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MEMORANDUM

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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. John E. Ingersoll
Director
Bureau of Narcotics and Dangerous Drugs

FROM : Andrew C. Tartaglino
Chief Inspector

SUBJECT: Integrity Investigation - New York Office
History, Recommendations and Conclusions

DATE: November 21, 1968

SUMMARY

On January 8, 1968, a Special Security Task Force composed of five supervisory Criminal Investigators reported to New York City with instructions to resolve allegations of impropriety and misconduct against a number of agents in that region. It was also to trace the involvement of corruption and attempt to detect its causes.

This report will deal with a brief history of corruption as well as a summary of the work of the inspection unit and the Task Force. Additionally, it will record the creation of an independent Inspection Service within the merged Bureau of Narcotics and Dangerous Drugs and its accomplishments since its inception. This report will terminate with a list of findings and recommended actions predicated on the work of the aforementioned units.

An investigation such as this necessarily focuses upon the shortcomings of the region and its personnel. The majority of the personnel in that region are of great personal integrity and their accomplishments over the years have been held in high esteem. Unfortunately, a study of the achievements of that region will not be reflected in this report.

It should be recognized that some portions of this report are the best estimates of events which took place many years ago. Consequently, the opinions are based on available witnesses, uncorroborated conversations, and in some cases hearsay dialogue between individuals no longer available.

HISTORY

Some time around 1935 the Bureau of Narcotics office in New York City was faced with a similar situation following many reports that it was riddled with corruption. Former Commissioner Harry J. Anslinger ordered a massive cleanup and, as a result, some agents were dismissed,



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others were transferred, and the District Supervisor was demoted to agent status and relocated to a midwestern city. Mr. Anslinger assigned Colonel Garland H. Williams to the New York region about 1936 and from that year until his departure in 1949 there was little or no revelation of large-scale corruption. Colonel Williams was regarded as a strict disciplinarian and dealt swiftly and effectively with agents involved in integrity matters. However, there are relatively few files dealing with misconduct situations during his tenure. Few if any agents were ever prosecuted.

For all practical purposes, the Bureau of Narcotics at that time had no Inspection Service. It was the policy that problems of impropriety and misconduct were handled by the District Supervisor and delegated members of his staff.

Mr. Irwin I. Greenfeld was Acting District Supervisor in New York City from 1949 to 1951 until Commissioner Anslinger appointed Mr. James C. Ryan as District Supervisor. Mr. Ryan remained District Supervisor until 1958, at which time he was relieved by Mr. George H. Gaffney. Mr. Greenfeld's short term was devoid of any instances of misconduct. Mr. Ryan's term was also free from any major integrity problems.

The best evidence suggests that individuals began their illicit dealings in 1957 - 1958, and reports started to filter into the New York office in 1959 - 1960.

This was the period of time following the Narcotic Control Act of 1956. Our agent personnel in New York increased as did the Narcotic Squad of the New York City Police Department. The resulting activity between Federal and State authorities may have been one area that directly contributes to the problem of corruption. Seasoned police officers, who were given greater latitude in conducting searches and utilizing evidence in court, were thrown together with young agents who had little or no experience.

With that in mind, it can be said that corruption started to surface as a major problem in New York City during 1959 - 1960. We know from reliable, confidential informants that many acts of impropriety and misconduct took place about 1956 - 1957. However, it does not appear that they were brought to Bureau attention. Several events occurred during this period of time which are significant.

The O'Keefe Incident

Edward L. O'Keefe was a college graduate and Army Reserve Officer when he was appointed as a Narcotic Agent on December 2, 1957, with post of duty at Philadelphia. A few months later he was transferred to New York City. In November 1958 Agent O'Keefe, it is alleged, attempted to extort monies from two major narcotic violators in New York City. He had approached the DiPalermo Brothers and appears to have tried to sell them information regarding a pending case against them.

Subsequently, after it came to the attention of district personnel, an attempt was made to obtain his resignation. Reportedly, O'Keefe made the unforgivable error of trying to solicit funds from members of the narcotic underworld without clearing it with the appropriate corrupt individuals in our New York office. In effect, he was "going it alone."

O'Keefe approached Congressman Francis Dorn, who was then in charge of the subcommittee on Federal Employees' Grievances. Congressman Dorn arranged a meeting between Agent O'Keefe and Commissioner Anslinger, and Mr. Anslinger indicated he would give O'Keefe another chance and attributed his indiscreet meeting with the DiPalermo Brothers as an error of judgment.

Agent O'Keefe returned to duty in New York City in mid-January 1959 and openly boasted of his successful strategy. He also stated, "If I go down, I'll take others along with me," and other equally intimidating remarks.

At approximately 3:00 A.M. on February 7, 1959, police officers of the 43rd precinct in New York City were summoned by telephone to the Watson Bar and Grill. On arrival they found Agent O'Keefe in a comatose state. He subsequently was removed by ambulance to the Jacobi Hospital, where competent medical examination indicated he was suffering from narcotic poisoning. No needle marks were found on his body, and the heroin or morphine poisoning had been administered orally. Some 36 hour later, Narcotic Agent O'Keefe submitted his resignation. In a questioning session, he was vague in recalling any details of what had happened on the evening preceding this incident. In retracing his movements, it was ascertained that he had been in association with Narcotic Agents John M. Dolce, Howard Diller and Raymond Maduro, and that a purchase of evidence had been consummated in a Brooklyn bar that very same night. Further, O'Keefe had consumed some seven or eight alcoholic beverages in that Brooklyn bar during the surveillance being

conducted. Further, a search of Mr. O'Keefe's car disclosed a quantity of heroin secreted in the glove compartment.

A reliable Informant substantiates what was the general rumor in New York City at the time, i. e., O'Keefe had been given an overdose of drugs in a drink.

The file regarding this matter reflects the following. Former District Supervisor Gaffney interviewed O'Keefe, who was uncooperative. This interview took place in the presence of Messrs. Charles G. Ward, John M. Dolce, and Samuel Levine. Mr. Gaffney's conclusion in his letter dated February 9, 1959 is as follows:

"On the basis of the official hospital report and a review of the circumstances and events preceding the period of Agent O'Keefe's memory lapse, I can come to only one conclusion, i. e., any narcotic drugs in his system were self-administered."

The matter became a cause celebre in the New York City office. The general impression was that O'Keefe had taken an overdose of drugs; however, the incident served a very useful purpose and those with some insight into the machinations of the suspect conspiracy of agents became aware of the actual significance of this incident.

The Thompson Incident

Approximately eight months later on August 31, 1960, Narcotic Agent Charles W. Thompson was found dead in his living room chair at 4:30 A. M. by his wife. The examining physician stated the time of death had occurred between 2:30 A. M. and 4:30 A. M. Since he had not been able to determine the cause of death, he notified police and the Medical Examiner. Mrs. Thompson related the following events which transpired before his death.

Thompson arrived home at 7:00 P. M. and said he did not feel good. Thompson visited at a neighbor's house and drank several beers and took three aspirin tablets. At about 9:15 P. M., Mrs. Thompson left the house to visit a neighbor and returned about 9:45 P. M. Thompson had been sitting in a living room chair watching T. V. and was still seated in the same chair when she returned. At approximately 10:00 P. M., Agent U. S. 47 20m Cong called by telephone and held a conversation with Thompson relative to the resignation of U. S. 47 20m Cong and to the events of the day, including an argument Thompson had had with other agents of that office. (Agent U. S. 47 20m Cong had been asked to resign because of his implication in shaking down dope peddlers.)

At about 10:30 P. M. Thompson vomited. Mrs. Thompson asked what was wrong, and her husband replied that he had had a shot of narcotics from a doctor and this was a reaction to the shot. Mrs. Thompson awakened about 4:00 A. M. and noticed that Thompson had not come to bed. She got up to check on him. She could feel no pulse and became alarmed and decided to call Agent ^{S. Res. 47 96th Cong.} They decided to call the doctor who arrived and pronounced Thompson dead. No needle marks were observed on the body.

These details of the investigation are contained in the memorandum report dated March 21, 1961 by Agent Chantland Wysor. For some reason not evident in the file, the investigation into the causes of Thompson's death was delayed until March 21, 1961.

The body was identified by Agents John M. Dolce and Chantland Wysor. Thompson was being treated for nervous tension and "possible minor hepatitis." The results of the autopsy were inconclusive, principally due to the fact that the wife had disposed of the vomitus. The cause of death was indicated as "general visceral congestion; etiology undetermined." The Office of the Chief Medical Examiner of the Borough of Richmond indicated in a preliminary report "possible narcotics overdose." This was based on symptoms at the time of death.

Mrs. Thompson made several inquiries through her Congressman in an attempt to ascertain the cause of her husband's death.

Reliable Informants indicate that Narcotic Agent Charles W. Thompson had attempted to "go it alone and extort monies from indicted narcotic traffickers", and that he was given an oral dose of morphine and arsenic by an Informant of John M. Dolce called "Black Johnny." Black Johnny is undoubtedly ^{S. Res. 47 96th Cong.} FBI # 2-791-156, and was a defendant ^{S. Res. 47 96th Cong.}

He is currently associated with the Nagelbergs in New York City and may have been involved in the murder of Tilson ROSA, a narcotics courier for the Nagelberg organization.

Reportedly, the overdose is given after the proposed victim has had several alcoholic beverages and would least likely be able to taste it.

^{S. Res. 47 96th Cong.}
The

Incident

Narcotic Agent ^{S. Res. 47 96th Cong.} was an ex-Maryland State Trooper who was asked to resign in New York City due to a less than professional relationship with a female Informant. It was alleged that he had threatened

the female Informant with a service revolver and forced her into sexual relations with him. She complained to supervisory personnel in New York City, and he submitted his resignation.

According to an Informant, Narcotic Agent ^{S. Res. 47, 96th Cong.} also received a similar dosage of arsenic and heroin. However, ^{S. Res. 47, 96th Cong.} passed out in a bar and survived the attempt. The Informant states ^{S. Res. 47, 96th Cong.} received the dose after he left the Bureau of Narcotics; however, it was never a subject of an investigation. An examination of his personnel file is negative.

THE COYNE INCIDENT

Mr. Edward T. Coyne was originally a clerk in the New York City office. After accumulating many man-hours working with agents in his spare time, he was promoted to Agent. In April, 1960, Narcotic Agent Coyne attempted to organize a group of agents to bring to light a continuing series of thefts and misconduct on the part of some agents in the New York region. Mr. Coyne related a number of instances which he felt were dishonest acts and was looking for "strength in numbers" to bring the matter to the attention of his supervisor or directly to Headquarters. Mr. Coyne was in possession of information which reflected upon the integrity of the ^{S. Res. 47, 96th Cong.}

^{S. Res. 47, 96th Cong.}

Mr. Coyne's allegations strongly indicated that agents pocketed seized monies and looted apartments incident to the arrest of defendants.

One of the individuals Mr. Coyne attempted to recruit was former Narcotic Agent Charles McDonnell. Mr. McDonnell feigned cooperation with Mr. Coyne but immediately alerted ^{S. Res. 47, 96th Cong.}

Mr. Coyne was immediately interrogated in the presence of a stenographer, and the minutes of that interview are available in our records.

Mr. Coyne was asked to substantiate much of the information which had come to his attention. The agents he had recruited recanted with the consequence that his allegations were supported with only the testimony of two clerks. According to a knowledgeable informant, pressure was put upon the witnesses and Mr. Coyne was left isolated.

Mr. Coyne states he then became the subject of a vicious and brutal psychological attack. He and his wife received threatening and obscene

telephone calls. Agents in the office became frightened to talk to him and thought they would jeopardize their positions by associating with him. Mr. Coyne recognized the futility of it all.

One item is significant. The individuals mentioned by Mr. Coyne have since been identified as major suspects and subjects of numerous and serious allegations of misconduct.

The Bureau of Narcotics at that time had a one-man Inspection-Internal Audit staff. His principal function was to audit on a rotating basis all of the districts of the Bureau of Narcotics. By and large, the policy of the Bureau of Narcotics was to have the District Supervisor investigate the matters themselves and report their findings to headquarters.

The Incident

Narcotic Agent ^{S Res 47 96th Cong.} was a senior agent attached to the New York office of the Bureau of Narcotics at about this time. Reportedly, the NYCPD received information that alluded to an improper association between ^{S Res 47 96th Cong.} and a defense attorney. ^{S Res 47 96th Cong.} was confronted with the allegations and immediately resigned.

The Dick Investigation

^{S Res 47 96th Cong.} On July 25, 1961, former ^{S Res 47 96th Cong.} and Inspector Fred T. Dick initiated an on-the-spot integrity investigation of a number of agents in New York City. The inquiries disclosed many areas of misconduct, particularly with regard to the payment and use of Informants. Many of the agents involved displayed disregard to instructions concerning the use of and payment of fees to Informants. A complete and detailed report is listed in our files under date of October 25, 1961. Page 23 of that report lists conclusions and recommendations and we quote in part: "The major areas of non-compliance is found in the Third Group under the direction of Agent John M. Dolce. There is a strong doubt that Agent Dolce should be permitted to remain as a Group Leader in New York. The nature and degree of his supervision has continuously shown to have been inadequate. In addition, Agent Dolce seems to have slight regard for Bureau regulations. There has been a general overall attitude of disregard of the regulations shown by the Third Group agents, which has not in any appreciable degree been discouraged by the Group Leader."

^{S Res 47 96th Cong.} The Dick investigation uncovered evidence that Informants were signing blank receipt vouchers for money. Some of the Informants never received the money and some of the vouchers submitted to the Bureau for

payment were not actually signed by the Informants.

This, in effect, was a case of fraud against the United States Government but was subsequently classified as "administrative violations."

The problem as seen on that date involved one Group headed by John M. Dolce and the following men under his command. They were -

John M. Dolce

S. Res. 47 95th Cong.

S. Res. 47 95th Cong.

Charles McDonnell

S. Res. 47 95th Cong.

Edward R. Dower

Two other agents were also directly involved in the various allegations and schemes. They were from Group Two and are identified as Frank L. Dolce and Jack L. Gohde.

A reliable informant has corroborated much of what was suspected at the time.

Those under suspicion went to their Congressmen and complained about S. Res. 47 95th Cong. conduct during the course of the investigation. The Inspection Service of the Internal Revenue Service conducted an investigation and concluded that S. Res. 47 95th Cong. actions and conduct were improper. As a result, he was demoted in position and removed from Bureau Headquarters.

S. Res. 47 95th Cong.

was transferred to the western United States and former Commissioner Anslinger assigned Mr. William J. Durkin to evaluate the investigation.

Mr. Durkin solicited the assistance of agents in New York and successfully located a number that had not previously been found. Mr. Durkin's memorandum of December 12, 1961 sets forth the results of his efforts. On the basis of this memorandum, former Commissioner Anslinger asked Mr. Durkin for recommendations and conclusions. On December 20, 1961 Mr. Durkin listed the following:

"Conclusions

1. Each special employee covered in my report does exist and did receive money in the amounts claimed by the agents.

2. The agents were lax in applying sufficient importance to Section 30 of the Revised Field Manual of Instructions. This is undoubtedly true of other agents in other districts throughout the country.

3. In some instances, special employees were paid more than the value of their information merited.

4. In some instances, the Forms 1165 were signed by the special employees prior to being properly and completely filled out.

5. Agents permitted special employees to sign Forms 1165 with aliases, when security did not require. Also, aliases were used without prior identification.

Recommendations

1. Reprimands for agents who permitted special employees to sign Forms 1165 with aliases without having previously identified the special employee by true name and alias to be used.

2. A Field Information Circular to be issued cautioning all agents that future deviations from provisions of the Field Manual of Instructions will be cause for disciplinary action.

3. A Field Information Circular should be issued clearly defining "Special Employee" and "Source of Information".

4. Procedures for payment of money to special employees should be established to verify (a) special employee has been properly identified, (b) special employee signs completed Forms 1165 at time of payment and (c) payments are justified.

Recommendation No. 4, above, has already been instituted in District No. 2.

Observations

During the six-weeks I spent in District No. 2, principally with agents of the Third Enforcement Group, I noted that the morale was low. The agents concerned in my investigation expressed a sincere desire to continue their careers as Federal Narcotic Agents. They are afraid that due to their being the center of charges and counter-charges, they will be placed on a permanent "Bureau Black List" and thus impede any future promotional advancements. All of these agents are ambitious

and zealous. Their zeal, in most cases, contributed to their 'cutting of corners' in making narcotic cases.

An affirmative action by the Bureau that would display to these agents that this investigation is now concluded would do much towards removing the aura of suspicion they feel is held over them."

Mr. Henry L. Giordano was subsequently named as Commissioner of Narcotics and assigned the New York region to Mr. George M. Belk, who had specific instructions to investigate and clean up the New York region. Mr. Belk embarked on the program in early 1963. He recognized John M. Dolce as a major problem but attempted to tolerate him. He gradually moved in new supervisors from other parts of the United States to replace those of the old regime. He also selected some from within New York City's region.

Dealing in hindsight, we know today that some of these individuals took advantage of Mr. Belk for their own personal gain. Group Supervisors Schrier, Waters, and Frost succeeded in providing Mr. Belk with enough information to influence him that Dolce, etc. were corrupt. Utilizing the transfer mechanism and other pressures, Belk was able to force Dolce out of the office in 1965. He was also able to have those closely aligned to Dolce, such as and forced into other jobs.

Reports of dishonesty and chicanery were numerous. Acts of impropriety went unreported. Reports of perjury, fraud against the Government, selling out of cases, reports of missing monies, looting of apartments became commonplace. The major problem was to separate fact from fiction since most of the reports at this time were based on rumor that could not be traced.

On April 19, 1963, Agents and were interrogated by members of the New York City Confidential Squad regarding allegations that they attempted to extort monies from a defendant. A tape recording made by the New York County District Attorney's office substantiated the allegations. As a result, both agents resigned.

The Marshall Case

Special Agent Eugene J. Marshall, the agent in charge of the Bureau of Narcotics office in Miami, Florida was arrested on June 29, 1965. He