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ENCLOSURES (2)

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TO BUREAU

Two (2) copies of a letterhead memo, setting forth the characterization of the informants utilized in instant report.

ADMINISTRATIVE:

The information furnished by the Pacific Telephone Company, as reflected in instant report, was furnished by CSLA 4178-S, an employee of the Pacific Telephone Company.

In view of the fact that PCI DOROTHY GRESH is the only female employee at A Corner of Hawaii Bar and Restaurant, the masculine gender has been utilized relative to all information furnished by her so as not to compromise her identity.

On 5/27/63, LEO ~~X~~ GARBER, 1658 Ralph Ave., Brooklyn, NY, telephone CL 1-9469, was telephonically contacted by SA EUGENE J. HINDES and advised that the Bureau wished to discuss a matter with him at his convenience. Without any endeavor to ascertain the purpose of the interview, GARBER immediately proceeded to proffer numerous excuses to avoid any interview. However, he finally agreed to appear at the NYO during the afternoon of 5/27/63. GARBER did not appear at the NYO and failed to call to offer any reason for his non-appearance.

It may be noted that several attempts were made to contact GARBER at his residence during the month of May, 1963. On each occasion, GARBER was absent from his residence and his wife was unable to furnish any information concerning his whereabouts or itinerary.

Since ABRAHAM ZOSLOVSKY and AARON KLEIMAN have been interviewed relative to the subject's interest in A Corner of Hawaii, the interview with GARBER is temporarily being held in abeyance in an endeavor to develop additional information concerning his association with the subject.

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ADMINISTRATIVE Cont'd

During May and June, 1963, the following information was furnished on a periodic basis to SA JAMES T. MC SHANE by NY 3661-C:

NY 3661-C advised that he had determined that telephone YUKon 1-9699 was utilized by SAL GRANELLO's bookmaking operation. The informant stated that this telephone is located somewhere in Staten Island, NY, and is operated by two unidentified clerks. The informant advised that this operation is under the direct control of one BUDDY CAPPOLA, although GRANELLO heads the operation. According to the informant, the code utilized by him, the informant, is the name FISHER and then a number which designates the bettor. NY 3661-C stated that another telephone utilized by this operation is MURRAY Hill 6-2820, wherein a bettor can call to determine if a change has been made relative to the Yukon number. The code for the Murray Hill number is the name WATTERS.

NY 3661-C advised that the telephone on Staten Island is operated between the hours of 11:00 AM to 4:00 PM and 6:00 PM to 8:30 PM and that this number handles all bookmaking, sports, and trotting wagers.

The informant further advised that BUDDY CAPPOLA has an office at 16 Delancy Street in a Greek social club called the "Amanecer and Borincan" Social Club, telephone OR 5-9727. The informant added that all the work handled during the day must be brought to this location sometime during the day by the clerks, so that a tabulation may be made on the receipts. The informant was not cognizant of the time that the work is brought to this club, but indicated that it would probably be in the late afternoon. He stated that CAPPOLA usually arrives at this club at 3:00 PM and departs at approximately 7:00 PM. In addition, the informant stated that CAPPOLA also operates in a pet shop located at 10 Delancy Street, New York City, telephone OR 4-3373.

The informant advised that the operation on Staten Island probably consists of a cheese box and that the technician handling the equipment probably comes from New Jersey. He stated

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ADMINISTRATIVE Cont'd

that the cheese box is likely to be connected to the door and windows of the room so that any entrance to the room by an unauthorized individual would break the circuit.

Subsequently, the informant advised that he had developed a contact which indicated a willingness to sell a radio type cheese box to him, the informant, for the sum of \$1500.00. The informant stated that this source indicated that the particular type cheese box in question is being utilized on Staten Island, NY, but was not cognizant of the name of the bookmaker. The informant expressed an interest in purchasing this particular cheese box, not for himself, but for a second party, but indicated to the source that he must be assured that this would operate satisfactorily and would not be subject to a number of breakdowns. The source stated that he ^{would} put the informant in contact with the technicians, who repaired the existing transmitter on Staten Island and he, the informant, could discuss the technical aspects of this equipment.

It is to be noted that investigation, concerning the present transmitter on Staten Island, reflected that it was not in service on 6/10/63, and the informant was requested to contact the Murray Hill number for additional information.

NY On 6/11/63, the informant contacted the Murray Hill number and requested the new number that would take the place of the Yukon number. The informant was advised by the person answering the telephone, that the Yukon number was still in service, but he would accept a bet from the informant. The informant advised that he recognized the voice of this individual and believed that it was identical to a known gambler named "Big Sam Cheroff" (phonetic). The informant stated that ~~CHEROFF~~ is a former numbers man and clerk for a bookmaker named ~~NUNZIO~~, who operates on Mulberry St., NYC.

NY 3661-C stated that when the Yukon number is called and the code is given, the control at Staten Island does not know the name of the bettor. The bettor is only known to the

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ADMINISTRATIVE Cont'd

the assistance of the "syndicate", and that they had milked the money from this apartment project although all papers are in his name. The subject advised the Legat that he departed Miami, inasmuch as he felt he could not cause these "syndicate" members to desist in this milking process, and he realized that he was the legally responsible individual. (X)(M)

MOSS stated that it is his opinion that if he attempts to sell this story in court, he would not "last until the end of the week", meaning that he would be killed by the "syndicate" members. (X)(M)

MOSS would not elaborate his story, any details or names, and at one point inquired whether the Bureau had an interest in receiving information about the "syndicate" in Miami, Florida. In this connection, he indicated that he would desire to be interviewed at a place somewhere outside of Florida, and indicated that he would expect to remain a free man. (X)(M)

MOSS inquired concerning the Federal charges against him and was advised that the warrants were outstanding for his arrest under the UFAP - Grand Larceny Statute. (X)(M)

MOSS inquired whether the UFAP warrant was based on the situation in Florida and he was advised that the Federal charges emanated from the charges made by the State of Florida. (X)(M)

On 6/4/63, the following information was furnished by PCI HOWARD KREITSEK to SA EUGENE J. HINDES:

X The PCI advised that he had occasion to contact ROCKY GRAZIANO on Friday, 5/31/63. At that time, GRAZIANO stated that the subject wished to have a meeting with the PCI.

X The PCI stated that he met GRAZIANO in Suite 4070, Time and Life Building, New York City, the office of BOB SHEPARD, a theatrical agent. SHEPARD, GRAZIANO and GRANELLO were present in the office. Upon the arrival of the PCI, GRANELLO

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displayed a friendly attitude and invited the PCI to step into another office, where they could have a private conversation.

At the outset of the conversation, GRANELLO apologized for the conduct of ~~GEORGE~~ LEVINE, in the latter's relationship with the PCI several years ago. He stated that LEVINE was corrected for his actions, at that time, and described LEVINE as "crazy".

GRANELLO then proceeded to advise the PCI that he and LEVINE were both in trouble with the Federal Government. He added that he was not concerned relative to his own problems, since they only involved money and if worse came to worse, he would simply have to pay a fine, but not go to jail. He further stated that the people behind him would not let him go to jail. However, he stated that LEVINE's situation presented a different problem. He commented that LEVINE is under a sentence of 22½ years but he, GRANELLO, does not intend to see LEVINE serve any time. At this point, he asked the PCI if the latter would be willing or felt obligated to furnish \$7500.00 for LEVINE's appeal. The PCI stated that he does not have the money and did not feel any moral obligation to furnish such money.

GRANELLO proceeded to inquire relative to the current status of ~~JOHN~~ KEILLY, who was associated with GRANELLO, LEVINE and the PCI in the past. The PCI told GRANELLO that he has not had any contact with KEILLY and is not cognizant of his present financial status. The subject asked the PCI if the latter would be willing to check into KEILLY's current status and see if he would have any money available for LEVINE's appeal. He stated to the PCI that GRAZIANO could furnish the PCI with KEILLY's current business card and suggested that the PCI get in touch with KEILLY.

The PCI stated that GRANELLO did not make any direct threats such as he received from LEVINE in the past. However, he stated that there were a couple of veiled threats made by GRANELLO. In one instance, GRANELLO stated that the only way his people are separated from money is by death. The PCI explained that this meant either GRANELLO or his associates would resort to murder as a means to acquire money, or that they would have to be killed to prevent them from such actions. The PCI also stated

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ADMINISTRATIVE Cont'd

He added that FRANKIE (LNU) arranges dates for a number of girls that frequent the establishments.

GRAZIANO further told the PCI that one, HARVEY GREEN, a cookie distributor, had recently run into difficulty with the Teamsters Union. After contacting GRANELLO, relative to the situation, GRANELLO called ANTHONY "Tony Pro" PROVENZANO in NJ and had the situation with GREEN straightened out. According to GRAZIANO, GREEN has not had any problems since that time.

The aforementioned information was withheld from the details of instant report, since the PCI has indicated on several occasions that GRANELLO and his associates are suspect of the PCI's activities. Since most of this information was furnished directly to the PCI by GRANELLO, it is felt that the unnecessary disclosure of this information may tend to compromise this informant.

During May and June, 1963, NY 3936-C furnished the following information to SA WILLIAM A. VERICKER:

The informant advised that SA GRANELLO also known as NY Sally Burns is an associate of RUSSELL BUFALINO and JIMMY DOYLE. GRANELLO advised that LOWELL BIRELL is presently a fugitive residing in Brazil and skipped with \$175,000.00 of GRANELLO's U.S.A. money, although he, GRANELLO, claims that he presently sends BIRELL \$300.00 per month for living expenses. GRANELLO further stated that he owns A Corner of Hawaii Bar and Restaurant at 11th St. and 6th Ave., NYC. GRANELLO was also associated with TOM MARINO, JOE VENT (PH) and another individual, whom the informant identified as NY FNU GRECO, the manager of the Playboy Club in NYC.

SALLY BURNS claims an interest in the Marlborough House project in Miami, Florida, and that he put \$100,000.00 into this operation with SIDNEY MOSS and LARRY HOLLANDER. PA

SALLY BURNS has related that FRANK MC GUIRE, former coach of the Philadelphia Warriors, is a close friend, but they do not discuss basketball as they are afraid that someone will be suspicious of their activities. However, FRANK MC GUIRE, along with NY

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ADMINISTRATIVE Cont'd

that the subject was introduced to him as the owner of A Corner of Hawaii.

INFORMANTS:

Identity of Source

Contacting Agent

NY T-1
NY 3461-C

SA J. L. MARTIN

NY T-2
JOSEPH VALACHI

SA JAMES P. FLYNN

NY T-3
PCI DOROTHY GRESH

SAS EUGENE J. HINDES and
EDWIN C. TAYLOR

NY T-4
NY 204-C

SA PAUL G. DURKIN

NY T-5
NY 3969-PC

SA JOHN D. SWIFT

NY T-6
Internal Revenue Service,
Washington, DC

Headquarters of the FBI,
Washington, DC

NY T-7
SA JOSEPH FERRISE,
IRS, 245 West Houston St., NYC

SA EUGENE J. HINDES

NY T-8
Detective VINCENT MALAVARCO,
NYS Police, 270 Broadway, NYC

SA EUGENE J. HINDES

NY T-9
PCI HOWARD KREITSEK

SA EUGENE J. HINDES

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INFORMANTS Cont'd

Identity of Source

Contacting Agent

NY T-10
NK 2145-C

NY T-11
CSCI 309-C

LEADS:

MIAMI

At Miami, Florida

An information copy of this report is being furnished to the Miami Division, in view of the current investigation being conducted in that area.

NEWARK

At Newark, NJ

Will determine the registrants of the following license numbers and conduct appropriate agency checks:

ENF761
CXG841
FSI204

NEW YORK

At NY, NY

1. Will conduct additional investigation relative to the subject's activity at the Roosevelt Motor Inn, East Meadow, LI, NY.

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MICHAEL MYERSON, a close associate of the subject in the Phoenix, Arizona area, was known in 1949 to have attempted to pass counterfeit bonds.

On June 24, 1963, Mr. GEORGE SANDERS, Manager; Mrs. HELEN SANDERS, Room Clerk and Mrs. ROSE ADAMS, Waitress, Ebb Tide Room, Roosevelt Motor Inn, 1650 Hempstead Turnpike, East Meadow, Long Island, New York, advised SAS ARTHUR E. FUSS, Jr. and EUGENE J. HINDES that they could not identify photographs of SALVATORE GRANELLO and LINDA BILELLA as clientele of the above concern.

VI. PENDING PROSECUTION

A. Income Tax Violations

During May, 1963, NY T-6 advised that there is no indication that SALVATORE GRANELLO has filed a Federal Income Tax Return since 1955.

On June 12, 1963, NY T-7 advised that the subject's trial for Income Tax Evasion is scheduled for July 22, 1963.

B. Statutory Rape

On June 11, 1963, Justice of the Peace WILLIAM ARMSTRONG, Greenwood Lake, New York, advised SA JOHN J. MC MANUS that a complaint had been received that evening from the parents of one, JANIE WILLIAMS, age 15, Greenwood Lake, New York, charging that WILLIAMS had been raped by the subject on June 10, 1963.

On June 11, 1963, Investigator GERARD STROMMER, New York State Police, Monroe, New York, advised SA MC MANUS that the subject has been acquainted with the WILLIAMS girl for approximately five years, since she has resided across the street from the subject's summer residence on Ten Eyck Avenue, Greenwood Lake, New York, and is an associate of the subject's children.

According to Investigator STROMMER, WILLIAMS suffers from a nerve injury in her back and has been receiving medical treatment. GRANELLO had proposed an examination by a New York City specialist to WILLIAMS and her mother. In

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addition, he discussed with WILLIAMS, who is very attractive, the arrangements for an interview with a model agency in New York City.

On June 10, 1963, GRANELLO called WILLIAMS and invited her to his residence to discuss appointments with the specialist and model agency. When WILLIAMS arrived at the subject's residence attired in a bathing suit, she found GRANELLO was alone. GRANELLO photographed her in the bathing suit and in the nude with WILLIAMS camera. Thereafter, he removed the film and retained it in his possession. He then proceeded to have sexual relations with her. Following the incident, GRANELLO advised WILLIAMS that he would take her to New York City on June 11, 1963, to consult the specialist. However, in the event his chauffeur was unable to pick her up, he furnished her with \$20.00 for bus fare to the city.

Subsequently, WILLIAMS advised the New York State Police that she was too frightened to protest and did not make any outcry until June 11, 1963, when she told her boyfriend, THOMAS ZANDER. At his suggestion, she advised her mother, who contacted the authorities.

On the evening of June 11, 1963, WILLIAMS was examined by Dr. (first name unknown) ROBBINS, Greenwood Lake, New York, who acknowledged that WILLIAMS had intercourse, but he was unable to determine the time of the occurrence or the state of chastity prior to the incident.

Investigator STROMMER stated that he was taking a detailed statement from the girl and anticipated filing an information against GRANELLO charging him with Statutory Rape. He added that he had hoped to locate GRANELLO at his residence in Greenwood Lake, New York, where he could conduct a search for the film or other physical evidence of the crime.

On June 12, 1963, NY T-8 advised that the subject was arrested by the New York State Police in New York City, during the afternoon of June 12, 1963. GRANELLO was charged with Statutory Rape 2nd and was scheduled to appear before the Justice of the Peace, Greenwood Lake, New York, on the evening of June 12, 1963.