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INVESTIGATIVE REPORT

FORBIDDEN FRIENDSHIPS BETWEEN COPS AND CRIMINALS

Sordid ties tarnishing city police



The relationship that led to the resignation of police Supt. Matt Rodriguez in 1997 went deeper than was known and reached far beyond Chicago's top cop.

Investigations fizzle as rule is openly defied

First of three parts.

By David Jackson
TRIBUNE STAFF WRITER

Red, white and green lights twinkled overhead as Chicago's police chief stepped onto the Brooklyn street.

Supt. Matt Rodriguez beheld the last strains of the festival of San Cono, a daylong pageant of processions, prayers and food that honored a humble Italian saint.

At Rodriguez's side was his worldly guide, the pal he treasured enough to call "a brother," convicted felon Frank Milito.

A North Side businessman whose maladroitness hardly masked his flinty intelligence, Milito had invested with a Chicago mob boss and come under scrutiny during a high-profile homicide investigation. Yet he also held court at his Wells Street restaurant, filling the plates and glasses of his many friends in law enforcement.

Rodriguez would be forced to resign within weeks of that 1997 New York vacation when he acknowledged a friendship with Milito in a Trib-

une interview. But Milito's financial and personal ties to Rodriguez were far more extensive than previously known, and Milito's access reached beyond the superintendent to other ranking members of the Police Department.

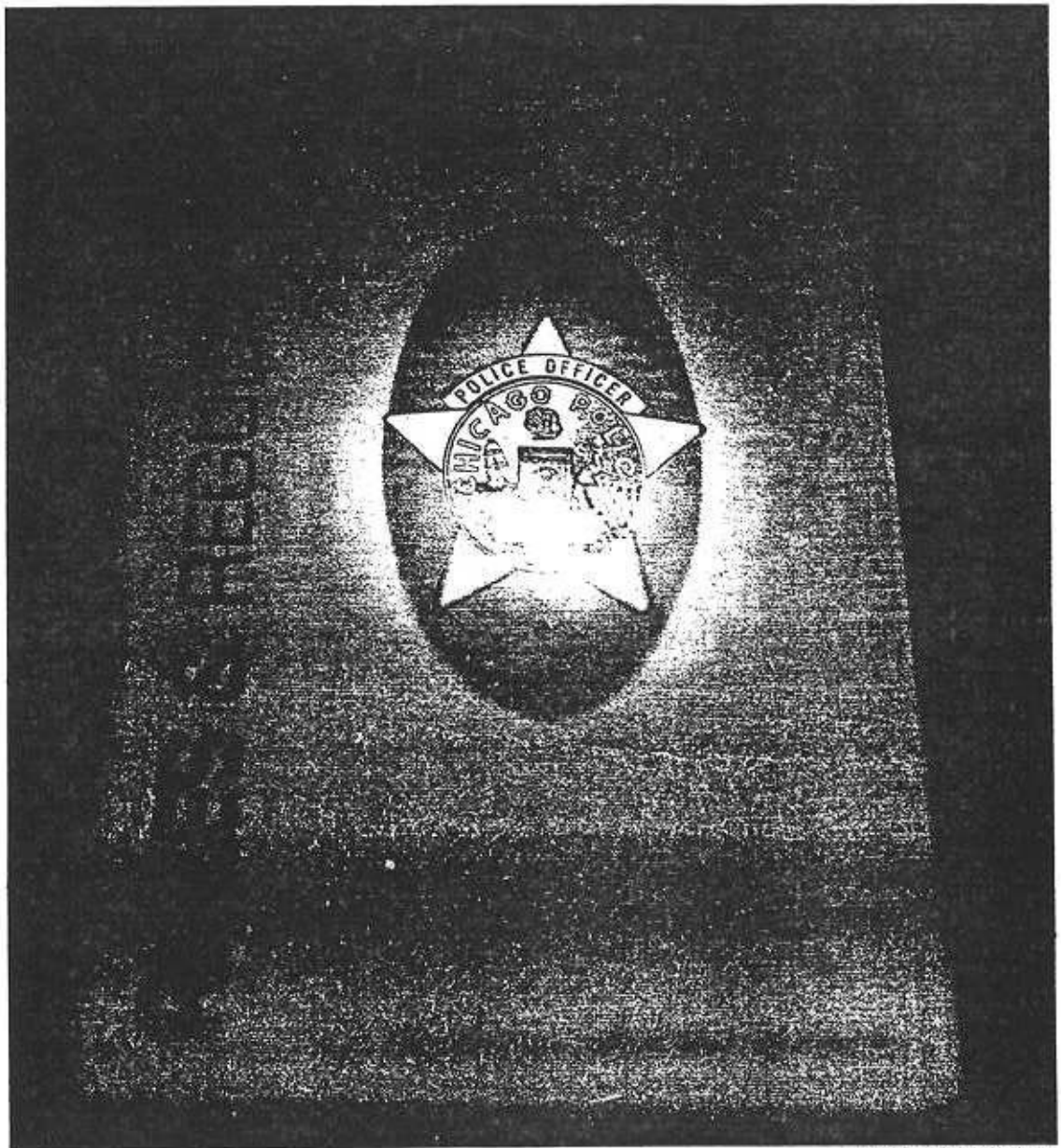
Since the days of Prohibition, when crooked cops and gangsters bloodied Chicago's neighborhoods and corrupted its courts, police Rule 47 has prohibited officers from fraternizing with criminals. The vast majority of Chicago police officers do their work and risk their lives with unheralded integrity. But Rule 47 has been openly defied and rarely, if ever, enforced.

Crime figures forged ties of money or friendship with certain Chicago police supervisors and officers during the last decade as key investigations drifted or were derailed, a Tribune investigation has found. Records and interviews show:

- Even when confronted with disturbing details of the relationship between Rodriguez and Milito, the FBI and U.S. attorney's office reined in investigators for fear of alienating the Chicago Police Department.

- Milito's relationships with police and county sheriff's officers tainted the probe into the 1987 slaying of Amoco Oil Co. executive Charles Merriam, in which Milito fell under investigation. At least one witness was hesitant to cooperate because Milito was a friend of Chicago's police

SEE FORBIDDEN, PAGE 14



Tribune photo by John Lee

Rule 47

Associating or fraternizing with any person known to have been convicted of any felony or misdemeanor, either State or Federal, excluding traffic and municipal ordinance violations.

Chicago Police Department Rules and Regulations, Rules of Conduct, Prohibited Acts

Felon's ties to ex-top cop were financial, personal

Friendship included travel perks, a \$1,000 donation and employment for police chief's relatives.

CONTINUED FROM PAGE 1

chief, and some investigators privately questioned the integrity of the probe.

■ As the investigation bogged down, Milito and a Chicago police officer invested with a high-ranking sheriff's officer on the Caribbean island of Curacao, where they bought shares of a crime syndicate-linked hotel and casino.

The sordid relationships between police and criminals ranged from the top of the department to the rank and file:

■ A cluttered Northwest Side tailor shop was a hangout for police and crime figures for more than two decades, according to internal police reports and interviews. Top police officials were seen there with a criminal during a 1994 internal police surveillance.

■ A crime syndicate figure employed tactical officers for security at his adult bookstores. Those officers also were investigated for the million-dollar rip-off of a drug courier.

In a prepared statement, U.S. Atty. Scott Lassar said, "Police corruption has been and continues to be a high priority of this office."

Thursday, Lassar's office indicted retired Deputy Supt. William Hanhardt for allegedly leading a band of mob-linked thieves who robbed jewelers of \$5 million between 1984 and 1996. The charges against Hanhardt, who had influence over personnel decisions and access to internal police information, hint at the all-too-common bonds between cops and criminals, records and interviews show.

Three years ago, just days before Milito's vacation with Rodriguez, a Chicago police official handed Rodriguez a sheaf of internal police reports that showed Milito and two associates had come under investigation in two other killings besides Merriam's.

Rodriguez studied the reports, which detailed the slayings of two mechanics amid a gritty world of gas station operators, crime syndicate enforcers and beat cops. One of three station owners—Milito, his brother-in-law or their friend Pierre Zonis—emerged as a witness or potential suspect in each slaying, then receded into the background of the next case, like figures on a spinning mobile.

Zonis, who befriended a mob enforcer and was questioned several times about the unsolved slayings, became a Chicago police officer in 1994.

Rodriguez would later tell federal agents that he was "deeply disturbed" by the reports.

But he apparently quelled his misgivings by the time of the San Cono festival. While in New York, he and Milito took their wives to see the Broadway musical "Titanic."

Rodriguez sprung for the \$375 tickets.

Friendship and favors

The relationship that would reverberate through the highest levels of law enforcement in Chicago began as two men of humble backgrounds pushed their way to the top.

Rodriguez was living on the North Side, near Milito's Fullerton Avenue gas station, when a business executive introduced the up-and-coming sergeant to the immigrant entrepreneur.

The son of a Mexican-American grocer and precinct captain, Rodriguez was close to the immigrant experience himself. He had taken the streetcar every morning from the insular Back of the Yards neighborhood on the South Side to Holy Trinity High School on Division Street, where he graduated fifth in his class.

He studied just as hard for the police exams that vaulted him through the organized crime, gambling and youth divisions. A careful, solid administrator, he caught the eye of gambling unit Lt. Richard Brzeczek, who in 1973 made Rodriguez his supervising sergeant.

Before appointing Rodriguez, Brzeczek checked him out with federal authorities. "He sat good with the FBI in the 1970s," Brzeczek said.

During his decade in the police Organized Crime Division, Rodriguez said, he got a firsthand glimpse of the ways criminals can corrupt police. Once, he recalled, after he and a partner spent days monitoring a North Pulaski Road mob gambling operation, the mob workers carted out their equipment about two hours before a scheduled police raid—apparently tipped off by a leak from within the department.

Rodriguez said he felt "totally deflated"

about the leak, and guessed the officer responsible "is probably sitting in Florida right now, basking in the sun."

As Rodriguez quietly worked his way up to the superintendent's post, he brought his friend Milito to police headquarters and introduced him to those who controlled key personnel and law-enforcement decisions, Brzeczek said.

After he immigrated to America in 1962 from Italy, Francesco Rocco Milito gave generously to Democratic politicians and built an eclectic portfolio of businesses that would include eight gas stations, two travel agencies and \$1 million worth of North Side real estate. Milito declined to comment for this report, but offered some information through his attorney.

Among the businesses he oversaw was a plush Old Town restaurant, Orso's, where police brass gathered to discuss department politics and to toast promotions. Milito showered favors on many of his law-enforcement friends, but none more so than Rodriguez, internal U.S. Justice Department records and interviews show.

Using his travel agency, Milito arranged

Two worlds intersect

Crime figures have forged ties of money and friendship with certain Chicago police supervisors and officers, a violation of Rule 47, the department edict against fraternizing with criminals.

KEY: ★ Police official III Convicted criminal

FRIENDS IN HIGH PLACES



★ Supt. Matt Rodriguez

Forced to retire from a 38-year police career after violating Rule 47; close friend of Frank Milito; seen at Joseph's Tailor Shop, an alleged hangout for police and crime figures.



III Frank Milito

Businessman who operated eight Amoco gas stations, two travel agencies and a North Side restaurant; pleaded guilty to mail and tax fraud; came under scrutiny in the murder of Amoco executive Charles Merriam; friend and business associate of various police employees.

★ Lt. Ned Dolcimascolo

Managed one of Milito's gas stations before joining the department; since then his wife's salon received a \$10,000 loan from Milito; was transferred to a new district after Milito allegedly put in a request to Rodriguez.

A COMFORT ZONE

Joseph's Tailor Shop on North Central Avenue was an alleged hangout for police and crime figures for more than two decades. People known to frequent the shop:



III Donald Angelini

Organized crime bookmaker.



★ III Officer Anthony Chiavola

Convicted in a Chicago mob case.



Allen Dorfman

Insurance swindler gunned down in 1983 mob hit.

★ III Sgt. Charles V. Gentile

Resigned in 1987 after being convicted for hindering a federal drug investigation.

★ III Detective Fred Pascente

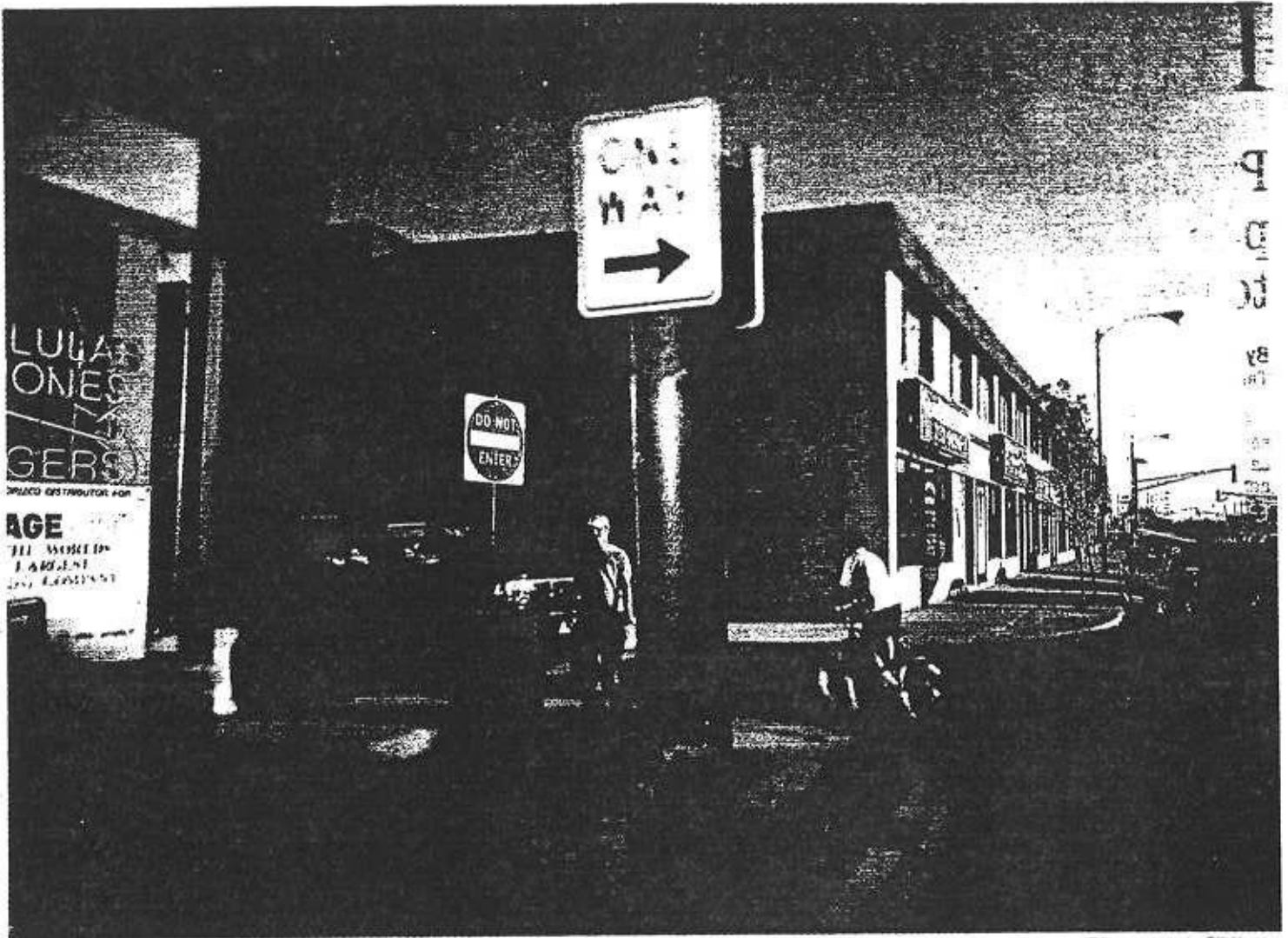
Resigned from Police Department. Pled guilty to insurance fraud.

III Matt Raimondi

Alleged bookmaker and mob enforcer; pleaded guilty to insurance fraud.

★ Deputy Supt. George Ruckrich

Seen at the tailor shop during surveillance. Now retired.



Tribune photo by Bill Hoggan

surveillance was reestablished at Joseph's Tailor shop 5257 N. Central.

A black unmarked exempt squad car driven by a male white with a male hispanic, known to be Superintendent Matt Rodriguez as a passenger arrives at the rear of the tailor shop and the Superintendent enters the rear of the shop, while the driver remains in the black squad car bearing Illinois License TSC340.

A 1994 internal police report on a now-closed tailor shop on Central Avenue, a hangout for cops and criminals

for them to vacation together in Italy, Israel, California, Arizona, New York, Colorado and the Bahamas. Milito never told Rodriguez how much the trips cost. Instead, Rodriguez attempted to reimburse Milito by providing out-of-pocket cash or paying for incidentals until Milito said they were even, records and interviews show.

Milito registered Rodriguez with the International Association of Travel Agents, a perk that brought Rodriguez travel discounts.

He hired Rodriguez's son-in-law at his restaurant when the young man was between jobs, and he employed Rodriguez's daughter at his Sunset Travel agency.

Milito donated \$1,000 to a police "recognition party" held when Rodriguez was promoted to superintendent in 1992. Some \$3,900 raised for that party eventually was transferred to Rodriguez's personal bank account, records show. Such parties honoring the promotion of police commanders—at which lower-ranking officers and civilians make donations that allow them to mingle with those who control district assignments—are an established ritual in Chicago.

If Rodriguez needed to get away from the office in the afternoon, Milito let the chief use one of his North Side condos.

"It was a nice, quiet place to take your tie off and sit down," Rodriguez said in a Tribune interview.

He could often do more paperwork at one of Milito's apartments with a ballgame on than at police headquarters where subordinates wrangled for his attention, Rodriguez said.

"Every time I went there I went with my briefcase," he added.

Throughout the 1990s, Milito's family had a city contract to wash police cars, and city ethics laws bar officials from

accepting gifts from those with an interest in city business. But Rodriguez said the favors extended to him by Milito were simply tokens of friendship.

"There was no quid pro quo," Rodriguez said.

Rodriguez acknowledged that Milito once requested the transfer of a lieutenant with whom he had a close relationship.

Lt. Ned Dolcimascolo had managed one of Milito's gas stations before he became a police officer, then worked again for Milito during a year's leave of absence in 1982. Eight years later, Milito lent \$10,000 to fund a salon run by Dolcimascolo's wife, records show.

Dolcimascolo, who has been saluted numerous times for professionalism and bravery in the police Daily Bulletin, declined to be interviewed, although he provided some records about the loan through Milito's attorney.

Rodriguez approved Dolcimascolo's request to be transferred to a North Side police district, but said that he simply rubber-stamped paperwork that was already being processed. Through his attorney, Milito denied requesting Dolcimascolo's transfer.

Rodriguez was only one of Milito's high-profile police friends. Phone records gathered during a mid-1990s federal investigation of Milito showed calls placed from his phone to the private lines of top police officials including those in charge of the Vice Control Division, which oversaw liquor licenses at restaurants such as Orso's.

Milito's attorney, Paul Julian, said Milito was simply calling to talk to his many friends in the department.

Milito traveled with former Chief of Detectives John T. Stibich to Rome after Stibich was retired. Stibich declined to discuss his relationship with Milito.



The front page of the Chicago Tribune on Nov. 15, 1997

One of the first officers with ties to Milito was Sgt. Arthur R. Smith, who had a heart attack and died in 1994 while trying to kill the ex-wife of a Las Vegas restaurant chain owner. Smith served as a reference when Milito became a U.S. citizen, naturalization papers show, and Smith later cited Milito as a reference when he rejoined the department after a leave of absence in 1976.

While he socialized with his police friends, Milito fell under the scrutiny of federal and local investigators and faced a new and more potent threat to his expanding business.

During a four-year period in the 1980s, Milito had failed to report the sale of \$4.6 million worth of gas from four stations, federal prosecutors alleged. In 1986, Milito pleaded guilty to mail fraud and a tax charge and was sentenced to 9 months in prison.

Because of that conviction, Amoco District Manager Charles Merriam, a corporate go-getter who oversaw 825 Midwest gas stations, moved to revoke Milito's leases. As Milito was forced to turn over

gas stations to new owners, the two men confronted each other and Milito sued Amoco.

When Merriam was gunned down in his Prospect Heights home in November 1987, Milito came under investigation, although no charges were brought. No physical evidence links him to the slaying, and through his attorney he vehemently denied having any involvement in it.

The homicide investigation was overseen by a friend and golfing buddy of Rodriguez's in the Cook County Sheriff's Police Department.

The sheriff's investigation was compromised by delays and missteps as the crime scene took weeks to process and sheriff's department records and internal computer files were lost, the Tribune found. While no law-enforcement agency suggested that Rodriguez interfered with the investigation, and he denies doing so, some investigators worried that Milito's ties to Rodriguez had a chilling effect. At least one potentially important witness expressed anxiety about helping investigators because of the friendship.

Another potential witness located by the Tribune said he would not cooperate with authorities because of the specter of corruption among law-enforcement officials investigating the killing.

Early probes languish

Chicago police and federal authorities were aware of Rodriguez's relationship with Milito, but the administrative mechanisms designed to protect the integrity of the Police Department seemed to falter.

Internal Affairs Division officials gathered evidence during a 1993 inquiry into Rodriguez's use of vacation time that Rodriguez and Milito traveled together overseas, but former internal affairs officials

said in interviews that they felt it was not their place to question the superintendent's friendships.

The FBI questioned Rodriguez about his ties to Milito in 1993, but that interview was overseen by a supervisor who asked no probing questions, an FBI report and interviews show.

A former FBI supervisor involved in the inquiry said the FBI treated Rodriguez "diplomatically" because the Justice Department needed the cooperation of Rodriguez's Police Department to build cases against drug dealers and street-gang members.

Three years later, in 1996, federal prosecutors asked then-U.S. Atty. James B. Burns to consider including Rodriguez and at least three other police officials in a grand jury probe of police corruption. Federal agents had gathered evidence of Rodriguez's ties with Milito and questioned whether crime figures exerted influence over police personnel decisions.

Burns authorized his prosecutors to expand their grand jury investigation to include three police officials but not Rodriguez, a January 1997 federal memo titled "Ground rules for investigating Matt Rodriguez" shows.

While prosecutors were allowed to make "generic" inquiries and to use means other than the grand jury to learn about Rodriguez, they were instructed not to subpoena Rodriguez's personal bank accounts, his police personnel file or a hotel contract for the 1992 promotion dinner in his honor without approval from Burns. They were told not to use Rodriguez's name on subpoenas without the express approval of Burns.

Burns, who stepped down as U.S. attorney in August 1997, declined to comment on details of the grand jury proceed-

ing.

One law-enforcement official who took part in the discussions about Rodriguez, and who spoke on the condition that he not be identified, said a supervisor in the U.S. attorney's office questioned whether agents had gathered enough evidence to trigger an investigation of Rodriguez. In addition, the official said, Burns wasn't willing to jeopardize "our cooperation and the two offices working together."

The memo "doesn't say their water is going to be shut off, it says, You've got to get approval," the official said. "And to me, that's just good judgment."

It was not until February 1998, three months after Rodriguez had resigned, that federal agents visited the former police chief at his home and asked specific questions about the extent of his financial ties to Milito.

No charges have been brought as a result of the investigation.

Tailor shop regulars

Rodriguez wasn't the only police official casually meeting with a criminal.

On a chilly Saturday morning in December 1994, an internal police investigator set up a hidden surveillance camera outside a cluttered tailor shop at 5257 N. Central Ave.

FBI and police Internal Affairs Division investigators had gathered unconfirmed statements from informants who said police met with bookmakers at Joseph's Tailor Shop and leaked information to crime figures there.

At 9:40 that morning, a black, unmarked sedan slid into the shop's back lot. Supt. Rodriguez left his driver in the car and stepped into the shop.

No criminals were in the shop at the

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time, so Rodriguez's presence violated no department rule. But his appearance marked an unexpected twist in a probe that would roil the police Internal Affairs Division and raise questions about the department's exposure to criminal influence that have not been answered to this day.

Rodriguez said he did not know he had come under internal police surveillance at the now-closed shop, and added that he never saw anything untoward happen there.

"I would have made the first report, initiated an investigation myself," he said. "It was just a hangout for policemen. If it was more than that, I certainly don't know."

As they watched from outside the shop over three months in 1994, internal police investigators could only guess at the conversations that took place in a back room secluded by racks of suit jackets, where ceiling fans stirred the warm air.

The surveillance reports show that the parade of Saturday morning regulars ranged from then-Deputy Supt. George Ruckrich, the department's third in command, to Charles V. Gentile, a former Chicago police sergeant who had been forced to resign in 1987 after he was convicted of using a false name, a misdemeanor, while being questioned by federal agents. U.S. Drug Enforcement Administration officials had stopped Gentile after he allegedly tried to pick up a cocaine-packed suitcase at O'Hare International Airport.

Police Internal Affairs Division reports list several crime figures known to hang out with police brass at the tailor shop over the years. Among them were insurance swindler Allen Dorfman, who was gunned down in a 1983 mob hit, and former Police Officer Anthony Chiavola, now

deceased, who was convicted in the storied Chicago mob case that exposed crime syndicate skimming at the Tropicana casino in Las Vegas.

Gentile, who visited the shop in the 1990s, said it was no secret that crime figures frequented the shop. "We all knew that," Gentile said in an interview. "They all were in there."

But Gentile said the only conversations he heard were about baseball and women. "They would joke and talk, [like] guys standing on the corner when I was younger," he said.

"The [police] higher-ups used to go outside and converse with each other or have their own conversations, but I wasn't privy to that. Who knows what they were talking about."

Another tailor shop regular, former Detective Fred Pascente, said reputed bookmaker Matt Raimondi also frequented the shop during the 1990s.

"I was in there with him a number of times," said Pascente, who resigned from the department in 1993 and later pleaded guilty to committing insurance fraud with a group of criminals.

Raimondi, a former city worker who has been described by federal prosecutors in court records as a violent mob enforcer and bookmaker, also pleaded guilty to insurance fraud with the same crime ring. He said in a Tribune interview that he was only at the shop to drop off tailoring or in his capacity as a driver for the late Ald. Anthony Laurino (39th), who visited regularly.

Also frequenting the shop during the 1990s was Donald Angelini, 64, a mob gambling overseer known as "The Wizard of Odds," according to shop regular Officer John Matranza. Rodriguez also said he saw Angelini once in passing at Joseph's. Angelini declined to comment.

Clearly, the shop was a comfort zone for

the command ranks. Once, with several top police officials there, commanders brought tailor Joseph Rozenberg a birthday cake with an old-fashioned sewing machine drawn in chocolate on the white icing. Then they ushered in a stripper in a look-alike police uniform.

As a home video camera ran, she strutted to a boom box rendition of the disco hit "Nasty Girl." While the immigrant tailor sat immobile, she placed her police cap on his frazzled hair and unbuttoned his plaid shirt.

The FBI put the tailor shop under surveillance briefly in the late summer of 1995, but no charges were brought. Agents even questioned Rozenberg, who died in 1997, according to Gentile.

But Rozenberg, who had escaped a Nazi labor camp in France and then survived the wartime black market by selling Germans tins of butter partially filled with sand, brushed off his federal interrogators by telling them he would give the agents a 10 percent discount, just like he gave all police officers, Gentile recalled.

Gentile added, "It is difficult for me to convey the charm or allure of the location."

Days after Rodriguez walked into the tailor shop, the Internal Affairs Division surveillance was shut down.

Then-internal affairs chief Raymond Risley said in an interview that he cut short the investigation because he felt it would be ethically questionable for him to conduct a secret probe of the superintendent to whom he reported.

During a series of meetings in early 1995, Risley and the two subordinates in charge of the tailor shop investigation—then-Lt. Eugene Karczewski and Sgt. James Doody—sat down with federal prosecutors and agents to discuss the tailor shop surveillance reports and other evidence of organized crime influence in

the Police Department.

The meetings were held in an office a block away from the FBI and U.S. attorney's offices to minimize the chances that someone might spot Risley, Karczewski or Doody. The Internal Affairs Division investigative reports were removed from official police files and turned over to the U.S. attorney's office.

Within months, those Internal Affairs Division officials were dispatched to other posts or ordered to focus on corruption among lower-ranking officers.

The team was "effectively neutralized," one later federal report said.

In August 1995, Risley was promoted to the organized crime division, removing him from the investigation. He resigned from the department in 1999 and became police chief of suburban Country Club Hills.

Karczewski was transferred to a Far South Side district in November 1995. He resigned in January 1996 and became chief of police in suburban Riverside.

And Doody, who remains in the Internal Affairs Division, was ordered to concentrate on beat cops instead of higher ranking department officials, interviews show. Doody declined to comment for this report.

Rodriguez said in an interview that the personnel changes were made to strengthen the Internal Affairs Division and make it more effective at rooting out corruption. Rodriguez said he was concerned about reports of serious misconduct among patrolmen as opposed to higher-ranking officers.

"I thought there had to be a new tack," he said.

An abrupt departure

In November 1997, Rodriguez publicly acknowledged his friendship with Milito

in a Page 1 Tribune story. The next day, the soft-spoken commander stood before television klieg lights in a gold-braided police cap and resigned, abruptly ending a 38-year police career that should have been capped with praise for his oversight of Chicago's community policing initiative and the city's drop in crime.

The superintendent strolled off into a police afterlife of lecturing on law enforcement and playing golf at the Eagle Ridge Inn & Resort in Galena, leaving the secrets of his relationship with Milito buried in law-enforcement files.

After he resigned, Rodriguez said, he cut off all ties with Milito, with whom he once talked on the phone almost every day. "If I didn't feel troubled about it, the friendship would still be going on, and it's not," Rodriguez said.

But a pained ambivalence crept into his voice. He said he was uncomfortable even mentioning that their relationship was over because Milito's feelings might be hurt if he saw that in print.

"This guy slept at the gas station, slept behind the counters, and really broke his butt to make the business he did," Rodriguez said. "You have to have a lot of respect."

Had it not been for their friendship, Rodriguez added, Milito might never have attracted attention.

"He is a Page 42 guy, but you hook it up with the superintendent and all of a sudden it's on Page 1," Rodriguez said. "I felt very bad about it."

In the end, Rodriguez said, he harbors a faith that Milito was not involved with the Merriam slaying.

"In the bottom of my heart," the former police superintendent said, "I have 100 percent hope."

Monday: The unsolved slaying of Charles Merriam

Pals of mob associate still wearing badges

Probe fails to tie pair of vice cops to missing million

By David Jackson
TRIBUNE STAFF WRITER

Chicago police Tactical Unit Detective Joseph Laskero and Officer Anthony F. Bertuca were front-line soldiers in the city's war against vice.

But while their colleagues raided the adult bookstores and peep shows operated by mob associate Robert "Bobby" Dominic, Laskero and Bertuca worked there providing security, according to police and FBI reports.

Then, on an October morning in 1995, the two officers and Dominic came under intense police investigation when a drug courier claimed officers had stolen \$1 million from him. No criminal or internal administrative charges were brought, and the case remains open.

Their case offers another example of the hidden ties between police and crime figures in Chicago and provides a glimpse of a mob associate who cultivated influential police friends.

Officers Laskero and Bertuca, who are still on active police duty, declined to comment without approval from police News Affairs. They faced no administrative charges for potentially violating the department's Rule 47 by fraternizing with Dominic, a department spokesman said.

Listed in FBI and Chicago police reports as a crime syndicate associate who ran pornography and gambling interests, Dominic surrounded himself with strippers, high-rollers and loyal cops. He did not respond to Tribune requests for comment.

In 14 arrests between 1971 and 1990, Dominic was convicted only twice, for misdemeanor theft and obscenity, police records show. Once, in 1993, an undercover FBI agent tailed him to a Lincoln Avenue restaurant and waited in an unmarked surveillance car while Dominic spent part of the mid-September afternoon with Lake County crime boss Michael W. Posner. As the undercover agent monitored the restaurant, Dominic brought him coffee, an FBI report shows.

When veteran Central District Officer

Thomas Kulekowskis was taken aside by FBI agents in 1992 and questioned about his relationship with Dominic, he broke off the interview, an FBI report shows. He explained that Dominic had clout with downtown police commanders and would have Kulekowskis transferred out of the district if Dominic found out he had talked to the FBI.

In a recent interview, Kulekowskis said he never told those things to the FBI, but he declined to comment further. Kulekowskis, who retired from the Police Department in 1998, currently faces kidnapping charges in Canada.

When an FBI agent questioned Laskero in July 1992 about his relationship with Dominic, he said they dined together frequently. Dominic, he said, had been a pallbearer at Laskero's brother's funeral earlier that year.

Laskero told the FBI he didn't work for Dominic but that he and Bertuca were hired to guard Dominic's bookstores by a woman he identified only as Sally. Police records describe her as a manager who helped run some of Dominic's businesses.

Laskero said he and Bertuca were paid monthly to check on stores, and store employees were told to contact him at Area 4 police headquarters if they had any problems.

Bertuca, who joined the department after a pro football career in the 1970s, acted as a bodyguard for Dominic in Las Vegas in 1990, FBI reports say.

After the FBI interview, Laskero's career continued to advance. In 1994, police Intelligence Division Cmdr. William M. Callaghan accepted Laskero in his unit after what he would later call an "unusual" directive from police commanders.

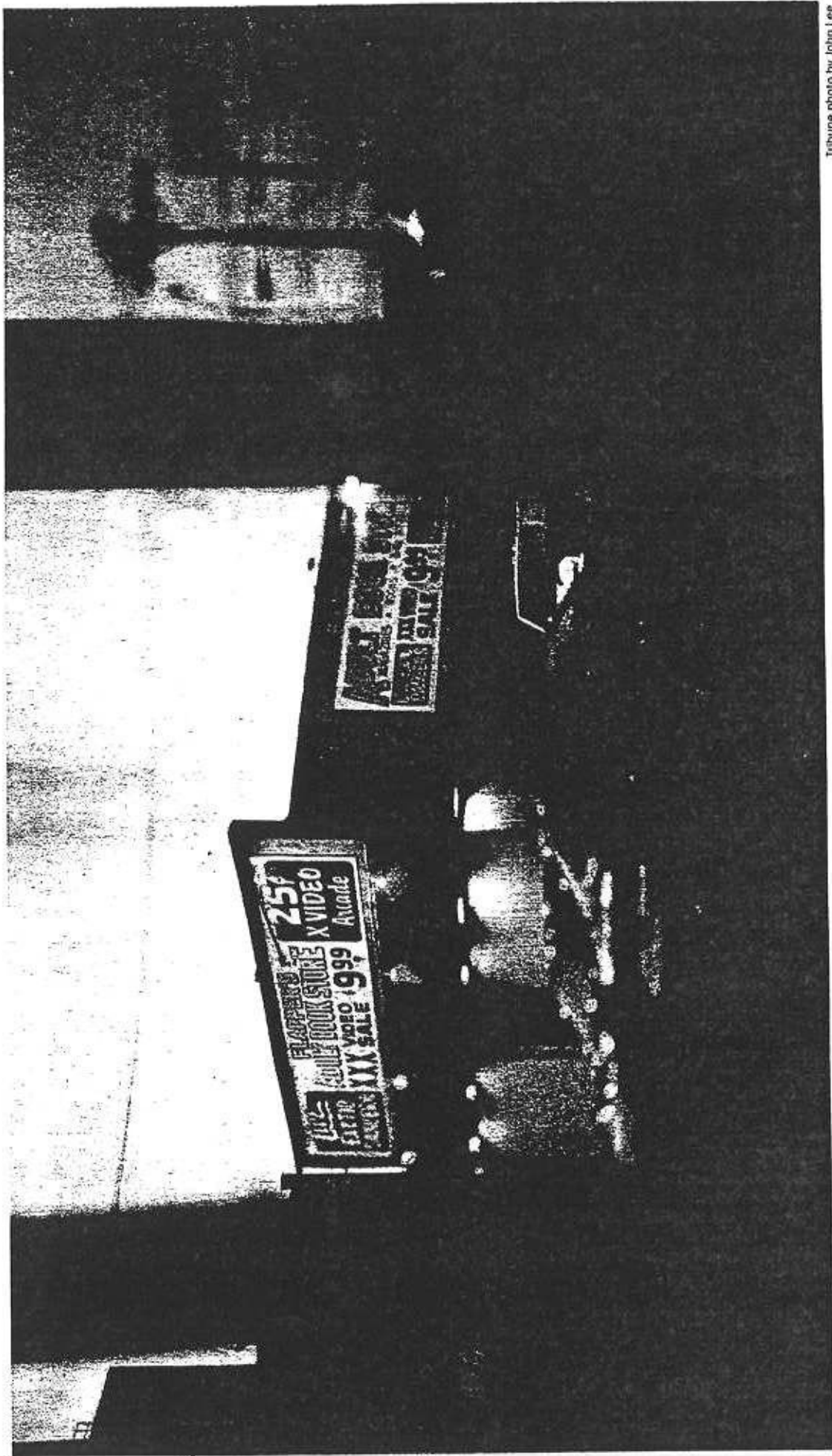
Callaghan was ordered by then-Deputy Supt. George Ruckrich to "come downtown" to interview Laskero for a job in the Intelligence Division, court records and interviews show. Callaghan always interviewed candidates in his office, but he reluctantly agreed to the interview, figuring Laskero was going to be brought into intelligence with or without his approval.

Soon after Laskero arrived in the Intelligence Division, a police vice squad detective took Callaghan aside and told him about Laskero's association with Dominic, records and interviews show.

Callaghan raised a minor ruckus at a meeting with Ruckrich and then-1st Deputy Chief John Townsend and got Laskero transferred to the Narcotics Division. "Subsequent to the meeting, I was shunned by both Townsend and Ruckrich," Callaghan wrote in a later court affidavit.

At the Narcotics Division, Laskero soon was embroiled in another probe. He and Bertuca fell under investigation as the Internal Affairs Division sought to determine whether officers stole \$1 million from a money courier for a cocaine ring.

The alleged robbery victim was described in an April 1996 police report as "the single most productive confidential informant in



Tribune photo by John Lee

Internal police documents allege that Officers Anthony Bertuca and Joseph Laskero once provided security at adult bookstores then run by mob associate Robert Dominic, including Flapper's on the Southwest Side.

Joseph LASKERO is a Detective assigned to OCD-N. He had knowledge that the meeting with a "money man" was arranged. He is a known associate of Organized Crime figure Robert "Bobby" DOMINIC. In past interviews he has claimed to be a friend of DOMINIC, but admitted working in adult book stores operated by DOMINIC providing security for that operation.

Anthony BERTUCA is a Police Officer assigned to 050. He was previously the long time partner of LASKERO, when both were assigned to 023 Tact. He too, is an associate of DOMINIC. He has been documented as traveling to Las Vegas Nevada as an employee of DOMINIC. (Attachment 26, 27)

the history of the Chicago Police Department." He ferried cardboard boxes stuffed with cash to Florida, the drug money's last stop before Colombia, while secretly providing police with information that had enabled them to seize hundreds of kilograms of cocaine.

On an October 1995 morning, the informant was scheduled to meet his contact and pick up a cache of money. Police hoped to learn the identity of his "money man." As usual, he briefed his Narcotics Division handler, Officer Carlos E. Velez.

The night before the informant's meeting, Velez assembled his team using a Narcotics Division radio frequency and Laskero overheard the radio commands. Laskero volunteered to be included in the operation, and Velez agreed, internal police records show.

The next morning, Velez, Laskero and the rest of the team followed the informant to a suburban hot dog stand. The informant met his "money man" behind the restaurant, out of sight of the surveillance officers.

When he rejoined police later, he said no cash had been transferred.

In fact, he had placed \$1 million in three boxes and a plastic garbage bag in the trunk of his car.

Velez's surveillance team left the informant, but while eating breakfast at a restaurant, Velez was paged. "Carlos, I got bust-

ed," the informant shouted into the phone.

He said his cash-laden car had been pulled over by three men who claimed to be federal agents. The men, who apparently had been monitoring him, opened the trunk and unloaded the cash into their unmarked car.

The informant later passed a polygraph test about his account of the robbery, a police report shows.

That night, the informant studied a set of police photos and identified Laskero's friend and former partner, Bertuca, as one of the men who had robbed him, the reports show.

The next day, after viewing a police lineup that included Bertuca, the informant reconsidered and said Bertuca hadn't robbed him.

One detail that stood out in Velez's memory was Laskero using his cell phone during the surveillance, saying he had to call his family. Police later gathered phone records that indicated Laskero was calling an apparent "drop line"—a number registered to an alias that was disconnected soon after the robbery.

During the evening before and the morning of the robbery, the drop line was called

from telephones linked to Bertuca and Bobby Dominic, police records show.

As the thieves' black Chevy sped away after the robbery, the informant wrote down the license plate number on a pack of cigarettes. Police traced the plate to a car that had been in an auto lot across the street from a store where Bertuca moonlighted providing security.

On the morning of the rip-off, Bertuca told his supervisors he would be in court. He wasn't.

Records indicate the Internal Affairs Division opened a disciplinary case against Bertuca for allegedly lying about being in court. The outcome of that case could not be determined.

One police report on the case noted that Dominic "has allegedly used Laskero and Bertuca in the past as 'muscle,' " yet no action was taken against either officer for violating the police order against fraternizing with a crime figure.

In September 1997, the Internal Affairs Division investigation was closed. The police and FBI have an ongoing investigation into the matter. No one has been charged in the incident, and the money has not been recovered.

Chicago Tribune

Monday, October 23, 2000

Connections cast pall over homicide probe

Police integrity questioned in exec's slaying

Second of three parts.

By David Jackson
TRIBUNE STAFF WRITER

He kept a semiautomatic pistol under a slough of magazines by the bed of his Prospect Heights home and a blue steel revolver in the top drawer of his highboy dresser.

Amoco Oil Co. executive Charles E. Merriam would not open his front door to someone he did not trust.

The autumn of 1987 was a par-

ticularly volatile time for the 52-year-old former Marine. He was recently separated from his wife of 28 years. And at work, he was forced to ride herd on 825 "pumpers" and mini-marts, some run by rough-and-tumble operators who tried to cheat their customers or the government.

Among them was station owner Frank Milito, who courted Chicago politicians and top police officials.

When Milito was sentenced to federal prison for tax fraud, Merriam moved to terminate his Amoco leases.

Milito responded with a veiled threat, court and police records allege, although Milito today denies making one.

Merriam was ready for sleep, clad in blue- and red-striped pajama bottoms and a gold Seiko

watch, when the doorbell rang sometime after 10:20 p.m. on Nov. 4, 1987.

His porch light was on and three small windows framed each side of the front door, making it easy to see who was outside.

He opened the door then tried to pin it shut. The effort split his lip and pressed a foot-long bruise across his ribs.

A bullet smashed through the door and into his stomach. Another tore through his chest.

The third slug came from a smaller pistol, a .25-caliber handgun held to the top of Merriam's head.

This is a story about Chicago's twin towers of respectability and corruption. It is about the murdered and the living, and a past that won't stay dead.

For 13 years, the executive's unsolved slaying has licked at the consciences of police officials in this prairie metropolis and stood as an emblem of crime's brazen reach into the highest echelons of civic life.

The events of that night and new details about the deeply rooted conflict between Merriam and Milito have been drawn from court records, interviews and internal records from eight law enforcement agencies. Milito, who declined to cooperate with the homicide investigation, said through an attorney that he has no connection to the killing.

But Milito's personal and financial relationships with Chicago and Cook County sheriff's

SEE FORBIDDEN, PAGE 8

INVESTIGATIVE REPORT

FORBIDDEN FRIENDSHIPS BETWEEN COPS AND CRIMINALS



Tribune photo by John Lee

Doctor Stein advised that the cause of death was due to multiple gunshot wounds and the manner is homicide.

Cook County sheriff's report on coroner's finding after 1987 slaying of Amoco executive Charles Merriam, pictured above with his family

The Merriam slaying

On Nov. 4, 1987, Charles Merriam, Amoco district manager for 825 Midwest gas stations, was slain in his Prospect Heights home. Frank Milito, operator of eight Amoco stations and close friend of several police officials, emerged as one of the potential suspects. The case was never solved.

KEY: ★ Police official

▣ Convicted criminal



Charles Merriam
Amoco district manager who ordered Milito's lease revoked when Milito was put in prison.



Frank Milito
North Side businessman who faced the loss of his Amoco gas stations when he pleaded guilty to mail and tax fraud; friend and business partner of various police employees; invested in Curacao Caribbean Hotel & Casino.



★ Supt. Matt Rodriguez
Forced to retire after 38-year police career in 1997 after acknowledging a close friendship with Milito. Golfing buddy of Capt. George J. Nicosia's.

★ Cook County Sheriff's Capt. George J. Nicosia
Friend of Rodriguez's; oversaw Merriam investigation with Dvorak.



★ ▣ Undersheriff James E. Dvorak
Oversaw Merriam homicide investigation; as GOP ward committeeman, received campaign contributions from the mob-linked New Republican Organization of Chicago; pleaded guilty to accepting bribes.

Curacao Caribbean Hotel & Casino

As Merriam's homicide probe was bogging down, Milito and two law enforcement officers invested in a crime syndicate-linked hotel and casino on the Caribbean island of Curacao.



▣ Vincent "Jimmy" Cozzo
Chicago mob figure who oversaw the casino; co-ran the New Republican Organization of Chicago, which supported the campaigns of Sheriff James O'Grady and Dvorak.

★ ▣ Assistant Chief William B. Shifka,
Cook County Sheriff's Police
Casino investor; helped run the New Republican Organization of Chicago; pleaded guilty to being a ghost payroller.

★ Officer Renato DiSilvestro
Casino investor; former Chicago police officer.

▣ James F. Graves
Casino investor; convicted swindler.

Potential leads lost as probe dragged

Witnesses said they were afraid to come forward

CONTINUED FROM PAGE 1

police officials—including his extensive bonds with former Chicago police Supt. Matt Rodriguez—cast a shadow over the ill-starred homicide probe, records and interviews show.

News of the slaying and the high-profile investigation made headlines for days. Overseen by a friend of Rodriguez's on the Cook County Sheriff's Police Department, the probe bogged down amid weeks-long delays in processing the crime scene and the loss of internal computer files.

Rodriguez and retired Cook County Sheriff's Police Department Capt. George J. Nicosia said in Tribune interviews that their friendship had no bearing on the case.

Rodriguez publicly acknowledged his friendship with Milito during a November 1997 Tribune interview, and a day later he resigned in disgrace.

Milito's ties to Rodriguez and the specter of police corruption caused at least one important witness in the Merriam killing to be frightened to cooperate and caused some investigators to privately question the integrity of the probe, records and interviews show.

In October 1988—two months before the homicide investigation would be quietly shelved—Milito

got involved in a business deal that tied him to officials from the agencies that investigated him.

Milito and a mob-linked Chicago police officer invested alongside a top sheriff's department official on the Caribbean island of Curacao, where they bought shares of a hotel and casino tied to the crime syndicate.

In internal reports, local police and FBI agents linked Merriam's killing to two other unsolved 1980s homicides because three close-knit gas station owners surfaced as witnesses or potential suspects in each. Besides the Merriam slaying, investigators focused on the 1982 killing of mechanic Richard Campbell and the 1986 killing of gambler Giuseppe Coccozza.

Authorities have never publicly declared Milito a suspect in the Merriam homicide, although he is described that way in internal law enforcement reports.

No physical evidence emerged linking any person to the crime, and although the case has been reopened periodically, no charges have been brought.

Milito's attorney, Paul Julian, said there is "a wide-open field" of others who had incentive to harm Merriam. In the months before he was slain, Merriam presided over Amoco's effort to convert some repair garages to mini-marts, a policy that angered some rank-and-file dealers who feared profits would shift to the parent company.

And Julian suggested that the killing could have stemmed from Merriam's family or personal relationships.

Some of Merriam's friends, relatives and colleagues told sheriff's investigators they suspected that Milito had a role in the Merriam killing, but others at Amoco dismissed that possibility. Julian noted that some Amoco officials continue to dine and travel with Milito.

"What that tells you is, the people who know him best don't believe he is capable of this kind of behavior," Julian said.

A tumultuous rebirth

Sorting through the fragments

of Merriam's life, investigators cobbled together a portrait of hard-won pedigree.

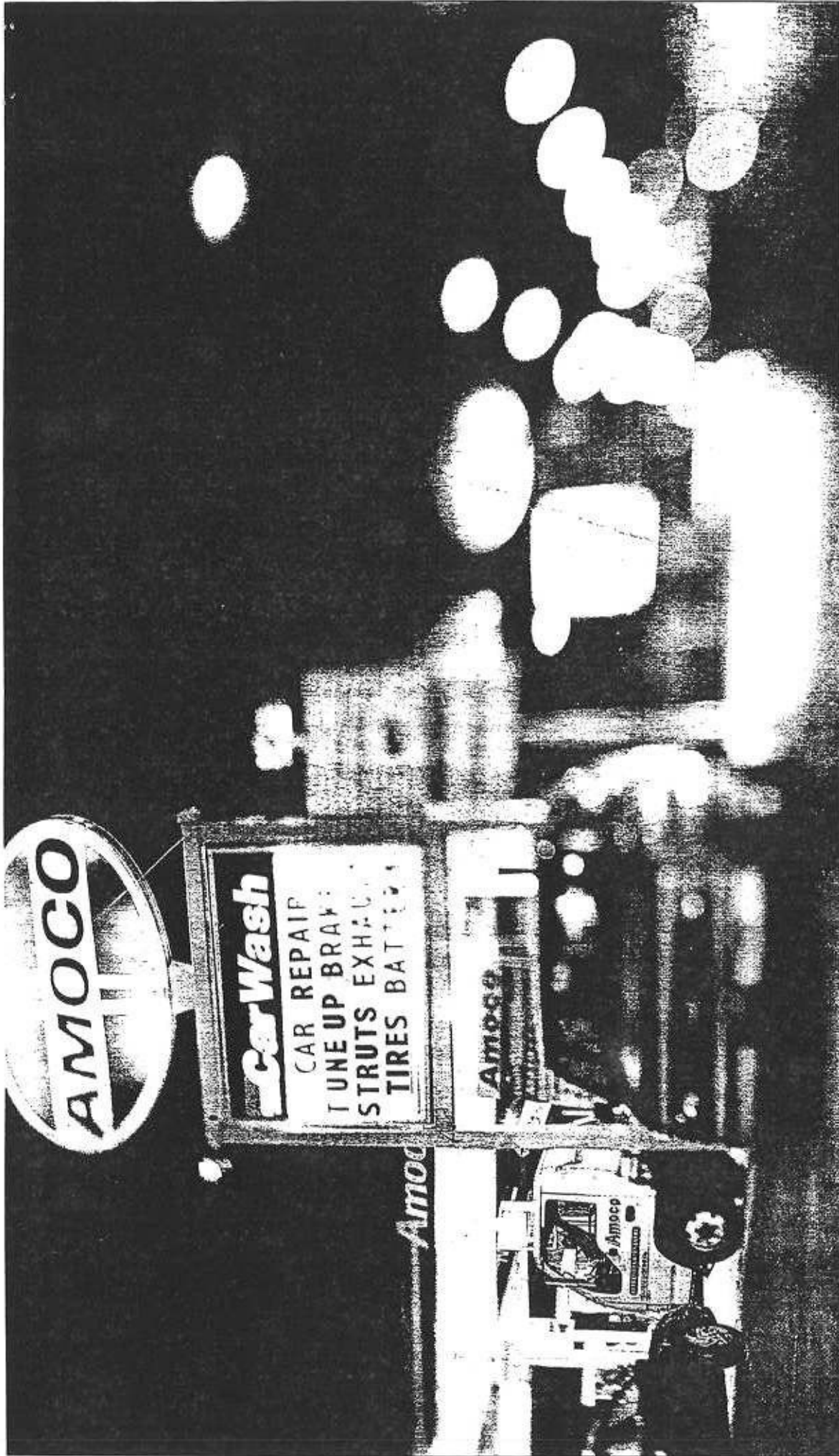
His grandfather Charles E. Merriam was a University of Chicago political science professor, former Hyde Park alderman and unsuccessful reform candidate for mayor in 1911.

His uncle, former 5th Ward Ald. Robert Merriam, was a decorated World War II captain who ran as a Republican against Mayor Richard J. Daley in 1955, then served on President Dwight Eisenhower's staff. As an alderman and later as a public figure, Robert Merriam was a fierce critic of the way Chicago's political patronage system had clouded the integrity of its police department. In one speech, he demanded that Daley reform the Police Department after the Summerdale District police burglary scandal broke in 1960.

At 52, the scion of this legacy was undergoing a tumultuous personal rebirth.

Since he joined Amoco after his 1959 Marines discharge, Charles Merriam developed a reputation as an exacting taskmaster who sometimes humiliated those who disappointed him. He had hit a corporate dead end when Amoco denied him a vice presidency during a 1986 company reshuffling that put him in charge of the volatile Chicago district.

He opened Amoco's 100-person district office each morning at 6:30 with a Dr Pepper in hand and he pummeled a handball at the Lattof YMCA in Des Plaines. In August 1987, after marriage counseling failed, he told his wife their union was over and moved into a townhouse on the second fairway of the Rob Roy Country Club golf course. He dated the secretary who helped him run the district office, a 52-year-old whose husband had died five years earlier. Barbara Brand



Tribune photo by John Lee

In late 1986 you pled guilty to and were convicted of the federal offense of mail fraud, a crime involving moral turpitude. As a result of this criminal misconduct on your part, Amoco had the legal right to terminate your franchise relationship under the Petroleum Marketing Practices Act, 15 U.S.C. Sections 2802 (c)(1), (11), and (12).

However, as a result of your strenuous requests to Amoco at

In a letter to Frank Milito, Charles Merriam informed him that Amoco was ending Milito's lease to this station on Fullerton Avenue. Merriam said he would let Milito transfer the lease to his sons.

declined to comment for this report.

As he wrestled to control stations across three states, Merriam's job put him on a collision course with a man who was in many ways his social opposite, Frank Milito.

Milito started with next to nothing when he arrived in Chicago from a picturesque Italian village in the Salerno province in 1962. Within two decades, Milito had built up an array of businesses that employed more than 50 people and included eight gas stations, two travel agencies, a popular Old Town restaurant and condos and commercial buildings worth \$1 million, records show. Some of those businesses were turned over to family members, although Milito still has a strong voice in their operation, his attorney said.

He showed up at work at 7 a.m. most days and sometimes slept in his gas station. He was among the Midwest's largest and most loyal sellers of Amoco's brands of tires, batteries and auto accessories. He sponsored a Boy Scout troop and a Gordon Tech bowling team, and became a Mason and a member of the Lion's Club.

In the evenings, he held court at his restaurant, Orso's, at 1401 N. Wells St. As he shared the bounty of his kitchen and bar, his conversation flowed from stilted English to a rich, lyrical Italian. He gave generously to charities and political campaigns. Between 1984 and 1995, for example, Milito donated an office below his 732 W. Fullerton Ave. travel agency to the 43rd Ward Democratic Committee.

Chicago politicians returned the immigrant entrepreneur's largesse.

During the 1980s, Milito worked as a \$600-a-month investigator for the City Council Committee on Traffic and Public Safety, a patron-

age job that came with health benefits for his family. He was appointed a Cook County Holiday Court bailiff, which brought the right to carry a gun and badge. And Milito held a second badge as an unpaid deputy coroner of Kane County.

Up-and-coming police brass flocked to Orso's to discuss department politics and to toast promotions. Ushered past a gallery of framed pictures of judges and aldermen, they demurred when Milito picked up their tabs.

But Milito's relationship with Rodriguez went deeper. Milito took him on trips to Italy and Israel. He hired Rodriguez's son-in-law at the restaurant, registered Rodriguez with a travel association so he could enjoy discount fares, and donated \$1,000 to a police party held to honor Rodriguez's 1992 appointment to superintendent.

Until 1986, Milito's criminal record consisted of a single city pump ordinance violation, for which he paid a \$15 fine.

But during the 1980s, he failed to report the sale of \$4.6 million worth of gas from four stations—about a quarter of the total volume, federal prosecutors alleged. In 1986, he pleaded guilty to mail fraud and a tax charge.

Milito's felony conviction gave Amoco the right to cancel his leases, and Merriam intended to do so.

The enforcer

Merriam moved quickly to terminate Amoco's leases on Milito's stations, forcing Milito to sell the businesses to third parties at greatly reduced prices.

Milito's conviction was humiliating, his attorney later said in court, but "even more devastating to Milito is the action taken by Amoco Oil Co. against him as a result of his conviction."

Milito fought to keep his last station, a 24-hour operation at 1106 W. Fullerton Ave. that featured a car wash, Amoco CertiCare mechanics and full-serve pumps in the heart of the wealthy DePaul enclave.

He enlisted the help of then-Chicago parks Supt. Edmund Kelly, who called Merriam personally to request leniency. Merriam brushed off the powerful North Side ward heeler, saying he intended to follow Amoco's rules, court records show.

Amoco sales manager John Aldworth—a mid-level executive who dined with Milito and received gifts of wine from him—asked Merriam to be compassionate with Milito and arranged a meeting between Milito and Merriam at the Town & Country restaurant on North Avenue. Over a cup of coffee, Merriam refused to budge. "My opinion was that he would keep none of the service stations," Merriam said in a later court deposition. "[I] told him this to his face."

According to an internal Amoco Law Department memo, Milito responded that if Amoco took his Fullerton Avenue station, he might as well get a gun and take his own life.

After he was petitioned by other Amoco salesmen, Merriam agreed to a compromise: Milito could keep his last station as long as his prison sentence was less than 60 days.

"I didn't like it, but I could live with it," Merriam testified of the deal.

But instead of issuing a 60-day sentence, U.S. District Judge Prentice Marshall chastised Milito for his "massive fraud" and ordered him to serve 9 months in prison.

To keep his last station, Milito began a series of maneuvers in and out of court.

His attorneys pleaded for a sentence reduction, telling Marshall

that Amoco had agreed to let Milito keep his lease if he spent 60 days in jail followed by a longer work-release program.

An Amoco attorney later told a federal judge there was "no evidence" of any such agreement. But on the basis of those assurances, Marshall modified Milito's sentence to 60 days followed by 7 months of work release, when he would be allowed to leave the prison for eight hours on weekdays.

Milito immediately phoned Amoco salesmen and told them his sentence had been reduced to 60 days—not mentioning that he would spend another 7 months in prison while on work release, court records show. When he was gone from the station that spring, he told Amoco salesmen he was in Italy, instead of prison.

When Amoco asked for written confirmation of his sentence, Milito's attorneys sent a letter claiming he was imprisoned for a total of 58 days.

Milito spent 114 full days in prison, plus 154 evenings and nights while he was on work release, court records show. When Merriam learned about the work-release program, in the summer of 1987, he moved to cancel Milito's Fullerton lease.

Milito responded with a federal lawsuit. On Sept. 3, the day after the last night he spent in prison, Milito pitched himself into his civil court battle.

Over the next week, he sat as a silent witness at the depositions of a dozen Amoco employees.

At his deposition, Amoco Territory Manager Patrick M. Saunders recounted a meeting in Milito's office as Amoco was taking Milito's stations. Milito said "that he didn't believe in judges, lawyers or courts, and that Merriam had better not mess with his last station," Saunders said.

CONTINUED FROM PRECEDING PAGE

An Amoco attorney asked Saunders if he felt Milito was threatening Merriam.

"I believed he was serious," Saunders replied.

Merriam, who testified at the trial, told his grown children that he was nervous Milito might retaliate, sheriff's department records show.

Through his attorney Julian, Milito today denies making that statement to Saunders or threatening Merriam in any way.

Milito's words may sometimes be strong, Julian said, "but his use of language doesn't translate into a serious intent to do bodily harm. Frank is not the kind of guy who is going to act on a threat."

On Sept. 15, Judge Harry D. Leinenweber ruled against Milito, saying that Amoco had a right to revoke his lease. "It is amply supported by common sense" that Milito spent more than 60 days in jail, Leinenweber ruled.

Over the next five days, lawyers for both sides eventually settled on the compromise offered by Merriam months earlier: They agreed that Amoco would transfer the Fullerton lease to Milito's sons.

With that truce, the litigation was dismissed Sept. 22.

Six weeks later, on Tuesday, Nov. 3, Merriam drove to Milwaukee for a scheduled meeting with Wisconsin territory managers. He told Wisconsin field sales manager Roy A. Mathias about the Milito case, saying an Amoco attorney had asked him if he was concerned for his safety. To his subordinate, Merriam admitted to no concerns.

About 2 p.m. the next day, Merriam began the roughly three-hour drive home. At just before 5 p.m.—about the time he might have arrived—a six-second call was made to Merriam's home from the pay phone inside the gas station of Pierre Zonis, a friend of Milito's who later joined the Police Department.

Police believe the purpose of the call was to see if Merriam was home. When sheriff's investigators interviewed him, Zonis denied any knowledge of the phone call placed from his station. When they asked him to take a polygraph test, Zonis said through an attorney that he would answer no further questions.

Zonis said in a recent interview that he had no idea who made the call.

Merriam wasn't home to answer his phone because he had stopped for dinner with a friend at a Greek restaurant in Oak Brook. He got home around 9 and called Brand to invite her over. Her stomach

was upset from a bad dinner at a shopping mall, so she stopped by for less than an hour.

About 10:15 on the last evening of his life, Merriam gave Brand a bottle of ginger ale and walked her to her Oldsmobile Cutlass.

'A solvable case'

The homicide investigation was handled by sheriff's Capt. Nicosia, who declared it "a solvable case."

Nicosia and Chicago police Supt. Rodriguez had been friends and golfing buddies since 1977, when they both attended a nine-month police administration training program at Northwestern University's Traffic Institute.

Word of Rodriguez's links to both Nicosia and Milito spread through law enforcement and Amoco circles, and then to Merriam's family and friends, sheriff's department reports and interviews indicate.

In one 1988 report, a woman close to Merriam said she was terrified of cooperating with police because she feared harm to her children or herself. Years later, another sheriff's investigator pressed her to elaborate.

According to the investigator, the woman cited Rodriguez's friendship with Milito and asked: "How are you going to offer me protection?"

Rodriguez said in an interview that he did not believe his relationship with Milito affected the case—and he suggested that investigators might be "using that as an excuse" for their failure to solve the crime.

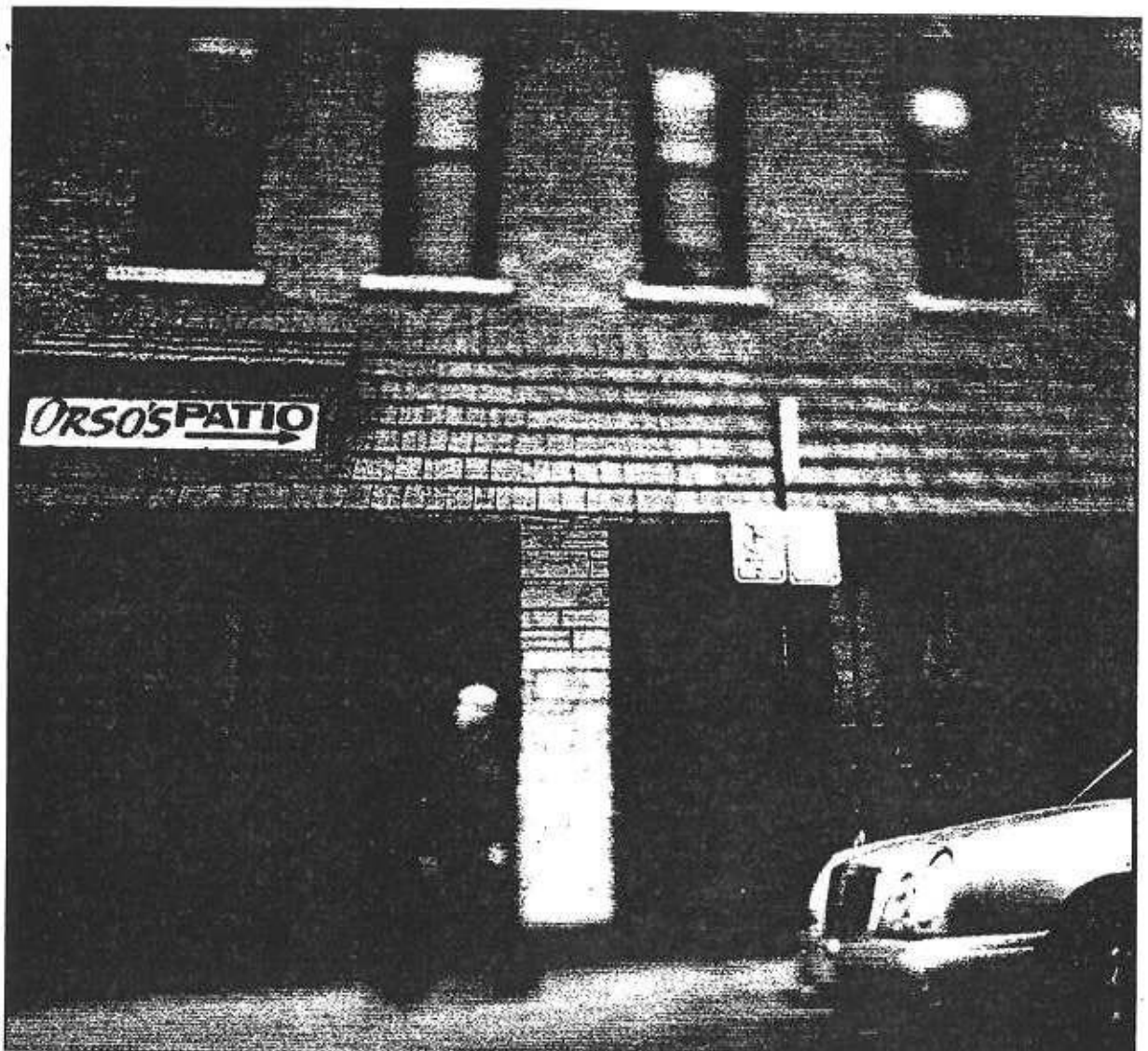
Nicosia personally directed the processing of the crime scene. The procedure, which usually takes hours, dragged on for weeks.

The team did not search Merriam's house thoroughly enough to find the gun by his bed until two days after the slaying, sheriff's police reports show.

It took two more weeks before sheriff's investigators again searched the house and found shells and fragments from the bullets that killed Merriam and that could help identify the pistols used.

Two days after that, sheriff's investigators decided to test the blood-stained jackets in the foyer to determine if anyone else was hurt in the struggle.

It was not until three months later that sheriff's investigators hypnotized a neighbor who had heard noises and noticed a strange car from her window. Under police-monitored hypnosis by a forensic psychologist, the neighbor recalled vivid details about the ge-



Tribune photo by John Lee

RODRIGUEZ stated that Orso's Restaurant is where MILITO likes to spend his time because he enjoys talking to the customers.

RODRIGUEZ said MILITO is not the sole proprietor of Orso's because MILITO is prohibited from having a liquor license due to his prior felony conviction. RODRIGUEZ does not know the specific breakdown of ownership percentages because they have never had conversations about it.

Interviewed by federal agents in 1998, former Police Supt. Matt Rodriguez described Orso's restaurant, a popular police hangout on North Wells Street in Old Town run by Frank Milito.

taway car. The vehicle was never found.

Sheriff's investigators hired an assistant who worked overtime typing clues into a computer database, but those computer diskettes disappeared. The loss of the computer records slowed the investigation and frustrated investigators who tried to reopen the case in the mid-1990s.

A potential break in the investigation came four days after the killing, when a neighbor down the street found a small piece of paper with Merriam's address on one side and "241 W. Palatine" written on the other.

Figuring the second address might have been the killers' meeting place or a drop-off point for cars, sheriff's investigators drove to the 200 block of West Palatine Road in Prospect Heights and found a small shopping center on that side of the street.

In fact, West Palatine Road runs through four northwest suburbs, including only one with the exact address of 241 W. Palatine Rd. In neighboring Wheeling, the address is about a half mile from Merriam's home. But Sheriff's investigators never found it.

In 1987, the site held a ball-bearing manufacturing plant with a parking lot that usually emptied by 8 p.m. The lot was unsecured and secluded from the street, a plant official said. It was visible from a nearby housing development, where potential witnesses might have been located.

Another missed opportunity concerned a friend of Merriam's who saw a stranger casing Merriam's activities shortly before the killing. The friend was shown a set of photographs by the Tribune and identified the stranger as a violent mob associate.

Merriam's friend asked that he not be identified because he feared for his family's safety and said he did not want to be put in contact with authorities because he suspected police corruption played a role in the case.

He had described encountering the stranger to sheriff's police days after the killing, a former investigator said in an interview. But for reasons that are not clear, his account of the incident was not included in the 112-page homicide report sheriff's investigators completed 13 months after the killing.

During the Tribune interview, Merriam's friend gave a description of the man's car that closely matched that given to sheriff's investigators by the hypnotized neighbor.

Thirteen months after the slaying, in December 1988, sheriff's police filed a memo suspending the case "due to the lack of active, viable investigative leads."

Nicosia, who retired in July 1999, said he recalled few of the case's forensic details.

"There were a lot of dead ends in that case and a lot of leads that never got closed for whatever reason," he said. "You just keep trying everything that's there."

"Mr. Milito was probably the strongest lead that we had because of recent issues with regard to his businesses and Mr. Merriam testifying against him in a federal trial."

Nicosia added: "I don't know of anything at the time that could be done that wasn't done. I was very proud of the investigators."

Still in business

After Milito completed his 1987 prison term, his cluster of businesses was diminished—but still bolstered by government contracts.

His wife, Nicolina—who asked the judge to reduce Milito's sentence because she would be helpless if he was sent to prison—ran a company called Peacock in the Park Ltd., which held several Chicago Park District contracts to run food concessions on the lakefront.

Peacock held the concession leases for about a decade, until 1996. Park District officials said they could locate only 12 pages of records pertaining to the contracts and could not determine how much Peacock earned from the concessions.

Milito's Car Wash held a city contract to wash police cars. Milito's wife also is listed as the president of that company, which has been paid more than \$90,000 by the city since 1990. To qualify as a women- and minority-owned business, Milito's Car Wash listed a subcontract to a firm that sells fro-

zen chocolate-covered bananas. City purchasing officials raised no questions about the subcontract, records and interviews show.

Starting in the late 1980s, state officials notified Milito that his stations owed about \$1 million in penalties and interest on state tax debts, according to court and revenue records and Milito's attorney. Milito's attorneys petitioned the Illinois Department of Revenue Board of Appeals to reduce his tax debt "so that he can go on with his life without the burden, stress and frustration that this heavy tax debt imposes," board papers show.

As part of his successful effort to lower his tax obligation, Milito gave state revenue officials a list of his assets and liabilities as of May 1989. Not mentioned was the \$240,000 Milito invested in a Caribbean casino run by Chicago mob figure Vincent "Jimmy" Cozzo.

Milito's attorney said the Curacao investment was not included because the shares were held in the names of Milito's sons. In casino correspondence, Cozzo refers to them as Milito's shares.

In the early 1990s, federal agents investigated whether Amoco gas station operators submitted false claims for defective batteries. Stations operated by Milito's son, Zonis and Milito's brothers-in-law Vincenzo and Marco D'Agostino were among the 19 locations that made \$146,000 in questionable battery claims between 1984 and 1989, internal Amoco records and court papers show.

None of the station operators was charged with wrongdoing, but Amoco territory manager Kenneth Rago was convicted in 1992 of federal fraud for mailing battery claim reimbursement documents to Zonis' gas station as part of the scheme.

Rago declined to comment. Zonis said in an interview that he didn't remember getting the letters from Rago and that he made no improper battery claims.

The investigation into the battery claims was just one probe that brought Milito, Zonis and Vincenzo D'Agostino together. The three men were examined as part of an investigation into the Merriam homicide and two others. Those cases led detectives into grease-smearred garages where crime figures and police officials passed time.

In recent years, federal agents have investigated whether Milito paid his employees in cash, understated his income and concealed his financial interest in the Curacao casino, an internal federal law enforcement report shows.

No charges have been brought against Milito from that ongoing investigation, and Julian said Milito accurately reported his finances to government agencies.

Federal prosecutors last year convicted Milito's two in-house bookkeepers of tax fraud for not reporting their cash income.

Milito, who still has many friends among Amoco executives, in 1996 brought then-Supt. Rodri-

guez as his golf partner to an Amoco outing at Indian Lakes Resort in Bloomingdale, a company employee later told federal investigators.

A year later, he traveled to Italy as a delegate to a Cook County-sponsored trade mission to promote overseas business.

While Milito thrived, Merriam's family and friends struggled to make peace with his slaying.

In the shopping season before Christmas a few years ago, Merriam's youngest son, Kenneth, took Merriam's widow, Carol, to lunch at Milito's restaurant, Orso's.

Ken chose a table that gave his mother an unobstructed view of the wall of autographed photos of top city and police officials.

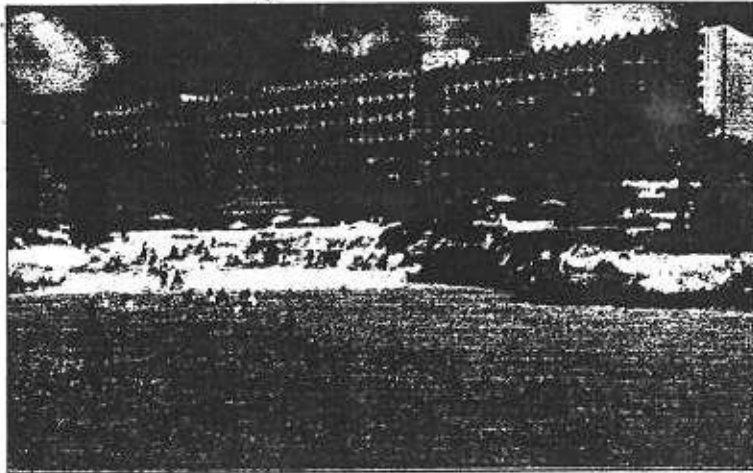
A police portrait of then-Supt. Rodriguez was inscribed with a heartfelt testimonial to the convicted felon who ran the restaurant: "Frank—you have bridged that gap between a friend and a brother. Matt."

Ken Merriam turned to his mother. "Now do you see why this case has never been solved?" he recalls asking.

Before she could catch her breath, Milito himself appeared at their table to serve them.

A handsome man with dark eyebrows and snowy hair, he was gracious and attentive, and gave no hint he knew anything about the family.

Tuesday: Gas stations, cops and killings



Owing \$10 million in taxes, the Curacao Caribbean Hotel & Casino declared bankruptcy and later was bought by a chain.

Cons, cops ante up in hotel-casino deal

Group sank millions into island venture headed by mob figure

By David Jackson
TRIBUNE STAFF WRITER

On a sandy cove in the Caribbean island of Curacao, ties of friendship and money bound Chicago criminals to their law enforcement chums.

Together they took stakes in the Curacao Caribbean Hotel & Casino, a venture overseen by Chicago mob figure Vincent "Jimmy" Cozzo. A former Teamsters official who had served time in federal prison, Cozzo would be banned from union activities in 1990 because of his organized crime activities.

During the mid-1990s, the U.S. Drug Enforcement Administration and U.S. Embassy officials investigated whether Cozzo's Curacao casino was used to launder drug profits for the mob. But that probe stalled, in part, because federal authorities could not obtain financial records from the Curacao government, federal memos show.

The Tribune obtained Curacao court permission to examine boxes of receipts and check ledgers decaying in a shipping container and a storage room on the island.

The records reveal a web of deals that brought potential murder suspects and swindlers together with law enforcement officials from the agencies investigating them. Built from offshore trusts and secret holding companies, the deal collapsed in a contested bankruptcy a decade later.

Cozzo formed an investment company that in 1987 bought the 190-bed hotel and attached casino for \$5 million. He took a mortgage from a Curacao government-owned holding company and gathered \$3 million from roughly 15 shareholders and partners.

Among the investors was Frank Milito, a convicted felon who came under scrutiny in the 1987 slaying of Amoco Oil Co. executive Charles Merriam. In October 1988, casino records show, Cozzo gave Milito a letter with a palm tree logo, offering him an option to buy \$45,000 worth of stock in the venture.

Milito put his shares in the names of his sons and made additional loans and investments in the venture that would total \$240,000, according to letters made available by his attorney. He gathered some of his investment money from relatives, the letters indicate.

Another investor was Renato DiSilvestro, a Chicago police officer who came under investigation in the 1986 killing of Giu-

seppe Coccozza, which detectives linked to the Merriam slaying.

Cook County sheriff's Assistant Chief William B. Shlifka also took a stake. He was fired from that post for undisclosed reasons in 1991 and later pleaded guilty to being a ghost payroller on the City Council Traffic Committee. The sheriff's office investigated the Merriam case.

The casino donated at least \$300 to the political campaign of Shlifka's boss, Sheriff James O'Grady, and at least \$1,230 to the New Republican Organization of Chicago—a Republican group run by Cozzo and Shlifka to support the political campaigns of O'Grady and Undersheriff James Dvorak.

Dvorak was in charge of day-to-day personnel and law enforcement decisions during the time of the Merriam slaying. He recently completed a 7-year prison sentence for taking bribes and orchestrating a massive ghost-payrolling scheme during the time he oversaw the Merriam case. Dvorak could not be reached for comment through an attorney or federal officials.

Cozzo's New Republican Orga-

nization gave at least \$7,350 to the election funds of O'Grady and Dvorak, campaign records show. Dvorak was a Chicago ward committeeman, so he did not have to divulge his election receipts and spending, thus only partial records are available.

At a Near-West Side sports bar and pool hall he frequents, Cozzo exhaled the silky effluence of Marlboro Lights as he staved off questions about the Caribbean venture. He said every dollar of its financing was properly accounted for, but declined to provide details.

A key casino investor was convicted swindler James F. Graves, who had been sentenced to 5 years in prison in 1964 for misusing the funds of a savings and loan, casino and law enforcement records show. By the 1980s, Graves and a group of investors had acquired interests in several downtown Chicago office buildings, two hospitals and a North Michigan Avenue surgical center, Cook County land and court records show.

At the same time, Graves and Cozzo were leapfrogging the Caribbean to establish casinos, U.S. Embassy cables indicate. They raised start-up funds by exploiting Cozzo's control of Teamsters Local 786's financial affairs, FBI and U.S. Labor Department reports indicate.

Former Cosmopolitan National Bank Chairman James E. Wells—a corrupt banker who would be sentenced to a 15-year prison term for bribery, arson and bank fraud—told the FBI that his bank had arranged one \$100,000 loan because Cozzo was affiliated with the Teamsters union, which held substantial certificates of deposit at Cosmopolitan.

Cozzo said he never approached Wells for a loan, but he declined to discuss the subject further.

Casino revenues wound through a labyrinth of linked companies, one of which was

paid \$15,000 a week "up until the week that Mr. Cozzo had to leave," an accountant's memo shows.

Owing close to \$10 million to the government of Curacao for unpaid taxes, land lease payments and other fees, the hotel and casino declared bankruptcy and were sold for \$4.5 million in 1997. Sale proceeds were turned over to the Curacao government, and the hotel and casino have since been refurbished and joined an international chain.

Milito declined to answer questions about the venture. His attorney, Paul Julian, said Milito was brought into the investment by then-parks Supt. Edmund Kelly, who was an investor. Julian said Milito didn't know Cozzo before then.

Julian said Milito soon learned about Cozzo's background and immediately tried to withdraw his money from the casino and distance himself from Cozzo.

Julian acknowledged that Milito lent Cozzo's Curacao venture an additional \$50,000 after that, and that Milito continued to relax with Cozzo in Curacao, according to vacation photographs obtained by the Tribune. But Julian said Milito was making a show of trust because he was frightened of Cozzo and was trying to recoup his investment without making Cozzo angry.

Cozzo used an obscenity to dismiss Milito's account. Cozzo said he has known Milito for at least 25 years, and said Milito came into the investment on his own, not through Kelly.

While some investors said they lost everything they put into the venture, Milito was paid more than \$100,000 from casino accounts, records and interviews show. But in the end, Milito said in a 1997 letter provided by Julian, Cozzo still owed him \$130,000 as well as \$30,000 in interest.

Chicago Tribune

Tuesday, October 24, 2000

INVESTIGATIVE REPORT

FORBIDDEN FRIENDSHIPS BETWEEN COPS AND CRIMINALS

3 unsolved slayings link police, mob crews

Investigators explore gritty underworld of gas stations and gamblers

Third of three parts.

By David Jackson
TRIBUNE STAFF WRITER

On a September day in 1997, a top assistant handed Chicago's police chief an inch-thick dossier of internal reports.

In the file's blunt law enforcement prose, then-Supt. Matt Rodriguez encountered a world of low-level corruption, organized crime

and premeditated slaughter.

Some of the reports concerned his close friend Frank Milito, a politically connected North Side businessman who had operated gas stations and ran a Wells Street restaurant.

Rodriguez already knew that Milito had come under Cook County police scrutiny for the 1987 slaying of Amoco executive Charles Merriam, a high-profile case that made headlines for days and

remains unsolved.

The chief had never questioned Milito's proclamations of innocence and had taken his buddy's word that Merriam was an unpopular corporate autocrat who stirred up many enemies.

But as he studied the papers on his desk that September day, Rodriguez learned that the Merriam killing was only one piece of a more troubling pattern. Milito and two associates had been investigat-

ed by several law enforcement agencies after two other unsolved 1980s killings.

Investigators encountered similar witnesses, suspects and gas stations in each of the three cases. They scrutinized Milito, his brother-in-law and their friend Pierre Zonis, a gas station owner who developed close personal and business relations with the family after he emigrated from Iran in 1968.

The details about Zonis had a



Tribune file photo

Chicago Police Officer Pierre Zonis (left) and attorney Joseph Roddy arrive at police headquarters in April 1999 for a police board hearing.

particular significance for Rodriguez. Zonis was a Chicago cop.

Sworn into the department in October 1994, the 42-year-old recruit was given star No. 18487

and sent to patrol the North Side in the Town Hall District on the midnight shift, often alone in a

SEE PROBES, PAGE 12

Similar cast emerges over course of probes

Politically connected businessman, his brother and a Chicago cop under scrutiny.

CONTINUED FROM PAGE 1

squad car.

In the police narrative before him, Rodriguez could glimpse a constellation of gas stations where bookmaking, loan-sharking and business scams allegedly took place. There, crime syndicate enforcers and beat cops shared Styrofoam cups of coffee and envelopes of cash. Investigators turned to the stations for clues about the killings of Merriam and two mechanics who died in borrowed cars with bullets through their heads.

The vast majority of Chicago officers perform their duty with unnoticed valor. But Zonis is one of at least a dozen Chicago officers who have come under FBI or internal police scrutiny because of suspected crime syndicate ties since 1985, a Tribune examination of law enforcement records shows. His law enforcement career exposes disturbing flaws in Chicago police procedures for vetting recruits and investigating officers suspected of wrongdoing.

Detectives have not determined what, if any, role Zonis played in the slayings, but he figured in the backdrop of each case and was questioned by four law enforcement agencies at least six times.

At the garage he runs on his days off, the stocky patrolman rested a hand on a squadron of one-quart oil containers and cursed his accusers. "I was framed," Zonis said.

He claims some police and prosecutors engaged in a "sick and disgraceful" campaign to link him to felonies he didn't commit. "The only crime committed here is to my reputation," he said.

Almost since the day Zonis became a police officer, the department has been trying unsuccessfully to fire him for not disclosing he had been questioned by homicide investigators, as well as not revealing a 1985 gambling arrest that was later expunged.

Zonis was suspended for 23 months for not disclosing his gambling arrest, but the department's termination charges unraveled amid a series of bureaucratic missteps. As the city awaits a ruling from the Illinois Appellate Court, Zonis works at the police "call back" unit, handling requests for

non-emergency service.

Testifying on his behalf as character witnesses at his police board hearing were a retired captain, a retired lieutenant, four sergeants and a patrolman.

Mechanic on a roll

His friends on the force call him "Z."

He calls himself "the most scrutinized copper in the world."

Pierre Zonis wouldn't discuss his boyhood in Tehran.

"It is so far back," Zonis said. "It's like everything else—what difference does it make?"

A B-minus student at the now-defunct Central YMCA High School, the teenager had a knack for fixing cars and landed a job as a mechanic at a garage on Irving Park Road and Broadway. Milito's brother-in-law Vincenzo D'Agostino and his brother bought that station in 1971 and hired Zonis.

Ten years later, Zonis used a bank loan to buy a Northwest Side Shell station. Soon after that, he bought a second station, at 6601 N. Sheridan Rd., from the D'Agostinos. He paid \$60,000 for the business and inventory and got a U.S. Small Business Administration loan to complete the sale.

As his fortunes grew, Zonis married a Venezuelan-born Chicago schoolteacher and had three sons. But his avid gambling brought him into the courts and under FBI scrutiny.

In 1981, Zonis received a casino-sponsored junket to Resorts International in Atlantic City. There, he opened a \$25,000 line of credit, then lost the entire amount in two days at the dice tables, federal court records show.

When the casino tried to collect Zonis' losses from his Chicago bank, the bank refused to honor the IOUs because it concluded that Zonis' casino signatures did not match the signatures Zonis had filed with the bank.

The casino sued, alleging Zonis "fraudulently induced" the casino to issue his markers, but the case was dismissed because the Atlantic City gambling contract could not be enforced under Illinois laws at the time.

A year later, in 1985, police obtained a warrant to search Zonis' gas station and arrested him for misdemeanor gambling after finding sports wagers in the desk in his office, police records show.

The charge was dismissed and expunged later that year. The case was handled by Robert Cooley, a corrupt former cop who became a

court-fixing attorney and then a federal informant against the mob.

Zonis vehemently denies being a bookie or a bagman and describes himself as a hardworking father and exemplary police officer.

In statements to the FBI, mob figures and gamblers painted a different portrait.

'A decent guy'

During the 1980s, Zonis befriended Mario Rainone, a brutal crime syndicate debt collector who cooperated intermittently with the FBI before pleading guilty to extortion in 1992.

The two men grew close enough that Rainone became the godfather of Zonis' youngest son in a church ceremony. Rainone on two occasions lent Zonis more than \$10,000 of the mob's money at a steep 3 percent per week interest, records and interviews show.

In interviews, Zonis gave conflicting statements about whether he recalled the loans. He said he did not remember how he and Rainone became friends.

"You see somebody three, four times a week, you think they're a nice guy," he said. "At that time, he was a decent guy."

A former crime-syndicate house burglar, Rainone by 1986 had learned to use beatings and mayhem to gain control of small businesses. He threatened to cut off the head of a restaurant owner in one extortion effort, federal court records show, and he said he would "blow away" the children of a pizza shop owner who owed \$300,000.

From federal prison in Atlanta, Rainone refused to comment for this report. In an FBI statement, Rainone said Zonis was running a bookmaking operation. As an FBI agent watched in 1989, Rainone dug beneath a doghouse in the back yard of his suburban home and produced a handwritten list of the "customers" from whom he collected "juice" and "street tax."

Zonis owed \$14,000, the paper said.

Zonis' gas station was used as a betting place or a drop-off for cash traded between mob associates, Rainone and other mob associates told federal investigators. In one instance, another mob crew member dropped off payments at Zonis' station and Rainone said he trusted Zonis to hold the envelope. Zonis denies that this happened.

As Zonis' relationship with Rainone continued, so too did his

entanglement with homicide investigations.

The first victim was a mechanic for Zonis who had a gambling problem and carried on an ill-advised romance.

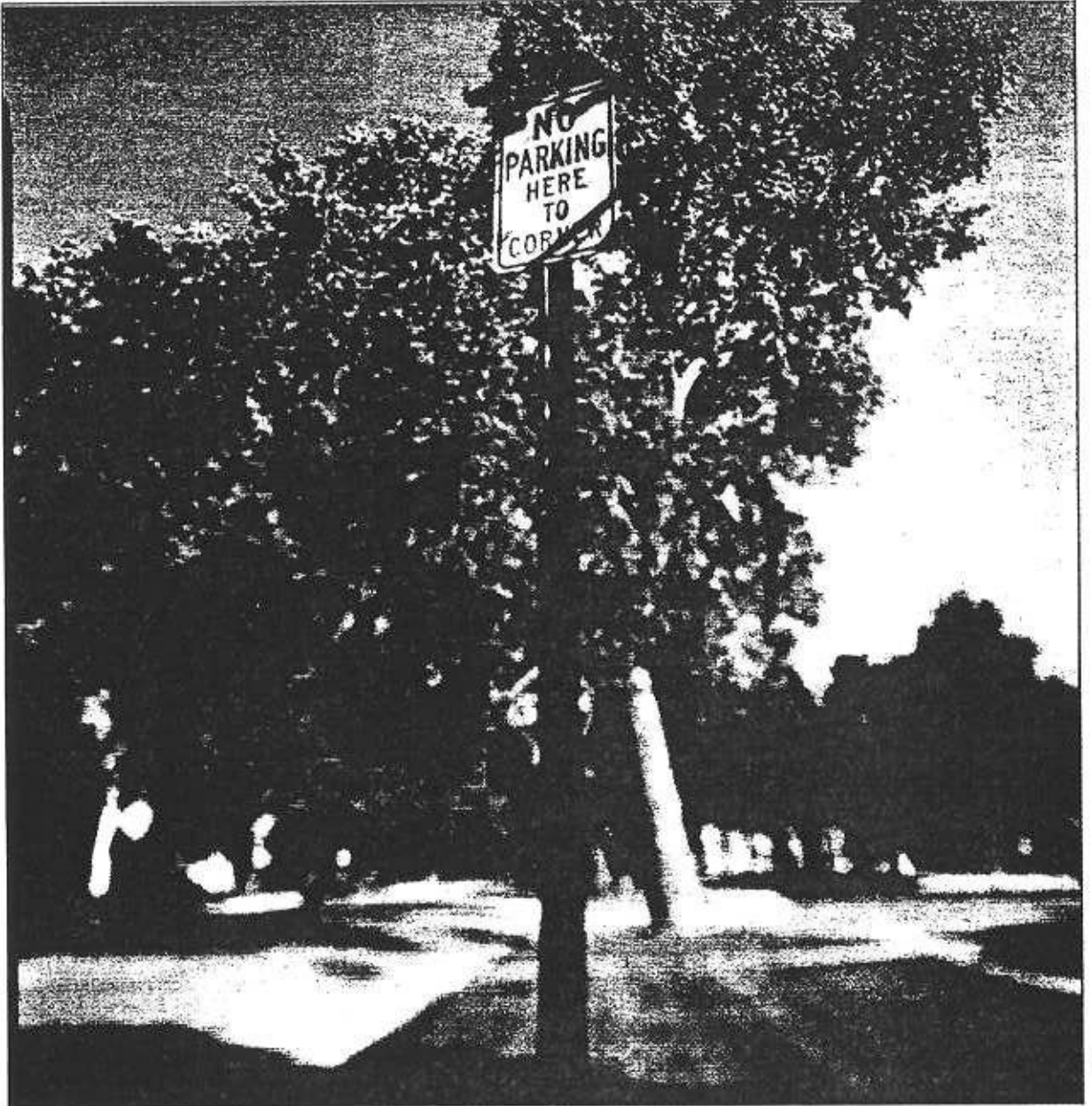
Members Only

Richie Campbell's body surfaced at 6:45 a.m. on a Sunday in March 1982, when an elderly man noticed

blood dripping into a foot-wide puddle beneath a pickup truck in a Des Plaines parking lot.

Inside slumped a slender, blue-eyed Tennessean in a Members Only jacket, size 8 cowboy boots and a tan mechanic's shirt with his name scrolled across the patch.

Detectives surmised that Campbell's killer had sat beside him in the pickup. The truck doors were

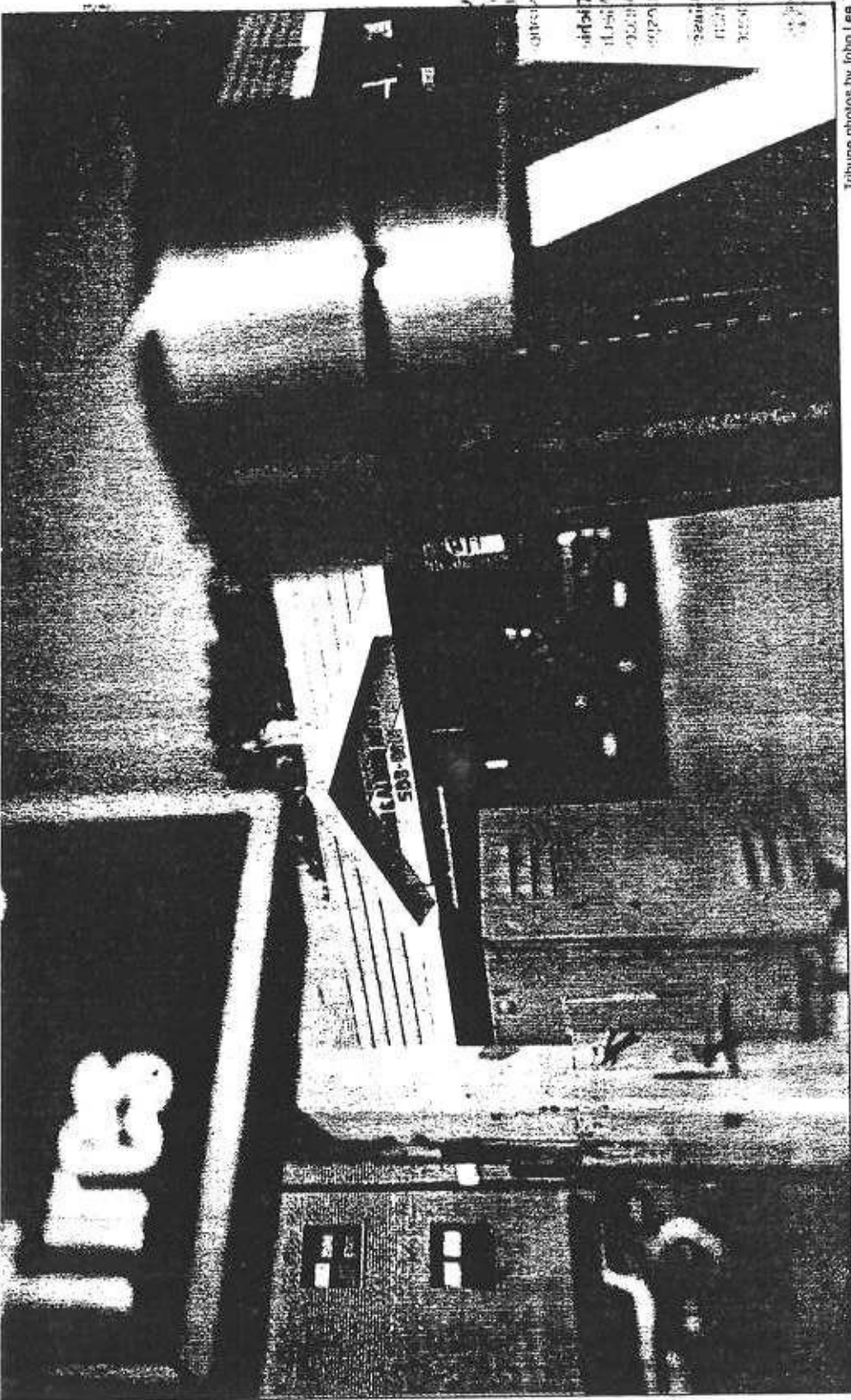


The vehicle was covered with undisturbed rain droplets - had been raining.

The vehicle engine was cold to the touch.

The victim was positioned in the front seat area of the car. The victim's feet were on the floor of the driver's side (pointing south). The victim's head was on the floor and against the passenger door (Pointing north). Blood could be observed on the victim's clothing.

The homicide report for Giuseppe Coccozza describes how his body was found in a car on this residential street in Evanston in March 1986.



Tribune photos by John Lee

In 1988 ZONIS lost \$10,000.00 to \$15,000.00 on sports betting to a person named Tony (last name unknown). ZONIS knew RAINONE was loaning money and approached him for a loan. RAINONE loaned ZONIS \$10,000.00 or \$15,000.00 at a rate of three per cent interest per week which ZONIS paid off after several weeks. RAINONE collected the payments from ZONIS at his Amoco gas station located at 6601 N. Sheridan Road.

An internal police document details allegations that Pierre Zonis, now a Chicago police officer, borrowed money from the mob, paying off his juice loan during meetings at his gas station.

unlocked and the ignition was on. The car went dead sometime in the night.

Police had no lack of potential suspects. They twice had been called to Campbell's Bensenville house to restore order after he and his brother argued over dilapidated pickup trucks—one police report said the brothers exchanged gunfire—but no arrests were made.

Campbell, 33, was married but dating the 23-year-old daughter of his former boss, Vincenzo D'Agostino, one of Zonis' American mentors and the brother-in-law of Milito.

The daughter worked at the bank where her uncle Frank Milito held his business accounts, and she lived in one of her father's Marine Drive condos. Her father didn't approve of the romance with the married mechanic, police reports indicate.

About four months before Campbell was killed, he got a call at home, his wife, Joyce, told police.

Joyce said she listened in on another extension as the daughter told Campbell that her father was aware of their relationship and was going to kill him or have him killed.

Campbell was fired by D'Agostino a few months before he was slain. He then went to work for Zonis as a mechanic.

About 10:30 on the night Campbell was killed, Zonis was at the station with Campbell and his brother Jerry Campbell. Zonis closed up and drove out, Jerry Campbell later told police. Jerry left right after him, leaving Richie there alone.

Richie Campbell was found in the pickup 8 hours later.

Vincenzo D'Agostino refused to talk to the police. He also did not respond to the Tribune's requests for comment.

Zonis said he has never failed to answer police questions about the homicide, which remains unsolved. "How am I a suspect?" he asked. "Somebody's imagination, that's what."

A gambler's demise

One of the most crucial mob insiders to help the FBI, James LaValley, also describes Zonis as a gambler and an associate of the North Side street crew.

A \$700-a-week juice loan collector, LaValley was a fierce street fighter and high-rolling bettor with limpid eyes and silver hair. He turned to organized crime after he gambled away his River Grove electric company.

LaValley's "cooperation can only be described as extraordinary," Assistant U.S. Atty. Chris Gair wrote in a 1993 court filing. "Federal law enforcement agents have

never determined that any assertion by him was untruthful."

LaValley, who entered the federal witness protection program, could not be reached through an attorney, a family member or federal authorities.

Once, when Zonis refused to pay off a juice loan, LaValley went into Zonis' gas station office and closed the door so Zonis could not get out, LaValley told authorities.

LaValley said he did not have to use force, as Zonis promised to make weekly payments.

Today, Zonis says he didn't know the man. "Whatever LaValley said is a lie," Zonis said.

In November 1990, LaValley told FBI agents about a four-year-old hit.

LaValley didn't know the victim's name. He described the 1980s killing of a man at a North Sheridan Road gas station—"possibly" on Albion Avenue, where Zonis' garage still sits today.

Homicide detectives presumed LaValley was speaking of the second of the three killings, the slaying of Zonis' friend Giuseppe Coccozza.

Framed family portrait

The compulsive gambler's body was discovered just after midnight in March 1986 in Evanston, 2 miles north of Zonis' station. A police officer peered through the windshield of an illegally parked Dodge Dart and noticed an overweight bald man sprawled across the front seat.

In a suitcase on the seat behind Coccozza's bullet-riddled body were a few shirts, a framed family portrait and two vials of prescription pills.

Coccozza was trying to leave town with \$180 and an Italian passport. Eighty of those dollars were borrowed from his friend Zonis, according to a statement Zonis gave police. As with Campbell, Zonis was one of the last people to see Coccozza alive, investigators noted in their reports.

LaValley said Rainone told him he did the hit because the victim owed him money.

Rainone allegedly told LaValley he had been assisted by Albert Louis Vena, a mob associate who had been acquitted of two murders but served prison terms for burglary and the attempted killing of a Chicago police officer. Vena did not respond to interview requests from the Tribune.

Rainone also told LaValley that Vena drove the car and backed him up during the shooting, according to LaValley's 1990 statement to the FBI.

LaValley's FBI statement was not provided to Evanston detectives investigating the Coccozza

Links emerge between unsolved homicides

Investigators eventually linked three homicides from the 1980s after entering a similar group of witnesses and potential suspects.



Police official



Convicted criminal

UNSOLVED SLAYINGS



Giuseppe Cocozza, slain in 1987

Amoco district manager who moved to take away Frank Milito's gas stations when Milito was put in prison.

Richie Campbell, slain in 1982

Mechanic for Pierre Zonis; dated Vincenzo D'Agostino's daughter despite D'Agostino's objections.

Giuseppe Cocozza, slain in 1986

Friend of Zonis'; borrowed mob money; ran station for D'Agostino.

GAS STATION OWNERS



Frank Milito

Businessman who faced losing his Amoco gas stations when he pleaded guilty to mail and tax fraud; came under scrutiny in the Merriam homicide investigation; friend and business partner of police employees.

Vincenzo D'Agostino

Milito's brother-in-law; operated Amoco stations.



Officer Pierre Zonis

Friend and business associate of Milito's and D'Agostino's; friend of mob enforcer Mario Rainone's; owned gas station believed to be used as drop-off for mob cash; currently Chicago cop and garage operator.

OTHER LINKS



Mario Rainone

Crime syndicate debt collector; lent Zonis money; worked for mob boss Lenny Patrick.



Officer Renato DiSilvestro

Alleged collector for mob loan taken out by Cocozza; now retired.

CONTINUED FROM PRECEDING PAGE

slaying until about four years later. The report was passed along by Chicago Intelligence Division detectives examining the three unsolved killings, records and interviews show.

FBI spokesman Ross Rice said the information was not provided more quickly because it required verification. Rice said there were added concerns pertaining to the status of LaValley's court cases.

Fourteen years after his death, homicide reports exude the sweaty desperation of Giuseppe Cocozza's final days.

He had wives in New Jersey and New York and owed money to a girlfriend he took to the Maywood Park racetrack. He grew up in the Salerno province of Italy, near D'Agostino and Milito, and his boyhood friends helped him navigate Chicago. Cocozza ran D'Agostino's Irving and Broadway gas station and lived alone in a two-bedroom condominium D'Agostino owned and let him use rent-free as part of his salary.

Two weeks before he was killed, Cocozza was fired by D'Agostino after D'Agostino expressed suspicion that Cocozza stole a box of spark plugs. Cocozza took a job fixing cars at the station of D'Agostino's brother, Marco D'Agostino.

His gambling debts had driven

him to Rainone, who drove into Cocozza's station on Saturdays to pump \$20 worth of gas into his white Cadillac Seville then take another \$20 cash from Cocozza. Station workers told detectives investigating the homicide.

Rainone wasn't the only potential suspect. Cocozza was being pursued by another mob crew from whom he'd taken a juice loan, police records show. Before he was killed, he showed Zonis a business card with the pager number of this collector, a man named Ray, Zonis told police.

Evanston police found the card with Ray's pager number tucked in Cocozza's bloody clothing, and called it.

Chicago patrolman Renato DiSilvestro answered.

'You gotta be soft'

A round-faced immigrant with a pencil mustache, DiSilvestro had been a police officer since 1968. His personnel jacket showed 11 misconduct complaints in the two years since February 1984, three of them sustained.

In one, DiSilvestro was suspended for 30 days for giving false testimony in an insurance case when he sold a sports car then reported it stolen. The Cook County states attorney declined to prosecute, a police memo said.

In addition to his police duties, DiSilvestro held an interest in a travel agency, two hot dog stands and a jewelry store, police, court and law enforcement records show. He and mob enforcer Rainone shared a 1980s investment in the former London Fog nightclub on West Grand Avenue, Rainone told the FBI.

In a recent telephone interview, DiSilvestro staved off questions about the Cocozza slaying and his present activities.

"You asking me to talk about a murder? You gotta be soft, pal," he said. "I haven't got no comments to make to you."

"I'm from the old school," he added. "I'm not a rat."

About 3 p.m. on the afternoon Cocozza was killed, Evanston police records show, DiSilvestro and a man named Francesco Infelise gained entry to Cocozza's apartment through a janitor. DiSilvestro introduced himself as Cocozza's cousin and said he was concerned for Cocozza's well-being.

Under police questioning, DiSilvestro gave shifting accounts of his relationship with Cocozza. But he explained some of the daily exchanges that bound corrupt beat cops to gas station operators. DiSilvestro used to work the traffic detail on the outer drive, and when cars broke down, he and other cops steered city tow trucks to Cocozza's gas station.

"Cocozza in turn would give a kickback to the police," DiSilvestro told Evanston police.

DiSilvestro's sidekick Infelise in 1992 would be charged in federal court with helping to run a heroin and cocaine ring between Chicago, Las Vegas and Los Angeles. Infelise fled from federal authorities during that case and is a fugitive.

Chicago police charged DiSilvestro with misconduct for failing to report to his superiors that he was being investigated by Evanston police.

In its important outlines, the Internal Affairs Division case against DiSilvestro mirrored the one swirling about Zonis today.

Both officers were charged with not reporting that they had been contacted by Evanston police investigating the Cocozza homicide. Each officer responded that he had no duty to report the contact because he was not read his rights. Each objected to delays in the internal probes—DiSilvestro's took 750 days; Zonis' dragged on five years.

The internal affairs investigation concluded that DiSilvestro brought discredit on the Chicago Police Department, and he was suspended for less than a month but allowed to stay on the force.

Fifteen months later, in April 1989, he was arrested with an automatic weapon at a "floating" crap game in an industrial building in unincorporated Leyden Township. DiSilvestro was described by then-States Atty. Cecil Partee as the floating casino's ringleader, press accounts show, and Partee said DiSilvestro and four co-defendants had "known ties to organized crime."

For reasons that are not clear from court records, the charges against DiSilvestro were dismissed and expunged.

DiSilvestro retired from the police force in 1993 and moved to Las Vegas, where he receives a \$27,000-a-year pension from the city. He said in the interview that he is

still under FBI scrutiny: "They want me so bad they could taste me," he said.

Asked why he joined the Chicago Police Department, DiSilvestro said he wanted to fight crime. Then he acknowledged a second motive: Despite the inconsequential pay they earned in 1968, he said, officers wore nice clothes and had "nice homes and everything else."

"I'm not gonna spell out nothing, but everybody knows how it works," he added with a chuckle.

"You know that everybody is on the take," he said. "Everybody who's been in Chicago for years knows how Chicago operates. It's always been like that and it ain't gonna change."

DiSilvestro said Chicago's crime syndicate would always work to influence the city's police commanders. "They'll never stop. You understand that, don't you? It will never stop. What draws them together? The green stuff."

DiSilvestro said he knew Zonis, but he would not discuss their relationship.

Zonis said he had no idea who DiSilvestro was.

Honorable mentions

At the end of his police application, Zonis was asked if he had anything to add.

"I will make a great police officer," he said.

In some ways, he did. Zonis' police work won three honorable mentions and a complimentary letter.

But while Zonis excelled at his new job, the department bungled its screening procedures and then its handling of allegations against him.

On his police application, Zonis said he had never been sued. In fact, three unsatisfied customers won court judgments against Zonis and his station; the city Department of Consumer Services fined him for deceptive practices and an improper repair; and Resorts International sued in federal court to recover its \$25,000 gambling debt.

While Zonis was preparing to join the force, he fell under surveillance by the police Intelligence Division during a gambling investigation and was spotted with an organized crime figure, police records show.

Those surveillance reports were brought to the Internal Affairs Division's attention after Zonis joined the department as a probationary officer. But internal affairs concluded that Zonis had been seen doing nothing illegal while he was under surveillance. Because he had not been a member of the department, police officials concluded that he had not violated department Rule 47, which prohibits associating with criminals.

A year later, police internal affairs investigators laid their trap for Zonis. They asked Evanston detectives to question him about the Coccozza homicide, to see if he would report the interview to his superiors, as required by police rules.

An Evanston detective questioned Zonis about the Coccozza killing. But the detective's report did not state that Zonis had been read his rights or informed he was a suspect. Zonis did not report the interview.

In September 1995, the Internal Affairs Division closed its case against Zonis, saying the department could not fault him for failing to report the Evanston police interview.

Two years later, Zonis was listed as an organized crime associate in a publication by the Chicago Crime Commission, a longstanding crime watchdog group.

Put under a sudden spotlight, the department changed course and reopened the internal affairs case against him.

In a January 1998 interview with internal affairs officers, Zonis said any questions about his expunged gambling arrest were a violation of his civil rights.

He denied knowing Rainone's loans came from the crime syndicate. Asked if he paid "juice" loans, Zonis said he didn't know what the word meant.

In the hundreds of pages of internal police reports and court records that would be filed as Zonis' disciplinary case wound its way to the Appellate Court, some of the most disturbing pages involve the Merriam homicide case.

A few hours before the 1987 slaying, a call was placed to Merriam's unlisted home phone from a pay phone inside Zonis' station. Zonis told Cook County sheriff's investigators he had no idea who used the phone and didn't know anything about the killing.

When investigators asked him to take a polygraph test, he got an attorney who said Zonis would have no further contact with the investigators.

Former sheriff's investigator William Behrens told the Police Board he had served Zonis with a subpoena demanding the names of his gas station employees and advised Zonis of his Miranda rights.

But a review of the Merriam homicide file showed no subpoena and no report saying Zonis was read his Miranda rights.

That was one of several missteps that undermined the case, which ended with a suspension instead of dismissal.

From his garage on a recent morning, Zonis joked about the department's case.

"I'm supposed to be a mob hit man because a pay phone in my gas station was used?"

Zonis said he would not take the polygraph test because his attorney told him the results were not admissible in court.

Besides, he said, police might tamper with the results to convict him of a crime he didn't commit.

Officer Zonis said of the police: "They can manipulate the test."

Closing the file

When Supt. Matt Rodriguez closed the internal police file on that September day in 1997, his immediate concern was Zonis.

Rodriguez says today that he had not heard the officer's name until then. He recalls thinking that Zonis had an unusual first name, and he remembers slipping Zonis' picture out of the internal police file so that he could study it.

But a police internal affairs probe wouldn't begin for another month, until after the Crime Commission listed Zonis as a mob associate.

In the meantime, Rodriguez vacationed in New York with Milito. On the streets of Manhattan, the two men of humble backgrounds shared a moment apart from the pressures of their jobs. They took in a street festival, dinner and a Broadway play.

Rodriguez says he did not mention the unsettling police reports he had seen. Nor did he utter the names of Richie Campbell, Giuseppe Coccozza or Charles Merriam.

Problems plague Internal Affairs Division

By David Jackson
TRIBUNE STAFF WRITER

They called themselves "The Corporation."

For at least six years, between 1986 and 1992, a cadre of Shakespeare District Tactical Unit officers robbed drug dealers and split the proceeds with a sergeant and a lieutenant in monthly envelopes of cash, according to statements by two of the rogue cops who became federal informants.

An Internal Affairs Division investigation was opened in 1993, but seven years later, it has ended in a question mark.

The sergeant and lieutenant retired and the Tactical Unit officers moved on to other assignments. Following a pattern set by several other potentially explosive Chicago police corruption investigations during the last decade, no one was cleared or held accountable.

The unresolved Shakespeare District case highlights systemic breakdowns in the police Internal Affairs Division. Meant to root out corruption, internal affairs has instead been shunted to the role of the Police Department's unwanted stepchild.

No disciplinary charges were brought in 1994 when internal police surveillance reports showed top police officials met with a criminal at a Northwest Side tailor shop.

A year later, a federal judge's ruling revealed that the Gambling Unit commander and the commander of the Vice Control Division, as well as numerous officers, split envelopes of cash to protect Chinatown gambling interests

starting in the 1980s. And a 1997 internal police report alleged that a mob pornographer had used two Tactical Unit officers as "muscle." No charges have been brought in either case.

The Internal Affairs Division has had four chief executives since 1998. During that time, the number of officers facing Internal Affairs Division charges serious enough to warrant termination or disciplinary charges before the Chicago Police Board fell to 39 officers in 1998, from an average of 68 a year between 1990 and 1997. The number dropped to 19 officers last year.

A police spokesman attributed the drop in misconduct cases to budget-driven cutbacks in the department's drug-testing program. A Tribune examination of Police Board records showed both drug and non-drug cases had declined.

Police officials said they could not recall a recent case in which police Rule 47 prohibiting associating with criminals was invoked against an officer.

In 1996, the Police Department sought to fire then-Officer Michael Leodoro because he "publicly and openly" associated with five reputed mobsters—including two jewel thieves—starting in 1992. Leodoro was not charged with violating Rule 47 but simply with bringing discredit on the department. He retired after the charges were filed against him, so the department withdrew its case.

While the police Office of Professional Standards examines police shootings and brutality complaints, the Internal Affairs Division investigates all other misconduct charges, from officers with overdue parking tickets to com-



MARQUEZ stated that the entire tactical team, including the tactical sergeant and tactical lieutenant shared in money seized, but not inventoried by team members. Normal operating procedure was to arrest a narcotics dealer, inventory all or a portion of the narcotics and inventory a small amount of any seized money. The remainder of the money was put into a pot to be split among the team members and supervisors. MARQUEZ added that it was normally the responsibility of Officer KURZ to split and distribute the money.

In an internal police document, a Shakespeare District officer describes how he and colleagues stole some of the drug money they confiscated.

plex bribery and shakedown schemes.

In the last three years, the internal affairs staff has increased slightly, veterans say, and the division has gained access to much-needed equipment, from undercover vehicles to computers, surveillance cameras and wiretapping machinery that can be used in coordination with county and federal prosecutors.

But records and interviews with 10 current and former internal affairs officials suggest the division is plagued with long-standing problems.

The division's most celebrated triumphs during the last decade—the investigations that led to the conviction of two cliques of Austin and Gresham District officers who robbed drug dealers—also underscore internal affairs' frustra-

tions.

Before they were indicted in 1996 for ripping off drug dealers, the seven Austin officers had a total of 93 complaints lodged against them, only two of which were sustained. The three indicted Gresham District officers had a combined 40 complaints, of which three were sustained.

In neither instance could investigators build a case that would hold supervisors accountable.

Among the problems, Internal Affairs Division investigators say, are police union rules that restrict investigators at a crucial point in their inquiry—the interview with the accused officer before the case is closed.

That close-out interview, in which the investigator sits face-to-face with the accused officer, is a final chance to weigh the officer's

firsthand account and credibility. But under the department's long-standing practice, police union attorneys are allowed to whisper in the ears of officers as they consider questions, take them into a hallway before they answer and write down the answers for them, arbitration records show.

Internal affairs investigators are not allowed to note such assistance in their interview reports.

With an average of 5,800 investigations a year, more than half of Internal Affairs Division cases are shipped off to the accused officers' districts for investigation by their supervisors, a practice that can lead to conflicts of interest, according to some police executives and scholars.

The division traditionally has had difficulty attracting officers and detectives with solid, "street-level" investigative skills, according to the mayor's 1997 Commission on Police Integrity, a group appointed to evaluate department discipline.

A number of officers told the Tribune and the commission that there is an unfair application of discipline within the department. The higher a person's rank, the less the penalty, they said. Internal Affairs Division investigators told federal agents that they did not request the personnel files of top commanders because they feared workplace retribution, records and interviews show.

The charges against the Shakespeare District officers surfaced in 1993, after former Tactical Officers Thomas Marquez Jr. and Leonard Kurz were convicted in separate cases of robbing businesses, and they began cooperating with authorities.

Marquez told authorities he was on the tactical team about a month before receiving his first envelope of \$500—his split of money the team had seized during a raid but had not inventoried. He said he collected more than \$25,000 from drug raids during the next two years, FBI and Internal Affairs Division reports show.

He and Kurz both said a Shakespeare District sergeant took part in one raid in which several thousand dollars were illicitly seized, and they said their sergeant and a lieutenant took shares of the cash.

At the FBI's request, Marquez provided details on raids in which he said he and eight other officers stole thousands of dollars. He said the proceeds usually were divided in the lieutenant's office by three officers who were given keys.

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10 Section 1

Monday, October 30, 2000

Editorials

It's your police force, mayor

Have mob figures had top officials of the Chicago Police Department in their grimy hip pockets? The question seems outrageous, an echo from Prohibition days.

So too, it turns out, is the probable answer.

In a city where a judge once took a bribe to free a hit man, it's difficult to be shocked by coziness between cops and known criminals. And yet, the cascade of details in last week's Tribune series brings new meaning to the word seamy.

For openers, investigative reporter David Jackson lays out intricate ties between former Police Supt. Matt Rodriguez and convicted felon Frank Milito. See Milito use his North Side restaurant to play footsie with Rodriguez and other top cops. See Milito loan Rodriguez the use of an apartment. Incredibly, see Rodriguez jet off to New York to vacation with Milito just days after Rodriguez learns that Milito had come under investigation for three unsolved murders. All of this despite the police department's Rule 47, which forbids officers from "associating or fraternizing" with criminals.

The series also explores the tailor shop where crime figures and police officials (the busy Rodriguez included) hung out together, the crime syndicate figure who hired tactical officers to work security at his adult bookstores, and on and on. All of it quite apart from the recent indictment of William Hanhardt, a former Chicago deputy police superintendent, for allegedly leading mob-linked thieves who robbed \$5 million in jewels.

What's most astonishing, though, is the lackadaisical mix of huffy shrugs and empty platitudes that has emanated from the fifth floor of City Hall since these sordid disclosures. Richard M. Daley should have learned from his flummoxed father during the 1968 Democratic National Convention that a police department's embarrassing image can be a mayor's undoing.

Daley can distance himself only so much from Rodriguez. It was Daley who, to the shock of many in the department, appointed the career paper-pusher to superintendent. Why Rodriguez? No mystery. Daley let racial politics get in the way of filling perhaps the most sensitive appointive post in city government. The problem was not Rodriguez's ethnicity; Chicago has plenty of talented Hispanic officers. The problem, as Daley could have learned, was that Rodriguez had more hubris than competence.

Daley must have been pleased when Rodriguez "re-signed" in 1997 after admitting his Milito ties. But the mayor had to know from others in city government that Rodriguez was an arrogant tyrant—one member of his high command likened meeting with him to "having a root canal"—and yet chose to leave him in place. That was a serious mistake on Daley's part.

Now Daley says that if the Justice Department wants to keep investigating Chicago's cops, it's free to do so.

How obvious. How...aloof. It's as if Daley has, to steal a phrase, no controlling legal authority over the cops.

What's missing here is the red-faced anger, the damn-the-torpedoes zeal that Daley displays when he *really* wants action. Why isn't he thundering that the city will open the doors of Chicago's gleaming new police headquarters to the feds, root out any bad apples who remain and—once and for all—prove to the city that most of Chicago's 13,500 police officers are squeaky clean.

Case in point: U.S. Atty. Scott Lassar alleges that Hanhardt was getting information that helped his alleged jewel operation from cops who ran errands for him. Lassar can't prove those cops knew why Hanhardt was asking for favors. Still, they had to know they were breaking department rules, even if they thought they were merely helping an old pal. And there are plenty of sanctions short of a federal indictment. Daley should be loudly demanding the names of Hanhardt's flunkies so the police department can punish them to the max.

There's every indication Daley did one thing right. Terry Hillard, the superintendent Daley appointed to replace Rodriguez, is an honorable cop who has made it clear that corruption will not be tolerated. Right now, Hillard is trying to fire officer Pierre Zonis, a Milito cronie also investigated in connection with the three murders. But the Chicago Police Board, a civilian oversight group appointed by the mayor, wasn't impressed with Hillard's arguments. The board blocked the firing—a decision Hillard is appealing through the courts.

It's time for Daley to get past shrugs and platitudes and waiting for other people to do their jobs. Hillard is struggling to root out problems he inherited from the Rodriguez era. But Hillard's job would be easier if his boss offered to let in the sunshine, get the bad cops punished—and show the thousands of Chicago police officers who do play by the rules that they aren't chumps.

MetroChicago

WEDNESDAY, DECEMBER 20, 2000 ■ SECTION 2

U.S. starts probe of IRS agents on leaks to Tribune

By Ray Gibson
TRIBUNE STAFF WRITER

An internal unit of the U.S. Treasury Department has opened a criminal investigation to determine whether IRS agents in Chicago improperly divulged information to the Chicago Tribune, lawyers familiar with the investigation say.

The probe follows a Tribune series that revealed personal and financial ties between crime fig-

ures and certain Chicago police officials. The series reported that federal authorities scaled back a 1997 investigation into then-Supt. Matt Rodriguez for fear of alienating the Police Department.

A spokeswoman for the Treasury Inspector General for Tax Administration declined to comment about whether any agents in Chicago were under investigation, but she said agents and others can face administrative discipline or criminal prosecution un-

der two federal laws for disclosing confidential information.

Some lawyers called the probe a thinly disguised effort to discourage agents from presenting information of public significance to the media. They said leaks to the news media that expose governmental corruption are a type of whistleblowing.

"I think they are sending a very clear and sharp message that they don't want any whistleblowing going on," said Louis Clark,

executive director of the Government Accountability Project, a Washington, D.C., group that works to expose government corruption.

Clark said authorities "are saying they are much more interested in the issue of whistleblowing than the underlying corruption that came out" in the newspaper series.

It is the second time since 1998 that the Internal Revenue Service has investigated Chicago agents

after critical news accounts. Authorities also launched a probe of IRS agents after CBS television broadcaster Carol Marin's 1998 reports that IRS supervisors refused to initiate a criminal investigation of then U.S. Sen. Carol Moseley-Braun, according to sources.

As the Treasury Department's internal watchdog unit, the Treasury Inspector General for

SEE IRS, PAGE 5

IRS

CONTINUED FROM PAGE 1

Tax Administration has initiated more than 1,500 investigations of IRS workers during a one-year period, according to reports submitted to Congress. The alleged offenses included bribery, financial fraud and disclosure of taxpayer information. The Treasury Department has about 95,000 employees.

The Chicago investigation comes as the Treasury Department is attempting to rein in supervisors who retaliate against employees for speaking out.

According to "The Power to Destroy" by U.S. Sen. William Roth (R-Del.) and his former aide William H. Nixon, the day that 12 IRS employees testified before a 1997 Senate panel on abuse of taxpayers, the agency sent out investigators to every employee's home who had not reported for work to try to learn the identity of the workers who had testified behind screens and had their voices altered.

The only worker whose identity wasn't hidden was fired in 1999, and the agency later took disciplinary action against others.

The IRS reversed that action in 1999, and in some cases promoted the whistleblowers after Roth intervened.

Mary Dryovage, a San Francisco lawyer, said that while treasury officials have ordered that allegations from whistleblowers be taken seriously, the message hasn't been heard by supervisors in regional offices around the country.

"There are people in the IRS all

over the country who were whistleblowers who have had their careers derailed or lost their jobs. There is a lot of fear," she said.

Under one federal law, anyone who discloses confidential tax matters, not just agents or employees of the IRS, can face prosecution. That law "is the crux of how they protect themselves from scrutiny," Dryovage said.

"It is a well-intentioned law," said Jim Jorgenson, deputy executive director of the National Association of Treasury Agents. "But when the IRS is trying to cover its tracks, [the law] is the hammer they use against the agents." Jorgenson's group represents about 1,000 federal agents, providing legal services for their defense against administrative charges.

The Tribune series, published in October, was based on an examination of internal files from eight law enforcement agencies as well as more than 300 court files and land and corporate records stretching from Cook County to the Caribbean island of Curacao.

The records and interviews revealed previously unknown financial and personal ties between former police Supt. Rodriguez and convicted felon Frank Milito, a North Side businessman who invested with a Chicago mob boss and came under scrutiny in a homicide investigation. Milito took then-Supt. Rodriguez on numerous overseas vacations, hired two of Rodriguez's family members when they needed money, donated funds to a police party held in Rodriguez's honor and lent Rodriguez the use of a condo as an afternoon getaway, among other favors.