

THE ZEBULON RECORD

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Kefauver on Crime

By Estes Kefauver

Before going to Detroit, the committee explored in the New York-New Jersey area the tie-up between the Ford Motor Co. and the notorious gangster, Joseph D'Anna, alias Joe Adonis. Adonis is a principal stockholder of the Automotive Conveying Co., of New Jersey, which transports automobiles away from the Ford plant at Edgewater, N. J.

Because of this, the committee looked into possible relationships between Ford's plants in the Detroit area and other racketeers. We found that the principal haul-away operator was the E&L Transport Co., in which one Anthony D'Anna, ex-convict and former sugar supplier to bootleggers, was a 50 per cent stockholder. D'Anna drew a \$27,000 salary from E&L but apparently he did nothing to earn it.

Before acquiring his E&L stock, D'Anna, through negotiations with Harry Bennett, labor boss for the late Henry Ford, Sr., had obtained a 50 per cent share of a profitable Ford agency in Wyandotte, Mich.

Private Criminal Army

Bennett, now retired, had, as the committee noted, "employed virtually a private army recruited from ex-convicts and criminals to engage in battles against labor and in other anti-social activities." Subpoenaed from his California ranch to testify, he was a hostile and difficult witness. When we asked him about the gang factions in Detroit, he snapped: "Do you want me to get my head blown off?"

Bennett admitted that, although he was a key man in one of the largest plants in the world, he kept no files, records or memoranda of any kind.

"In fairness to Ford," our report observed that the company "is taking vigorous steps to disassociate itself from these racketeer-held contracts." It now is attempting to terminate by some legal means its deal with Adonis.

Also in Detroit, the committee cleared up the mystery of how Cleveland gamblers acquired an important block of stock in a vital industry, the Detroit Steel Corp. Max J. Zivian, president of Detroit Steel, told us that in 1944 Detroit Steel merged with Reliance Steel Corp. of Cleveland.

Zivian undertook to purchase the Reliance president's stock for approximately \$580,000. He said he was in Cleveland when gambler-businessman Morris Dalitz, whom he had known slightly, "bumped into me in the street." Zivian said he told him that he was attempting to close a big deal but was short \$100,000. Dalitz, without even looking at a balance sheet, arranged a bank loan for the necessary money. So the Cleveland syndicate acquired 10,000 shares of Detroit Steel stock.

Zivian subsequently became friendly with the Cleveland gambler and once took a trip on Dalitz' yacht.

Special Flavor to Crime

Crime and corruption in California had a special flavor — exotic, over-ripe and a little sickening. The rackets, like the state itself, were big and colorful.

For years, parts of California

literally have been infested with every conceivable kind of gambling racket. The "take" runs into the millions.

One big gambling racket broken up in Los Angeles after the California Crime Commission went into business was the so-called Guarantee Finance Co., which posed as a legitimate loan agency while fronting for a \$6,000,000 bookmaking combine. Its records disclosed payments totalling \$108,000 for "juice," the California gamblers euphemism (in Florida, it's "ice") for "protection" money.

The Los Angeles city police department was headed by a determined officer, Chief William H. Parker. Our committee, however, was not impressed by the Los Angeles County sheriff's office.

Guarantee Finance Co. shrewdly had set up its headquarters in a particular political "island" known as "Sunset Strip" inside Los Angeles proper. This was county territory and, accordingly, not subject to the tougher Los Angeles police.

Down through the Skylight

One of Chief Parker's aggressive officers, Lt. James Fiske, finally became so incensed by the sheriff's inactivity that he entered Sunset Strip and came down through a skylight into the huge telephone room of the bookmaking operation.

Out of his jurisdiction, he was unable to make any arrests, but he did tear up all the bookies' markers so they were at a loss as to how to settle their bets for that day. As a result, Lieutenant Fiske said, a stern letter was received from Al Guasti, then a captain in the sheriff's office, demanding that city police stay out of county territory.

A county grand jury was probing payoffs to law enforcement officers by Guarantee Finance. The grand jury foreman and four county officials met in secret to plan the inquiry. The only other persons let in on the plans were two process servers who were to serve subpoenas. The very next day, someone "leaked" the plans to Sammy Rummel, lawyer for gangsters, and reputedly the brains behind the mobster, Mickey Cohen.

A series of incredible events followed. First, Rummel arranged a rendezvous with Captain Guasti. Guasti, in turn, arranged for the "mouthpiece" to meet that night with Captain Carl Pearson and Sgt. Lawrence Shaffer, of the sheriff's vice squad. At this meeting, Guasti said, Sergeant Shaffer actually exhibited to Rummel the sheriff's confidential files dealing with the Guarantee case. Next morning Rummel was found dead — killed in his yard by a close-range shotgun blast.

Dealt in Prostitution

Police Chief Parker, who has made life miserable for Mickey Cohen in recent years, told us that he does not go along with the rumor that the little ex-pug is now a second-rater.

Mickey, gambler and bookmaker, extortionist and all-round racketeer, is still decidedly important. His "business interests" invade many spheres, including prostitution, Chief Parker said.

Cohen, a Simian-like figure, with thinning hair and spreading paunch, appeared before us in a suitcoat of exaggerated length, excessively shoulder-padded, and a hat with a ludicrously broad brim. Apart from police embarrassment, Mickey's troubles — at least five attempts to assassinate him — have been due to his falling out with the Sicilian-controlled Mafia element on the West Coast.

"I have never been a strong-arm man for nobody," Mickey howled at us, almost hysterically. "I have never bulldozed anybody in my life." His testimony contradicted this. There was the time that one Max Shaman entered Mickey's "Paint Shop" (Mickey always

seemed to have either a paint shop, a jewelry store or a haberdashery; some investigators are unkind enough to believe that he used them as fronts for bookmaking.) Mickey had had a fist fight with Shaman's brother, and Shaman "came in with his gun." Mickey pulled his own out of the desk, killed Shaman first and was acquitted on his plea of self-defense.

There was at least one other arrest on suspicion of murder, and an assortment of beatings which Cohen admitted he had administered to various characters.

\$286 in Pocket

Mickey painted us a lugubrious picture of his financial condition. All the money he had in the world was in his pocket, he said. Checking his roll, Mickey sadly told us it came to only \$286. However, in four years, Cohen had "borrowed" approximately \$300,000, he said, from various sources. Most remarkable of all his loans was the \$35,000 he said he had borrowed from the president (no longer there) of a Hollywood bank, without giving a note or paying any interest.

"What do you do for them," I inquired, "that makes them so generous with you?" Cohen replied: "I can't answer that; they must just like me."

Interesting Facts

Our Committee had uncovered some interesting facts on Mickey's method of reporting income to the government. These interested the Internal Revenue Bureau, too, and after our final hearings, Cohen and his blonde wife, Lavonne, were indicted for alleged income tax evasion over a period of three years. Instead of paying taxes on approximately \$318,500 income, they reported and paid on only \$87,500, the government contends.

(Cohen was found guilty and sentenced to 5 years in prison.)

The piece de resistance of our West coast investigation was the appearance of Arthur H. Samish, the portly million-dollar beer lobbyist. Californians have had snatches of his squalid story before, but never in quite such de-

"JOE BEAVER"



Forest Service, U. S. Department of Agriculture

"No, I'm not being wasteful—I figure what we don't eat, we'll float downstream to the pulp mill!"

tail direct from the lips of the master string puller himself.

Samish stands over 6 feet, 2 inches and must weigh better than 300 pounds. He is bald with a monk's tonsure of grey fringe, and a face of bland innocence. He gesticulates freely in the grand style, stabbing the air with his horn-rimmed glasses or fondling with his watch chain, a heavy affair of white gold or platinum, made up of large links which form and repeat his initials — A. H. S. He speaks magniloquently. "I am here to cooperate," he would boom at us.

We kept hearing of connections involving him and Mickey Cohen, and Samish admitted he regularly took the baths at Hot Springs, Ark., a gangster-favored resort. There on his last trip, he met the

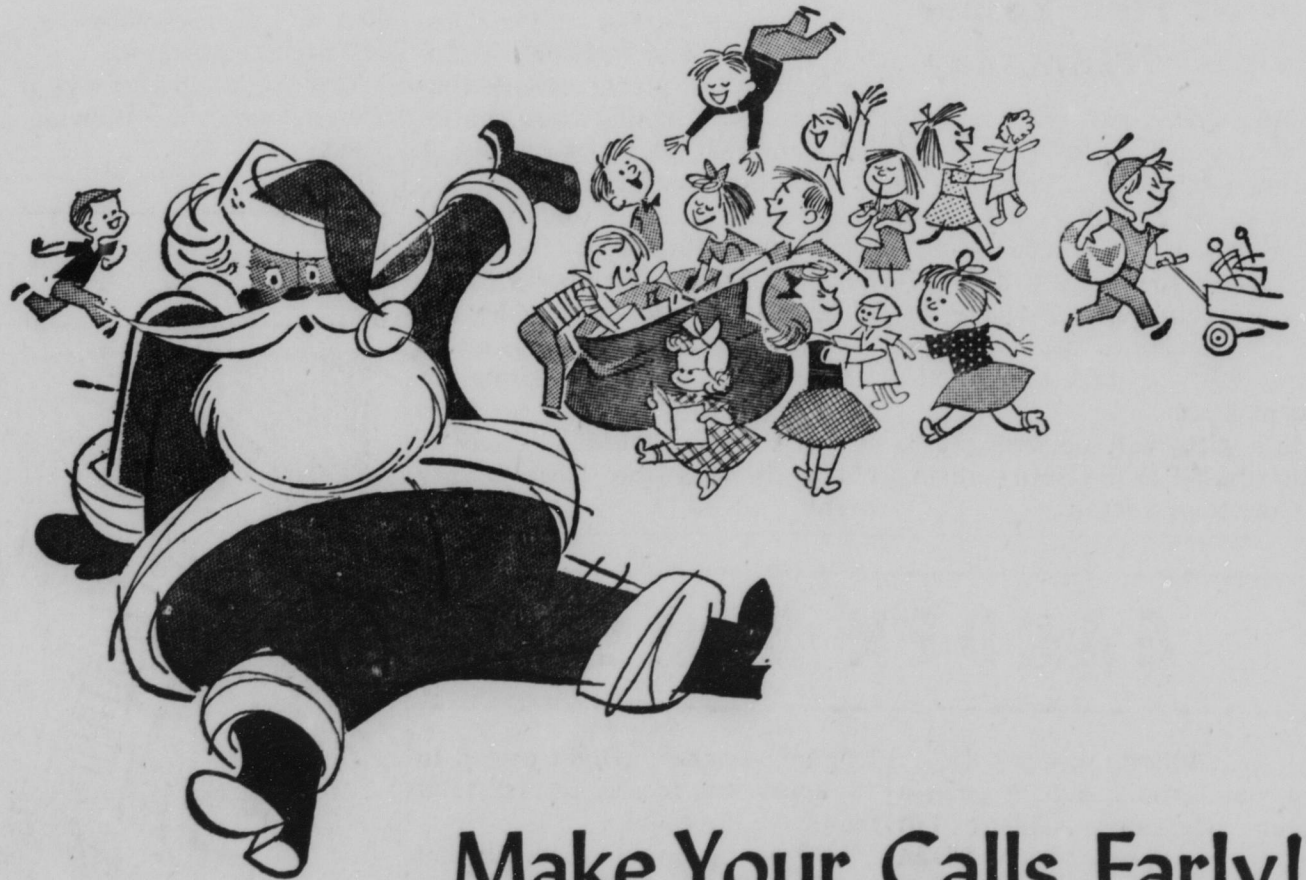
East coast gangster, Joe Adonis, and put in a long distance call to Gambler Dandy Phil Kastel, who looks after Frank Costello's interests in New Orleans.

"Public Relations" Fees

From his 1949 tax return, we knew Samish's gross reported income had been \$143,697. Of this income, \$90,999.94 represented fees from his "public relations" clients. The principal contributor was the California State Brewers' institute, which provided a modest \$30,000 in salary and expenses, plus control of a \$153,000-a-year slush fund.

A 1938 report from Howard R. Philbrick, investigator for a California legislative committee, had charged: "The principal source of (Continued on Page 3)

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