving the Emprise Problem'

How is it that John McCain could ride to power over Don Bolles' dead body?

Following the 1976 murder, journalists calling themselves "Investigative Reporters and Editors" ("IRE") converged on Arizona for a counterattack. But the effort was sidetracked. Myrta Pulliam, daughter of *Arizona Republic* publisher Eugene Pulliam, was a leader of the group, while the Ely Lilly drug company and other Indiana-based Pulliam family agencies contributed to the probers. It was decided that "Bolles had been mistaken," in identifying Emprise as responsible for the bombing.

The IRE team's 1977 series of articles spotlighted some mobster influences in Arizona, but blacked out Emprise and Hensley. They made no connection to the political establishment, besides poking at former Presidential candidate Barry Goldwater, whom the Pulliam family had previously

Nevada's Neal Won Primary With Anti-Gaming Campaign

Nevada State Senator Joe Neal won the Democratic primary for governor of his state, in the primary election held on Sept. 3. Neal, a crusader against the gambling casinos and deregulation, and a close collaborator of the LaRouche movement, won 36% of the vote, with the casino-organized "None of the Above" vote coming in at 24%.

Neal bucked a Democratic Party decision not to challenge incumbent Republican Gov. Kenny Guinn, who was endorsed by the AFL-CIO and the Teachers Union. Neal filed at the last moment, and spent only \$300 on his campaign.

"I'm running against the gaming industry," Neal told AP on Election Day. Neal is proposing tax increases on

the gambling interests in order to fund infrastructure projects, in a state which is facing a \$275 million budget shortfall over the next two years.

Neal spearheaded a successful effort to block energy deregulation in his state. Dereg had passed the legislature in 1997, but after a mobilization by Neal, in April 2001, the governor signed a bill ending sales of generating plants to privateer companies, and retaining state authority to set energy prices. Neal has traveled to California and Mexico with the LaRouche movement, to urge them not to destroy their own energy infrastructure with deregulation. He was interviewed in the July 26 issue of *EIR*.



stopped supporting.

Longtime investigators of the Arizona Mob have helped *EIR* to piece together a picture of events surrounding the Bolles murder, a crime whose beneficiaries and perpetrators still flourish.

Emprise was exposed as the pivot for a stream of loot for the mafia generally, and Bolles' probes made the company a political liability. Bruce Babbitt became Attorney General of Arizona in 1975, on a promise to kick Emprise out of the state. But Babbitt himself reportedly had a nasty gambling problem, incurring around \$170,000 in debts to several Las Vegas casinos and leaving payment promises that were reportedly picked up by the Mob, who squeezed him.

Early in 1976, Mafia Don Joe Bonanno reportedly chaired a meeting in Sierra Vista, Arizona, on what to do about Emprise. An Arizona resident since the 1950s, Bonanno had reportedly supervised redirecting the importation of heroin from the dried-up Turkey-New York-Montreal route (Bonanno's "French Connection") to the Colombia-Mexico-Arizona route.

Bonanno's assembled mobsters reportedly decided that Emprise/Delaware North would have to give up a couple of its Arizona tracks and acquire some in another state, for the sake of appearances. Attorney General Babbitt soon afterward announced a virtually identical scenario for "solving the Emprise problem."

Meanwhile Bolles was closing in. His revelations about Kemper Marley's Mob ties forced Marley to resign his post as the Emprise inside member of the Arizona Racing Commission. Don Bolles is said to have been getting increasing evidence on Emprise by befriendng the estranged wife of

Bradley Funk, the nominal partner and front man for Emprise in their Arizona Greyhound racetracks. For her divorce lawsuit, Bolles gave Mrs. Funk "discovery" questions aiming at Emprise secrets.

Bonanno and others at this point gave the go-ahead to Funk to plan a hit. After the killing, Funk disappeared from the state. Neither Funk nor Marley were prosecuted in the Bolles murder. John Adamson, who planted the bomb, had been a thug for the tracks, and a small-time Greyhound breeder, but though he spoke of Marley, he never implicated Emprise. And the IRE probes "deferred to Attorney General Babbitt" in leaving Emprise completely out of the picture.

Democratic Leadership Council Connection

Bruce Babbitt, a Democrat of the Lieberman type, was rewarded by the dominant Republicans by ten years as Arizona's governor, while John McCain rose through Congress. Babbitt co-founded the Democratic Leadership Council with Lansky money launderer Michael Steinhardt. As U.S. Interior Secretary, Babbitt put Emprise/Delaware North in charge of running the concessions at Yosemite and other national parks! (What has Smokey been smoking?)

Joe Bonanno lived out a long life in the Mob's desert paradise. The *Arizona Republic* reported (Jan. 17, 1995) that 300 guests turned out to celebrate his 90th birthday. Sen. John McCain, a grateful man, sent his regards by telegram.

For McCain's 1998 Senate campaign, Emprise/Delaware North's Political Action Committee sent \$500. Then Jeremy Jacobs sent a \$500 contribution, in his own name. The criminal empire his father had founded was expanding in his hands, and he, too, was grateful.