

Online Appendix:

## **Nixon's Caribbean Milieu, 1950–1968**

By Jonathan Marshall

“Though his working life has been passed chiefly on the far shores of the continent, close by the Pacific and the Atlantic, some emotion always brings Richard Nixon back to the Caribbean waters off Key Biscayne and Florida.”—T. H. White, *The Making of the President, 1968*<sup>1</sup>

Richard Nixon, like millions of other Americans, enjoyed Florida and the nearby islands of Cuba and the Bahamas as refuges where he could leave behind his many cares and inhibitions. But he also returned again and again to the region as an important ongoing source of political and financial support. In the process, the lax ethics of its shadier operators left its mark on his career. This Sunbelt frontier had long attracted more than its share of sleazy businessmen, promoters, and politicians who shared a get-rich-quick spirit. In Florida, hustlers made quick fortunes selling worthless land to gullible northerners and fleecing vacationers at illegal but wide-open gambling joints. Sheriffs and governors protected bookmakers and casino operators in return for campaign contributions and bribes. In nearby island nations, as described in chapter 4, dictators forged alliances with US mobsters to create havens for offshore gambling and to wield political influence in Washington.

Nixon's Caribbean milieu had roots in the mobster-infested Florida of the 1940s. He was introduced to that circle through banker and real estate investor Bebe Rebozo, lawyer Richard Danner, and Rep. George Smathers. Later this chapter will explore some of the diverse connections of this group by following the activities of Danner during the 1968 presidential campaign, as they touched on Nixon's financial and political ties to Howard Hughes, the South Florida crime organization of Santo Trafficante, and mobbed-up hotels and casinos in Las Vegas and Miami.

### **South Florida: A Mecca for Gangsters**

South Florida became a popular tourist destination during the economic boom that followed World War I. Rich easterners flocked south in search of sunshine and uninhibited fun during winter months. Following them were newly middle-class Americans who were freed by the automobile to chase alluring ads for cheap land in this tropical paradise.<sup>2</sup> For people laboring in old and dirty cities, the region's palm trees and white, sandy beaches were signposts of bliss. “In a nation that strove to free itself from Inhibition as well as Prohibition, Florida was more than a

place of perpetual summer sunshine,” observed Dana Thomas. “It was a state of mind. It was a symbol of defiance against the ethics that preached man’s fate was to toil and shiver to win a toehold in heaven.”<sup>3</sup>

Americans came not only for sun and sand but also for guiltier pleasures such as casino gambling, racetrack betting, and alcohol. Joseph Kennedy, the future family patriarch, reputedly built his early fortune in part by running Scotch whisky into Palm Beach County via the Bahamas.<sup>4</sup> Offtrack betting proved almost as popular as bootleg liquor in Miami. Crime syndicates, both local and imported from northern cities, moved in to supply these services and control the market. The payoff to organized crime, and to those who protected it, was enormous.

Decades later, retired CIA officer and convicted Watergate burglar E. Howard Hunt recalled that his father was sent south in the late 1920s by a “northern financial consortium” to set up a greyhound racing operation at Biscayne Kennel Club in Hallandale, Florida. (Hunt recounted that his father also “went frequently to Havana for long weekends with friends, returning well laden with illegal liquor.”)<sup>5</sup> Greyhound racing quickly became a favorite target of mob-controlled betting, attracting more than 100,000 visitors a week. The state tried to ban it along with other forms of gambling, but soon bowed to political pressure and legalized pari-mutuel betting in most counties in the 1930s.<sup>6</sup>

Chicago gangster Al Capone arrived on the scene as early as 1926, not long after he took control of the Windy City’s wildly profitable liquor trade and other rackets from Johnny Torrio. In 1928, with the connivance of Miami Beach’s mayor, Capone purchased a fourteen-room Spanish-style mansion on Palm Island. Capone had interests in gambling rooms at the Palm Island Club, the nearby Floridian Hotel, the Hollywood Country Club, and the famous Miami Beach Kennel Club, built by boxing promoter Tex Rickard. To the north, in the town of Deerfield, Capone ran a club with “lots of gambling machines and fancy girls around.” On nearby Deerfield Island, he reputedly stored liquor smuggled from Europe through the Bahamas, which he shipped to Midwest markets until he was imprisoned at the United States Penitentiary, Atlanta, for tax evasion in 1932.<sup>7</sup> Capone’s successors, including his brother Ralph, continued to use the Palm Island mansion for business strategy meetings. One such meeting in March 1934 organized the national takeover of the International Alliance of Theatrical Stage Employees union, the start of the Chicago Outfit’s collaboration with Hollywood studios during the Great Depression (see chapters 2 and 3).<sup>8</sup>

Capone was not alone in recognizing and tapping South Florida’s market potential. In the 1930s, New York mobsters and Cleveland-based partners of Moe Dalitz flocked to Broward County to open handsomely appointed gambling casinos known as “carpet joints.” Hallandale, branded “the sin capital of the south” by Senator Kefauver, was home in the 1940s to at least two dozen illegal casinos, including the plush Colonial Inn, owned by the Lansky brothers along with New York mobsters Joe Adonis, Vincent Alo, and Frank Erickson. “The Mafia had an understanding that there would be no killings in Broward County because it was such a lucrative business,” said law professor Robert Jarvis.<sup>9</sup> Racketeers were protected by Sheriff Walter Clark,

a personal friend of President Truman. Clark operated his own illegal *bolita* (numbers) operation and slot machine business that pulled in more than \$1 million from 1945 to 1947.<sup>10</sup>

As for Miami, the Kefauver Committee described it as a wholly owned outpost of America's two most powerful crime syndicates: the Chicago Outfit, heir to the Capone mob, and the loose-knit Frank Costello/Joe Adonis/Meyer Lansky organization in New York.<sup>11</sup> Both syndicates spread their tentacles to many other parts of the country, from New Orleans to Las Vegas, but nowhere did they corrupt politics and law enforcement more than in South Florida. Dade County Sheriff James A. Sullivan, a former prizefighter, enjoyed a thirty-fold increase in reported assets from 1944 to 1949, and his deputies retired as rich men.<sup>12</sup> Illegal casinos in his county brought in tens of millions of dollars a year.<sup>13</sup>

At the state level, three wealthy businessmen contributed more than \$400,000 to the successful 1948 campaign of Governor Fuller Warren. (The maximum legal contribution was \$5,000.) One of them was Louis Wolfson (chapter 5), a mob-connected, Jacksonville investor who was convicted years later in a \$3.5 million stock fraud case, for which he was paroled after less than a year under President Nixon.<sup>14</sup> Another major contributor was William Johnston, a Chicago and Florida owner of horse and dog tracks with close financial ties to leaders of the Outfit.<sup>15</sup> The Chicago mobsters behind Johnston leveraged their nationwide racing-wire monopoly to take control of gambling in numerous cities, including many in South Florida. Serving their interests, Gov. Warren killed an investigation into illegal gambling in Miami in 1949. Meanwhile, local police raided the Chicago Outfit's competitors in the S&G syndicate, a confederation of local Jewish bookmakers. S&G caved under the pressure, granting the Chicagoans a sixth of their profits.<sup>16</sup> As one chronicler later noted, "The [law enforcement] raids abruptly stopped once Johnston and his associates got a piece of S&G's pie and a major share of Florida's contracts for road-building materials."<sup>17</sup>

Congressman Nixon reportedly began vacationing in the Miami area as early as 1948, at the height of racketeer influence in the region's politics.<sup>18</sup> Nixon enjoyed yachting and deep-sea fishing with Florida hotel owner and real estate speculator Tatem "Chubby" Wofford. Their friendship must have proved embarrassing when the Kefauver Committee revealed that the Wofford Hotel in Miami Beach, built by Tatem's mother, fronted for notorious syndicate figures from New York and Cleveland, including Frank Erickson, one of the nation's largest bookmakers. Abe Allenberg, the Truman fundraiser who represented Erickson's race track interests, managed the hotel. Allenberg's other business partners included former Brooklyn mobster Anthony Carfano and two leaders of the Cleveland crime syndicate, John Angersola and Alfred Polizzi. Dade County Sheriff Sullivan named Allenberg an "honorary deputy sheriff."<sup>19</sup>

Nixon also stayed at Miami Beach hotels owned by J. Myer Schine, whose son David worked for Roy Cohn on Senator McCarthy's staff (chapters 3 and 7). The elder Schine admitted to the Kefauver Committee that he leased illegal bookmaking rights at the Roney Plaza hotel to Erickson until a police raid forced him to turn the concession over to the local S & G syndicate.<sup>20</sup>

In the mid-1960s, a reporter asked Miami Beach Mayor Elliott Roosevelt whether the mob still controlled that city. “My answer was, ‘Hell no. They own it,’” Roosevelt recalled. “My reason for making that statement was that a good percentage of the waterfront property . . . out to the Broward County line was owned by various families in the underworld. Many of the major hotels and apartment houses were in fact owned . . . whether it showed that way in the county records or not.”<sup>21</sup>

### **Fishing with Bebe Rebozo**

In December 1950 or 1951, suffering from nervous exhaustion, Nixon returned to the Sunshine State at the urging of Senator George Smathers to get some rest and relaxation. His local greeter, Smathers’s former campaign manager Richard Danner, ushered Nixon onto a pleasure boat. There Nixon met the man who would become his closest friend and financial partner, Charles “Bebe” Rebozo.

Rebozo was born in Tampa to Cuban parents. Starting with a small investment in a Miami gas station, he made his first real money recapping tires during World War II, when rubber was scarce. By 1950 he was on his way to making a fortune in the postwar South Florida real estate boom. Nixon and Rebozo seemed to have nothing in common—the California senator didn’t much like to golf, fish, play tennis, or chase women.<sup>22</sup> They didn’t even share party affiliation; Rebozo was a registered Democrat until 1968.<sup>23</sup>

One interest they did share was making money. In 1957, for example, a Rebozo-led syndicate purchased most of the undeveloped land on Fisher Island, said to be the largest privately owned tract of oceanfront property in the Miami area. The investors, who included George Smathers, hoped to develop the island into a resort, counting on generous taxpayer assistance to build a causeway connecting it to the mainland (chapter 6). The man who brokered the sale of land to Rebozo was Nathan Ratner, a major shareholder in the Bank of Miami Beach, which was founded in 1955 to handle profits from mob gambling casinos in Havana.<sup>24</sup> In 1962, at Rebozo’s suggestion, Nixon began buying shares in the Fisher Island venture. Seven years later, after his election to the presidency, Nixon sold his shares to the other partners for double the going price, landing him a profit worth more than \$1.5 million today. In gratitude, President Nixon later signed a \$7 million bill to improve the Port of Miami, where Fisher Island is located.<sup>25</sup>

The two men became inseparable business partners. When Rebozo founded Key Biscayne Bank in 1964, Nixon took part in the groundbreaking ceremonies and opened Savings Account No. 1. When Nixon bought parcels of land and then Senator Smathers’s house on Key Biscayne, Rebozo organized the deals. When the President bought a compound in San Clemente, in Southern California, Rebozo was a silent partner in the complex financial transactions that made it possible.<sup>26</sup> Rebozo prospered as well; during Nixon’s presidency, his net worth nearly quadrupled to \$4.5 million in the short span from 1970 to 1973.<sup>27</sup>

All through the 1950s and 1960s, their financial relationships attracted rumors of mob involvement. An underworld informant for the Miami Police Department claimed that Rebozo was running an illegal numbers game out of one of his laundromats, “fronting in this operation for ex-Vice President Nixon.”<sup>28</sup> More serious was Rebozo's Centro Commercial Cubano shopping center development in Miami. To finance it, Rebozo obtained a federal Small Business Administration loan with help from Senator Smathers, who chaired the Small Business Committee, and from the chief SBA officer in Miami, who was a stockholder in Rebozo’s bank. To build the shopping center, Rebozo hired Polizzi Construction Company. Its owner, “Big Al” Polizzi, had been named years earlier by the Kefauver Committee as a lieutenant in the Cleveland syndicate. Starting in the 1930s, Polizzi began taking profits from gambling, smuggling and other rackets to buy up real estate on Florida’s Gold Coast. He was convicted in 1943 of rum smuggling with Cuban dictator Batista. Released in 1945, Polizzi moved to Coral Gables. There he partnered with another former Cleveland racketeer to become a hotel owner and one of South Florida’s leading builders. Their projects ranged from schools for Catholic children to mansions for mobsters. Polizzi befriended Rebozo no later than 1952, when they signed legal petitions in support of each other. As late as 1964, the Federal Bureau of Narcotics still deemed Rebozo’s friend and contractor “one of the most influential members of the underworld in the United States,” stating that he was “associated with international narcotics traffickers . . . and illicit gambling activities in the Miami area.”<sup>29</sup>

Joining Rebozo as a partner in the shopping center was a Cuban refugee, Dr. Eduardo Buttari. Under Batista, Buttari had served as Mayor of Havana and Minister of Labor and Finance, offices intimately associated in that era with organized corruption. Once settled in the United States, he quickly made new political connections. After heading Cubans for Nixon in 1968, he was rewarded with a senior post in the lavishly funded federal Cuban Refugee Emergency Program. Buttari brought with him as partners in Rebozo’s shopping center two brothers, Francisco and Ronald Condom-Gil, who were later arrested for involvement in a huge cocaine-smuggling ring.<sup>30</sup> Among Buttari's other close associates was multimillionaire meat importer and Cuban exile Manuel Artime, who leased space in the shopping center. Artime was famous for working with CIA officer E. Howard Hunt on the Bay of Pigs invasion in April 1961. In subsequent years, Artime continued plotting against Castro and doing business with Nicaraguan dictator Anastasio Somoza before surfacing during the Nixon presidency as the handler of hush money funds for the Watergate defendants (see also chapter 9).<sup>31</sup>

In another brush with criminals, Rebozo in 1968 accepted as collateral at his Key Biscayne Bank stolen IBM stock that was circulated by a New England mobster who ran gambling junkets to Meyer Lansky’s offshore casinos. Rebozo used that phony collateral to make a loan, apparently without demanding any credit history from the recipient. When the FBI began investigating the stolen stock, Rebozo’s bank sold most of the collateral, avoiding a loss when it was discovered to be tainted. Nixon’s Justice Department declined to prosecute Rebozo after an FBI investigation “developed no indication” that Nixon’s friend or anyone else at the bank knew the securities were stolen. Rebozo avoided having to testify in the criminal case when the Justice

Department unexpectedly settled with the defendants. He was also spared answering questions under oath in a related civil case, thanks to a ruling by a Nixon-appointed federal judge who had previously been a director of the Miami National Bank (see chapter 5).<sup>32</sup>

President Nixon discouraged scrutiny of Rebozo's business practices. When a crack investigative team at the Long Island newspaper *Newsday* first began delving into some of the Cuban American's associations in 1971, reports Nixon biographer Anthony Summers,

FBI and Secret Service agents ran surveillance on *Newsday* reporters. The paper suffered severe reprisals after publishing the results of its investigation. Its White House correspondent was ostracized by the president's press secretary and prevented from covering the groundbreaking visit to China. Behind the scenes, orders went out for tax probes of its publisher and senior editors. The president himself was behind such measures.

As former White House speechwriter William Safire observed, "Nixon could not take it when it came to an attack on Bebe."<sup>33</sup>

### **Gambling in—and on—Cuba**

Nixon was also powerfully drawn to Cuba, a corrupt and libertine playground for American tourists, nightclub revelers, and mobsters. In 1941, Nixon and his new wife Pat took a cruise that stopped in Havana, where the young lawyer scoped out business opportunities.<sup>34</sup> Years later, he and Bebe enjoyed occasional jaunts to Cuba in its wide-open days before the Castro revolution. Vice President Nixon returned officially to Cuba in 1955 to pay a goodwill visit to Batista, comparing him to Abraham Lincoln and accepting an award from the dictator at his official palace.<sup>35</sup> It may have been during this trip that he met Meyer Lansky, who ran swank casinos at the luxurious Hotel Nacional and then the Hotel Havana Riviera. One of Lansky's most trusted partners confirmed that the mob kingpin met Nixon, and one investigator reported that Lansky comped Nixon a big suite at the Nacional.<sup>36</sup> If true, Nixon certainly kept that relationship under wraps.

After the 1959 revolution, Castro closed the casinos, costing Lansky and other syndicate leaders many millions of dollars in annual revenues. Lansky reportedly became one of the first mobsters to lobby for Castro's overthrow, offering a million dollars or more for a successful hit.<sup>37</sup> By late 1960, the CIA was plotting with senior US underworld leaders to assassinate the guerrilla leader, while Vice President Nixon was promoting plans for a CIA-led invasion of Cuba. A number of key operatives from that ill-fated venture, including CIA officer E. Howard Hunt, Hunt's aide Bernard Barker, soldier of fortune Frank Sturgis, and several militant Cuban exiles, later joined the equally ill-fated break-in at the Watergate offices of the Democratic National Committee in 1972 (chapter 9).

Nixon's most embarrassing foray into Cuba was a sidebar to the first of several big-money scandals that would dog him throughout his career. In September 1952, as Nixon was busy

campaigning against corruption in the Truman administration, the *New York Post* broke a story headlined, “Secret Rich Men’s Trust Fund Keeps Nixon in Style Far Beyond His Salary.” The paper reported that a Southern California businessman, Dana Smith, maintained a slush fund raised from wealthy special interests for Nixon’s political expenditures. The money came from what the *New York Times* called “an abbreviated Who’s Who of wealthy and influential southern California business figures,” some of whom were grateful to Nixon for promoting oil drilling, restricting dairy imports, and other favors.<sup>38</sup>

Nixon initially blamed the story on “the Communists, the left-wingers.” Through former Congressional committee counsel William Rogers, who was accompanying the candidate on a tour of Western states, Nixon threatened to smear columnist Drew Pearson, who was chasing the story, as a Communist operative.<sup>39</sup> As major newspapers began calling for Nixon to resign, however, General Eisenhower started reconsidering his choice of running mate. Nixon faced political ruin. Following Murray Chotiner’s advice, Nixon fought back by taking his case to the public, delivering his famous “Checkers” speech to a record television audience of 60 million viewers. Nixon insisted that the only personal gift he ever accepted from an admirer was a cocker spaniel that his daughter Tricia named Checkers. He added, “And I just want to say this, right now, that regardless of what they say about it, we are going to keep it.” Viewers all across America shed a tear over Nixon’s brilliant performance. The ensuing surge of public support convinced Eisenhower to keep him on the ticket.<sup>40</sup>

The public didn’t know that Nixon had intervened with the Bureau of Internal Revenue in 1950 to help his slush fund manager settle a tax dispute worth more than half a million dollars. Nor did most voters know that in August 1952, Nixon intervened with the State Department to help Dana Smith resolve a costly gambling dispute in Cuba. Smith had lost \$4,200 (more than \$40,000 today) at the rigged dice tables of the Sans Souci casino in Havana, then controlled by Western Pennsylvania mob boss Gabriel Mannarino. After the casino’s manager, Norman Rothman (chapter 4), threatened to sue Smith to collect the debt, Nixon reached out to the State Department and the US ambassador for assistance. In the wake of Checkers, the story gained no traction.<sup>41</sup> But Dana Smith evidently knew Meyer Lansky; the gambling czar actually appealed to Smith in 1959 or 1960 to help persuade the Eisenhower administration to overthrow Castro.<sup>42</sup>

### **Nixon, Bahamas Gambling, and Offshore Bank Accounts**

The new Cuban leader successfully resisted all attempts to dislodge him from power. In search of an alternative Caribbean paradise, Nixon visited the Bahamas three times from 1960 to 1962, twice after his election defeats. At the same time, Lansky and other Syndicate investors were looking to the British colony as a suitable replacement for the offshore gambling mecca they lost in Cuba. A key agent in realizing their vision was Canadian investor Louis Chesler, a major campaign contributor to Nixon.<sup>43</sup> The *Wall Street Journal* described Chesler as a relentless promoter, prodigious drinker, unabashed gambler, and “real mystery man.” A criminologist later called him less charitably “a thief, swindler, money maker, and mover with enough respectability

to provide a cover for the myriad deals linking racketeers and upperworld notables.”<sup>44</sup> Chesler made his original fortune in Canadian mining stocks.<sup>45</sup> In 1942 he became a business partner with convicted bootlegger and Lansky friend John Pullman (chapter 5).<sup>46</sup> A Mafia figure in upstate New York was caught by an FBI bug telling an associate in 1963, “You know Chesler is in with Lansky, Meyer Lansky. . . . Chesler doesn’t make a move without this Lansky.”<sup>47</sup>

Like Lansky, Chesler was strongly drawn to Caribbean gambling. In the late 1950s, he bankrolled partners who bought the celebrated casino at Hotel Nacional in Havana from Lansky and the Cleveland Syndicate.<sup>48</sup> In 1960, after the new Castro regime shut down Cuban gambling, Chesler and Lansky met with at least two confederates to plot a move to the Bahamas.<sup>49</sup> In 1961, Chesler cofounded Grand Bahama Development Co. to build a luxury resort hotel on Grand Bahama Island. His main partner was convicted stock swindler Wallace Groves, who owned rights to develop much of the island.<sup>50</sup> On April 1, 1963, the Bahamian minister of finance and tourism, Sir Stafford Sands and the Bahamian attorney general formally granted Chesler and Groves special permission to operate a casino in the hotel. Chesler and his partners acquired their “certificate of exemption” in return for payoffs that eventually totaled more than a million dollars in legal and consulting fees to Sands and other government officials.<sup>51</sup> When Lucayan Beach Hotel and its Monte Carlo Casino opened in January 1964, sharp-eyed reporters spotted several notorious mobsters running the show. They included one of Lansky’s top Cuban gambling lieutenants, Dino Cellini, and three of the biggest bookmakers in the United States (one of whom claimed to be Nixon’s bookie). The resulting scandal prompted the Bahamian government to publicly expel these “undesirables” from the casino—although it took three years before they actually left with a severance payment of \$2.1 million.<sup>52</sup> Meanwhile, Lansky and his associates raked in as much as six million dollars a year in profits from the casino.<sup>53</sup> Adding to their profits were special junkets that brought gamblers from New York to the island. The flights were operated by Flying Tiger Line, whose vice president for international affairs was Republican grandee, Nixon confidant, and China lobbyist Anna Chennault.<sup>54</sup>

As project costs soared and bad publicity mounted, Chesler eventually stepped down as president and director of Grand Bahama Development.<sup>55</sup> Chesler’s partner Wallace Groves continued to thrive in the islands, leading a double life. The CIA recruited him in the mid-1960s to run one or more of its business fronts.<sup>56</sup> Using his wife as his own front, Groves started a new gambling venture with New Jersey-based Mary Carter Paint Co. after it hired Sir Stafford Sands to acquire a casino license. The company was renamed Resorts International in 1968.<sup>57</sup> Resorts shifted the locus of gambling in the Bahamas from Grand Bahama to Paradise Island. Nixon had vacationed on Paradise Island over Thanksgiving in 1962, while recovering from his loss in the California gubernatorial election; during that visit, a Lansky associate personally looked after his family.<sup>58</sup> On New Year’s Day, 1968, Nixon lent his star power to the gala opening of Resorts International’s five-hundred-room Paradise Island hotel and casino. Days later, at Bebe Rebozo’s prodding, Resorts CEO James Crosby delivered \$100,000 to Nixon’s apartment in New York for use in his primary campaign in New Hampshire. Crosby solicited large contributions from his friends as well. In August 1968, Resorts put a large yacht at Nixon’s disposal during the



Republican national convention in Miami Beach. Reflecting their tight web of interests and associations, Crosby also maintained an account at Key Biscayne Bank, where his former college roommate ran the trust department for Rebozo. Crosby even hired as his vice president of security the former Secret Service agent assigned to Nixon during his vice presidency.<sup>59</sup>

Although Resorts took great pains to look clean, a small army of investigative reporters followed evidence pointing to extensive underworld connections. Its Bahamian casino was managed by Dino's brother Edward Cellini, a veteran of Lansky gambling rooms in Kentucky, Ohio, and Havana, and of Lansky's Monte Carlo Casino on Grand Bahama Island.<sup>60</sup> FBI and CIA reports alleged that Eddie Cellini had "long been associated in the narcotics and white slavery rackets in Cuba." After the Cuban revolution in 1959, a CIA report said he offered "large sums of money" to a prominent Cuban exile leader to overthrow Castro and restore the mob's concessions.<sup>61</sup> As noted in chapter 4, he also became active in the Dominican Republic gambling. Other Paradise Island casino staffers had criminal records for illegal gambling and bookmaking, narcotics trafficking, tax evasion, stock fraud, and pimping.<sup>62</sup>

The financing of Mary Carter Paint Co. also aroused suspicion. In 1966, the company received a critical loan that was brokered—according to a background document in Resorts' own files—by a "close friend of Myer [sic] Lansky."<sup>63</sup> By 1967, one of the biggest shareholders in Mary Carter was Investors Overseas Services, a huge offshore mutual fund run by a business partner of Lansky's Geneva banker, Tibor Rosenbaum (chapter 5).<sup>64</sup> A 1978 report by New Jersey gaming officials noted that most of the individuals involved in the early financing of Mary Carter/Resorts were sanctioned at some point by the SEC for serious securities or brokerage violations.<sup>65</sup> Years later, New Jersey's attorney general strongly opposed granting Resorts International a license to operate in Atlantic City, citing its many alleged criminal associations and corrupt business practices. The state's gaming control board rejected that recommendation and granted the license.<sup>66</sup>

By the time Resorts opened its casino in 1968, the Bahamas had earned a dark reputation for political corruption and for sheltering lucrative criminal investments in shady banks. An American official told the *New York Times* in 1965 that he suspected "at least \$100,000 a month is going from underworld sources in the states into secret accounts in Nassau and then from there on into Switzerland."<sup>67</sup> A 1967 exposé by *Life* magazine condemned the island nation for its many "gambling traps set for American suckers, with a large share of the take going to a syndicate of American mobsters." The story also called attention to "secret accounts in nearly a score of banks, where American underworld figures and tax evaders can deposit profits from the narcotics trade, loan-sharking, gambling and other criminal pursuits, with no fear of being investigated or taxed."<sup>68</sup>

Congressional investigators and members of law enforcement heard serious claims that funds were similarly laundered into Nixon's political campaigns or personal coffers from Paradise Island casino profits. Resorts International, Rebozo, and other accused parties firmly denied the allegations, which were never proven.<sup>69</sup> In 1987, however, Nixon's former close

friend and Attorney General John Mitchell, speaking casually with investigative reporter Jim Hougan, said (without elaboration) that Nixon had taken money from the lucrative toll bridge that carried vacationers and gamblers from the big island to the Paradise Island resort. Previously published reports suggested—but never proved—that revenue from the bridge company flowed into secret Nixon bank accounts in the Bahamas and at the Cosmos Bank in Zurich, whose founder was a major investor in the bridge company. In his retirement, Nixon reportedly made a point of traveling to Zurich every year, either with his wife Pat or with Rebozo.<sup>70</sup>

### **Richard Danner, George Smathers, and the Miami Milieu**

The man who introduced Nixon to Rebozo in Miami, Richard Danner, was a minor Watergate figure largely forgotten by history. But this attorney and former FBI special agent was immersed in the Caribbean milieu that helped Nixon build his political and financial base. He later facilitated secret cash payments from Las Vegas mogul Howard Hughes to Nixon, which many investigators believe motivated the infamous burglary in 1972 that led to the president's disgrace and downfall.

Danner met Rebozo in 1940, the year he arrived in Miami to take charge of its FBI office. In 1941, the G-man began working closely with George Smathers, then a young federal prosecutor with strong family political connections.<sup>71</sup> Danner left the FBI in early 1946 to seek “greater financial returns,” while managing Smathers's successful campaign for Congress.<sup>72</sup> Also joining in that campaign was Rebozo, a friend of Smathers since the fourth grade.<sup>73</sup> In the midst of the campaign, Danner accepted a job as executive director of the Miami Beach Hotel Owners' Association, headed by Syndicate attorney and hotelier Abe Allenberg.<sup>74</sup> Danner was accused of taking \$10,000 from gambling interests to help finance Smathers's race but weathered the charge and stayed in Miami to become city manager, with Smathers's help.<sup>75</sup> Local reformers applauded his vow to allow “no gambling here as long as I am city manager.”<sup>76</sup> Later he caused a stir by demanding that gamblers convicted of repeat offenses get jail time, not simply fines. The city council fired him two years later for pushing too hard to reform the police department.<sup>77</sup>

With Danner's help again in 1950, Smathers won election to the Senate as a conservative Southern Democrat, in a race remembered mainly for his mud-slinging in the primary against liberal incumbent Claude Pepper. Outspokenly pro-McCarthy and anti-civil rights, Smathers nonetheless became a key Senate ally of Lyndon Johnson and powerful chairman of the Senate Democratic campaign fund. At home, he consistently supported the interests of major oil, insurance, and transportation corporations that retained his Miami law firm, Smathers and Thompson. Abroad, he was a “quintessential Cold Warrior,” in the words of his biographer.<sup>78</sup> He naturally had a special interest in Caribbean matters. As we saw in chapter 4, Smathers had a soft spot for Dominican dictator Rafael Trujillo. Smathers was even better known in the 1950s as the “Cuban Senator.” His law firm handled real estate deals between high-level, corrupt Cuban government officials and their syndicate allies. After Castro took power in Cuba, Smathers entertained the pleas of embittered gambling czar Meyer Lansky to have the Cuban leader

assassinated.<sup>79</sup> In April 1961, as the Bay of Pigs invasion was foundering, Smathers urged President Kennedy to “put the Marines” into Cuba to overthrow Castro.<sup>80</sup>

In 1969, tainted by the Bobby Baker scandal, Smathers left office to become a successful lobbyist. He built a fortune worth tens of millions of dollars, with investments in Florida land, auto dealerships, banks, and the Winn-Dixie grocery chain.<sup>81</sup> Smathers cut many corners along the way. In November 1968, while still in office, he became a director of Major Realty, a Florida firm that was just emerging from near bankruptcy. It went on to make a killing on land developments in Orlando, near the new Walt Disney World theme park. (Another big winner on Disney’s huge land acquisition was the attorney and banker who managed it, Smathers’s boyhood friend Paul Helliwell [chapter 3].) Less than three years after joining the real estate company’s board, Smathers owned shares worth nearly a million dollars.<sup>82</sup> According to crime reporter Dan Moldea, Major Realty was “a frequent target of federal investigations during the 1960s and 1970s because so many of its investors, attorneys, lenders, and clients had ties to Florida mobsters, especially Meyer Lansky and Santo Trafficante.”<sup>83</sup> Major Realty was rescued from bankruptcy in 1966 with a large loan from Benjamin Sigelbaum, Bobby Baker’s business partner and a major international money launderer for Lansky and his organized crime associates (chapter 5).<sup>84</sup>

Smathers and Danner had many dealings—personal, business, and political—with Richard Nixon over the years, starting with the California congressman’s first visit to Florida in the late 1940s to rest and recuperate.<sup>85</sup> After the November 1952 election, Vice President-elect Nixon and his wife Pat again relaxed with Danner and other friends in Florida.<sup>86</sup> Years later, Nixon purchased a house on Key Biscayne from Smathers, next door to Rebozo’s. Nixon’s lucrative investment in Fisher Island real estate made him a partner of Rebozo, Smathers, and several of the Florida senator’s close associates.<sup>87</sup> Some members of the same group, along with political/intelligence operatives William Pawley and Paul Helliwell, convened in 1970 to support Nixon by challenging the *Washington Post*’s license to operate Channel 10 in Miami, a \$20 million asset.<sup>88</sup>

Finally, Nixon may even have invested with Smathers and Rebozo in Batista’s Cuba. In January 1959, just days after Castro’s victory, a highly trusted FBI informant told the Bureau about a conversation with a well-placed Miami attorney and Republican Party operative who knew all three men well. The attorney said that Smathers, Rebozo, and Vice President Nixon “had investments in Cuba” that were being protected, amid the political turbulence, by US Ambassador Earl Smith, former finance chair of the Florida Republican Committee. The investors were said to have holdings in mining operations, cement plants, and the sugar industry. Rebozo was allegedly “influential at the Presidential place in business ventures between Ambassador Smith and former President Batista.” A senior FBI official took the report seriously enough to opine, “We certainly can’t sit on this information,” but the fast-changing political situation in Cuba apparently sidetracked any further investigation.<sup>89</sup> If true, however, the

(unverified) information suggests that Nixon had personal financial reasons, in addition to his political ideology, to support tough action against Castro's new government.

### **Danner, Nixon, Howard Hughes, and Murchison**

Danner took a break from law after Smathers was elected senator to run several auto dealerships in Florida and Texas. Toward the end of the 1950s, he moved to Washington D.C. to resume his law practice. He stayed sporadically in touch with Nixon.<sup>90</sup> In the spring of 1968, however, he threw himself into the presidential campaign at the request of Nixon and Rebozo.<sup>91</sup> That assignment connected him with a host of power brokers, including Howard Hughes, Clint Murchison, Jr., and even Irving Davidson. It also made him, unwittingly, a significant character in the future story of Watergate.

Danner's law firm represented Howard Hughes, who had become one of Nevada's leading investors. With the half billion dollars raised from his sale of TWA in 1966, Hughes began buying hotel-casinos, an airline, mining claims, and vast amounts of real estate. Danner was introduced to the head of Hughes's Nevada operations, Robert Maheu, in late 1967 by their mutual friend Edward Morgan, a fellow Washington, D.C., lawyer and former FBI agent who negotiated many of Hughes's Nevada casino purchases in the mid-to-late 1960s (chapter 9).<sup>92</sup> Rebozo and Nixon approached Danner in 1968 to gauge the eccentric billionaire's willingness to contribute to Nixon's political coffers.<sup>93</sup> Danner checked in with Morgan, and Hughes came through with \$50,000 for Nixon that year.<sup>94</sup> In February 1969, Maheu hired Danner as managing director of Hughes's New Frontier Hotel and Casino in Las Vegas. Over the next two years, at Maheu's direction, Danner hand-delivered an additional \$100,000 in cash from Hughes to Rebozo. Rebozo stashed the bills in a safe deposit box at Key Biscayne Bank, never recording them as campaign contributions.<sup>95</sup> In May, 1973, as a sign of gratitude, Rebozo arranged for Danner to visit President Nixon at Camp David. The White House characterized their tête-à-tête as just as "courtesy visit," but it spoke to Danner's significance as a trusted friend and supporter of the President.<sup>96</sup> Meanwhile, Hughes won a steady stream of enormously valuable favors from the new administration, including approval of his purchase of the international carrier Air West,<sup>97</sup> the lifting of antitrust restrictions on his purchases of hotels and casinos in Las Vegas,<sup>98</sup> and favorable tax treatment that saved him tens of millions of dollars.<sup>99</sup>

Whatever the merit of these decisions, voters might well have smelled a quid pro quo if Hughes's secret payments had been fully exposed before the 1972 election. The \$100,000 cash deliveries thus represented an enormous potential political liability for Nixon. Many analysts—including members of the Senate Watergate Committee's staff—theorized that Nixon's determination to squelch damaging leaks about these payoffs prompted his campaign operatives to break into the Watergate offices of the Democratic National Committee in June 1972 (chapter 9).<sup>100</sup> Later, as the Watergate investigation got underway, Congress, the special prosecutor, and the IRS all attempted to follow the trail of Hughes's cash. They subpoenaed thousands of records and took long depositions from Danner, Rebozo, and other parties. In the end, they faced an

almost impenetrable wall of confused memories, lies, and incomplete records.<sup>101</sup> Investigators concluded that more than \$45,000 in Hughes cash went to pay for improvements at Nixon's home in Key Biscayne. Another \$5,000 paid for diamond-studded platinum earrings that Nixon presented to Pat for her birthday. Rebozo also confided to Nixon's personal lawyer that he had passed some of the money to the President's longtime executive assistant Rose Mary Woods and to Nixon's brothers Don and Ed.<sup>102</sup> Although these conclusions were never proven—Rebozo left the country to avoid a subpoena of his records<sup>103</sup>—the entire affair reeked of impropriety, if not outright bribery. The Hughes connection did much to weaken Nixon's credibility and cost him political support in the months leading up to his resignation in August, 1974.

Richard Danner's fundraising for Nixon's 1968 campaign also took him to some of America's other most powerful businessmen. In early June, he flew to Dallas to solicit a big contribution from Clint Murchison, Jr., the financier, real estate investor, and Dallas Cowboys owner (chapter 6). In August 1968, Danner and Rebozo also met with Murchison's Washington lobbyist I. Irving Davidson, who, as we have seen, also represented or befriended various Caribbean dictators, Louisiana Mafia boss Carlos Marcello, and corrupt Teamster president Jimmy Hoffa.<sup>104</sup> That December, after Nixon's election victory, Danner relaxed as a guest on Murchison's luxurious private Bahamian island, Spanish Cay.<sup>105</sup> Murchison later admitted to Watergate investigators that he gave \$5,000 in cash to Nixon's personal secretary at Nixon's New York law office in 1968, after discussing the contribution with the candidate. As the *New York Times* observed, "Mr. Murchison's report appears to contradict a statement by Mr. Nixon that he always refused to take any personal role in handling or discussing contributions during a campaign." The story added, "The cash from Mr. Murchison did not show up on public records filed by Nixon campaign officials in the 1968 race. However, disclosure laws were looser then." Four years later, Clint and his brother, John D. Murchison, secretly contributed \$50,000 in cash to Nixon's reelection.<sup>106</sup> According to one biographer, Clint, Jr. "spoke on the phone at least once a week" with President Nixon, and visited him often at the White House.<sup>107</sup>

### **Danner, Smathers, and the Mob**

The Senate Watergate Committee's final report states in passing that when Rebozo asked Danner to check with Hughes's attorney Edward Morgan about campaign contributions in the summer of 1968, "Danner agreed . . . since he had been working with Morgan on negotiating the sale of the Tropicana [Hotel and Casino] in Las Vegas to Winn-Dixie Co."<sup>108</sup> This job has never been scrutinized by journalists or historians of Watergate, but it illustrates the seamy and complex interests of Nixon's milieu. Danner was representing the interested buyer, Artemus Darius Davis, the ardently pro-Nixon president of Winn-Dixie Stores, a supermarket chain with more than nine hundred outlets across the southeastern United States. Winn-Dixie had expanded into the Bahamas the year before by acquiring a local grocery chain from Sir Stafford Sands, the former Bahamian finance minister who was disgraced by revelations that he had taken bribes from Wallace Groves and Louis Chesler to approve a casino license in the early 1960s.<sup>109</sup> Davis

first met Danner in 1950 when the latter was managing the Smathers senate campaign. Smathers himself became a decades-long friend of the grocery executive.<sup>110</sup> He used his post on the Senate Finance Committee to draft legislation that saved Winn-Dixie millions of dollars in taxes. In return, the Florida senator acquired two Winn-Dixie stores while still in Congress, offered Bobby Baker stock in the company, and joined the supermarket chain's board upon retiring from office at the end of 1968. The company's chairman said later, "Smathers was the best goddamn senator we ever had here."<sup>111</sup> One of the senator's more unorthodox assignments, in late 1967, was to deliver \$25,000 in cash from Davis's brother to Rebozo for Nixon's use in the New Hampshire primary. After handing over the money, Smathers paid a courtesy call on the candidate at the Key Biscayne Hotel to make sure he knew about the contribution.<sup>112</sup> In 1969, Smathers intervened with Deputy Attorney General Richard Kleindienst and Rebozo to kill a criminal tax case against the Davis brothers for illegally deducting political contributions from their taxes.<sup>113</sup> In April 1972, the two brothers contributed \$50,000 in cash to Rebozo, their longtime family friend and banker, prompting further investigations by the Senate Watergate Committee and Special Prosecutor.<sup>114</sup>

Much about the Tropicana negotiations remains unknown. They apparently began in 1967. From May to September of 1968, while still representing Davis's interest in buying the casino, Danner met several times with Edward Morgan, who was representing the sellers, and their mutual friend Smathers. Danner told the Senate Watergate Committee that Smathers "was in some manner" representing a party interested in acquiring the Tropicana: "I never knew just what the connection was."<sup>115</sup>

The Tropicana's history reeked of hidden mob investments. The luxury hotel tower was developed in 1954 by the Chicago Outfit's business partner, Indiana insurance company owner Ben Jaffe.<sup>116</sup> For his entertainment and concessions manager, Jaffe hired John Rosselli, who helped smooth the way for the hotel opening. Jaffe leased the Tropicana's casino to Phil Kastel, a protégé of New York crime czar Arnold Rothstein and business partner of both Frank Costello and Louisiana mob boss Carlos Marcello. The casino opened with tremendous success on April 4, 1957, but its luck turned one month later when a gangland assailant shot and injured Costello in New York City. Police detectives found on Costello a slip of paper, which they traced back to the Tropicana, noting gross casino revenues of \$651,284 for its first twenty-four days of operation. The note also had cryptic jottings documenting recipients of under-the-table payments, or "skim," from the proceeds. In the ensuing scandal, Nevada gaming officials denied Kastel a license and forced out the casino's manager, a longtime Chicago bookmaker. Although the casino's new operators insisted they ran a clean operation, they continued making regular payments to Kastel. As two veteran crime reporters later observed, "One would have to be naïve, indeed, to believe that this action by the Nevada Gaming Control Board actually erased the influence of Kastel, Costello, Marcello, *et al.* in the Tropicana. In 1961 it was the biggest money winner in southern Nevada."<sup>117</sup>

On July 30, 1968, Danner, Morgan, and Smathers met in Chicago with key parties to the Tropicana negotiations. One was the hotel's founder, Ben Jaffe. Another was Preston Feinberg, executive vice president and treasurer of the hotel, who had survived the limited purge of mob owners after the shooting of Costello. Feinberg told the FBI that he "had been invited into the Tropicana Hotel operation by Charles Baron," his partner in a Chicago Ford dealership. Baron, a Brigadier General in the Illinois National Guard, was a suspected enforcer for the Capone organization, arrested twice for murder. He was also general manager of Lansky's Havana Riviera casino in Batista's Cuba. Chicago Outfit boss Sam Giancana considered Baron his personal representative in Las Vegas.<sup>118</sup>

Perhaps the most intriguing participant at the Chicago meeting was the sharp Chicago tax attorney and Smathers business associate Burton Kanter. Kanter had several vastly wealthy clients, including the Pritzker family (Hyatt hotels), and was a master at stalling federal tax fraud probes.<sup>119</sup> He was also deeply immersed in the Caribbean crime milieu as cofounder of the secretive Castle Bank and Trust in the Bahamas. As noted in chapter 3, the bank's other cofounder, Paul Helliwell, was a major Republican Party operative in Florida, friend of Rebozo, and school chum of Smathers. Helliwell's history of handling off-the-books financial operations for the CIA gave the bank added protection and cachet.<sup>120</sup> One of Castle's owners was former Cleveland Syndicate co-leader Morris Kleinman. Together with Moe Dalitz and Sam Tucker, they became pioneers in Las Vegas gambling with financing from the Teamster pension fund. In the 1960s they also invested—again with huge Teamster loans—in Rancho La Costa, a luxury resort and country club north of San Diego; Kanter was one of two registered agents for their land company.<sup>121</sup> The man Dalitz put in charge of La Costa land sales was Wallace Groves, the Danner contact and former Bahamas associate of Lansky.<sup>122</sup> Groves in turn hired both Smathers and Helliwell as attorneys, demonstrating the tight web of connections in this milieu.<sup>123</sup>

In the end, Danner and Morgan failed to reach a deal to sell the Tropicana. Danner's lengthy negotiations nonetheless had a decisive effect on his career. It was while working on the deal that Danner met Morgan's friend Robert Maheu, the head of Hughes's Nevada operations.<sup>124</sup> In the fall of 1968, when the Tropicana negotiations (and presidential campaign) ended, Morgan broached with Danner the possibility of managing one of Hughes's recently purchased Las Vegas properties, the New Frontier Hotel.<sup>125</sup> Danner flew from Miami to Las Vegas to discuss the job with Maheu on December 5, 1968—the same day Maheu withdrew \$100,000 in cash from the Sands Casino for eventual disbursement by Danner to Rebozo.<sup>126</sup> We will revisit the complex financial, political, and intelligence maneuvers of Maheu and Morgan in chapter 9.

### **Danner, the 1968 Nixon Campaign, and the Tampa/Trafficante Connection**

As a "top coordinator" with the United Citizens for Nixon organization, Danner worked closely with Bebe Rebozo in 1968, organizing the Florida branch of "Democrats for Nixon." In the late summer and fall of that year, Danner testified, "I was spending virtually all of my time in Florida" on Democrats for Nixon and related campaign activities.<sup>127</sup>

To head that operation, Danner and Rebozo recruited Manuel Garcia, a Tampa-based defense attorney with state and national political connections. His political career began in 1936 as President of the Young Democrats. It culminated with his job as “national coordinator for Spanish-speaking voters during Richard Nixon’s Presidential campaign.”<sup>128</sup> During the 1968 race, one Tampa newspaper columnist reported on “gloom in the Demo camp,” as “Smathers’ old team seems to be turning out for Richard Nixon—witness the defection of Tampa attorney Manuel Garcia to the Nixon team.”<sup>129</sup> Another reporter noted that “Garcia joined the Republican effort only after a meeting with Nixon at the Key Biscayne estate of C. G. (Bebe) Rebozo, banker and industrialist.”<sup>130</sup>

Garcia had become a close friend of Smathers in their college days at the University of Florida and later supported his 1950 Senate race.<sup>131</sup> Garcia made his first big move into state politics by working on the 1948 campaign of Fuller Warren for governor. That landed him a plum job as attorney for the State Racing Commission in an era when betting on horse and dog racing was a major source of income for organized crime in Florida.<sup>132</sup> Warren, as we have seen, took huge campaign contributions from racetrack owner William H. Johnston to support the Chicago Outfit’s campaign to muscle in on local bookmakers in South Florida. The Kefauver Committee subpoenaed Garcia to testify about the State Racing Commission, but there is no record that he ever appeared.<sup>133</sup> Citing the Racing Commission’s promise to investigate political contributions by horse and dog racing tracks, the Senate committee noted drily that “Johnston has obtained racing dates for his four Florida dog tracks for next season.”<sup>134</sup> In 1951, members of the Florida legislature attempted to impeach Gov. Warren for his neglect of illegal gambling. The resolution “accused Warren of reappointing members of the state racing commission despite ample evidence that they had admitted bookmakers to race tracks and otherwise failed to enforce racing laws.”<sup>135</sup> The impeachment attempt failed, but a few months later, Warren announced plans to retire at the end of his stormy term, saying he was “tired, very tired.”<sup>136</sup>

Garcia’s hometown of Tampa was also home to one of the most powerful Mafia bosses in the United States, Santo Trafficante (succeeded by his son, Santo Jr.). Exposés in the *Tampa Morning Tribune* in the late 1940s reported that “a gambling syndicate of the dreaded Sicilian Mafia,” which ruled “Tampa’s blood-drenched underworld,” took in \$5 million a year from *bolita*, the Cuban numbers racket. It also claimed that syndicate representatives contributed a staggering \$100,000 to municipal races in 1947, making them the “No. 1 political power” in the city.<sup>137</sup>

Decades later, Garcia confirmed that the *bolita* racket was ubiquitous. Ticket sellers hung out in every Tampa office building and “every little grocery store.” He added, “It was a sort of an everyday thing, and nobody thought anything about it.” Nobody but politicians and racketeers, that is. “There’s no question that those people [in the *bolita* syndicate] wielded a tremendous amount of power politically,” Garcia admitted, while declining to name names. “They had control of the political machinery.” Reformers took notice when the numbers racket spawned an upsurge of criminal violence. *Bolita* “was the core that created what you would call the bad



element in the community,” Garcia observed. “It created all of the gambling and led to all of these assassinations and patrolling.”<sup>138</sup>

The Kefauver Committee said it held hearings in Tampa because of the city’s “sordid record of more than a dozen racket killings and six attempted assassinations in less than two decades.” During the course of its hearings, the chauffeur for Miami *bolita* operator Jimmy Velasco, who worked for the Trafficante family and local sheriff, testified that he personally made payoffs to Garcia. Velasco took credit for putting Garcia on the state racing commission.<sup>139</sup>

Although its Tampa investigation was frustrated by the many potential witnesses who went underground, including Trafficante, the committee reported that “outright bribery” and heavy campaign contributions by *bolita* racketeers had “throttled any and all efforts to secure an adequate degree of law enforcement in this community.” The city’s police chief said his department had no files at all on many gangland killings. The sheriff of surrounding Hillsborough County had an unexplained real estate deal with Al Capone’s predecessor John Torrio, and could not explain how his net worth more than tripled during his term in office. “Finally,” noted its report, “the committee must continue to wonder at how a sheriff sworn to uphold the law could permit his brother and one of his employees to carry on bookmaking operations, right in the country jail.”<sup>140</sup> Some years later, the police chief of Tampa would testify before the McClellan rackets committee that Trafficante’s organization still “controls most illegal gambling in Tampa and central Florida.”<sup>141</sup> By the late 1950s, the FBI judged Trafficante to be one of the nation’s leading racketeers.<sup>142</sup>

As part of Garcia’s legal work, he defended at least one major Tampa *bolita* operator in a case that reached the Florida Supreme Court.<sup>143</sup> Years later, Garcia still waxed nostalgic about the numbers racket as an integral part of middle class life in his city.<sup>144</sup> It says a great deal about Danner, Rebozo, Smathers, and Nixon that they chose this particular attorney to be one of their chief political operatives in Florida in 1968. At the same time, Garcia was hardly unique, given that the head of Nixon’s overall Florida campaign had been chairman of the Miami National Bank in the early 1960s, when it was a leading repository of crime syndicate funds (chapter 5).<sup>145</sup>

### Concluding Thoughts

Peter Dale Scott noted many years ago that major Congressional investigations into the business and politics of organized crime repeatedly highlighted the importance of Miami as a haven for criminals and their “hot” money:

Miami Beach, in the Kefauver Hearings, emerges as a center for the Syndicate’s post-war gambling operations and investments in real estate. A decade later, in the McClellan Hearings, Miami Beach is again prominent as an island city whose hotels are in the grip of the Teamsters, some of whom in turn used Miami (as did identified leaders of organized crime like the Mannarino brothers) as a base for Cuban gambling operations and for mercenary and gun-running ventures into the Caribbean. In the Senate Narcotics

Hearings [in 1964], Miami is identified as a major port of entry for illicit heroin from Marseilles, through top Mafia representatives in touch with their Corsican Mafia “cousins.” In fact all of these hearings depict Miami (with its links to Cuba) as a city rather like Marseilles (with its links to Corsica). Miami, like Marseilles, is shown to offer a *milieu* where criminal elements, political operators, unscrupulous wealthy individuals—and, we may add, even intelligence agencies—can make common cause against the constitutional processes of the Republic.<sup>146</sup>

Nixon’s longstanding attraction to Miami, and to satellite centers of syndicate operations in Cuba and the Bahamas, placed him in the midst of a milieu of shady developers, bankers, lawyers, politicians, and organized criminals who put wealth accumulation and political power ahead of ethical scruples. This group played a key role in helping Nixon keep his political career alive in the 1960s and finally win the presidency in 1968. They also help explain his administration’s subsequent record of favoritism toward certain organized crime interests, as described in chapter 8. But their sleazy methods also contributed to Nixon’s many politically costly ethical and legal lapses along the way, including the Hughes payoffs that figured so prominently in later Watergate investigations. Though Nixon was not defined by this group, his career cannot be fully understood without a deep understanding of his Caribbean milieu.

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<sup>1</sup> Theodore H. White, *The Making of the President, 1968* (London: Jonathan Cape, 1969), 320.

<sup>2</sup> Stanley Smith, “Florida Population Growth: Past, Present and Future,” University of Florida, June 2005.

<sup>3</sup> Dana Thomas, *Lords of the Land: The Triumphs & Scandals of America’s Real Estate Barons from Early Times to the Present* (New York: G. P. Putnam’s Sons, 1977), 190.

<sup>4</sup> Laurence Leamer, *The Kennedy Men: 1901–1963* (New York: William Morrow, 2001), 40. Joseph Kennedy’s involvement in illegal liquor smuggling has been disputed by a few biographers, but see the evidence compiled in Hersh, *The Dark Side of Camelot*, 47-58.

<sup>5</sup> E. Howard Hunt, *Undercover* (New York, 1974), 9–10. IRS Special Agent Frank Wilson took Capone’s bookkeeper, Leslie Shumway, into custody at the Biscayne Kennel Club in 1931. John Kobler, *Capone: The Life and World of Al Capone* (New York: G. P. Putnam’s Sons, 1971), 327.

<sup>6</sup> “\$10,000,000 At Stake in Florida Racing,” *New York Times*, January 10, 1927; “Racing in Florida Now Seems Doomed,” *New York Times*, October 28, 1927; “Florida Gambling History,” [www.worldcasinodirectory.com/florida/history](http://www.worldcasinodirectory.com/florida/history). The Biscayne Kennel Club’s manager in 1936, Frank Bruen, got his start as an assistant to a leading bookmaker in St. Louis. He later became vice president and general manager of Madison Square Garden, following Tex Rickard, and oversaw construction of the Oriental Park race track in Havana (“Frank J. Bruen, 54, A Sports Figure,” *New York Times*, May 9, 1939).

<sup>7</sup> Kobler, *Capone*, 222; Stuart McIver, “High-rollers On The Beach Not So Long Ago, Casinos Flourished In South Florida,” *Sun-Sentinel*, August 10, 1986; “Al Capone in Miami,” [www.miami-history.com/al-capone-in-miami-part-1-of-4/](http://www.miami-history.com/al-capone-in-miami-part-1-of-4/) and [www.miami-history.com/al-capone-in-miami-part-2-of-4/](http://www.miami-history.com/al-capone-in-miami-part-2-of-4/); Sally Ling, “Al Capone’s Miami,” July 19, 2011 at [www.sallyjling.org/2011/07/19/al-capone-and-the-south-florida-connection/](http://www.sallyjling.org/2011/07/19/al-capone-and-the-south-florida-connection/).

<sup>8</sup> Russo, *The Outfit*, 132–33.

<sup>9</sup> Quoted in Jon Burstein and Peter Franceschina, “Mafia has long history in South Florida but new ways and new rivals,” *South Florida Sun Sentinel*, March 21, 2010. On Hallandale, see Fred Grimm, “Hallandale’s Political Acrimony Enough to Make Donald Trump Blanch,” *Miami Herald*, October 27, 2016; Larry Keller, “The Gangster Next Door,” *Sun-Sentinel*, September 24, 1989; Stuart McIver, “High-rollers On The Beach Not So Long Ago, Casinos Flourished In South Florida,” *Sun-Sentinel*, August 10, 1986; Buddy Nevins, “Super Lawyer Joe Varon Remembered,” at [browardbeat.com/super-lawyer-joe-varon-remembered/](http://browardbeat.com/super-lawyer-joe-varon-remembered/); Joan Mickelson, “President, Gamblers, Architects,” March 24, 2014, at [joanmickelsonphd.wordpress.com/2014/03/24/presidents-gamblers-architects/](http://joanmickelsonphd.wordpress.com/2014/03/24/presidents-gamblers-architects/). Other investors in the Colonial Inn reportedly included New Jersey gambling czar Joe Adonis, Vincent Alo of the Bronx, and Detroit gambler Mert Wertheimer (Reid, *The Grim Reapers*, 91).

<sup>10</sup> Donald G. Lester, “The Fort Lauderdale Daily News and the Broward Sheriff’s Office, 1948–1951,” *Broward Legacy* 20, nos. 1–2 (Winter/Spring 1997), 11. Clark was acquitted of running an illegal slot machine business and charges against him for *bolita* were dropped when the prosecution’s star witness mysteriously failed to testify. The sheriff died of leukemia in 1951.

<sup>11</sup> Kefauver report, 174–75.

<sup>12</sup> Kefauver report, 11; Abels, *The Truman Scandals*, 257.

<sup>13</sup> Schwartz, *Pleasure Island*, 140.

<sup>14</sup> Kefauver hearings, part 1, 337–40 (Florida contributions); *Hartford Courant*, November 29, 1967, and *Wall Street Journal*, October 22, 1980 (conviction in Continental Enterprises case); *New York Times*, December 1, 1972 (parole in Continental Enterprises case, no-contest plea to filing false financial statement re Merritt-Chapman and Scott construction company); Abell, *Drew Pearson Diaries*, March 4, 1955, 345 (Montgomery Ward proxy battle). Wolfson controlled the large building contractor Merritt-Chapman and Scott, one of the earliest conglomerates. Its other investors included Lansky’s former colleagues Yiddy Bloom and Joseph Linsey, and the Chicago mob’s superlawyer, Sidney Korshak; Messick, *The Private Lives of Public Enemies*, 203; Moldea, *Dark Victory*, 137. One unindicted coconspirator in the Continental Enterprise case, Isidore Sherman, was a business partner of Yiddy Bloom in a South Florida motel. In 1966, Lansky’s financial adviser John Pullman tried to enlist Bloom and Sherman to help swing a large business deal with Wolfson (RCMP wiretap transcript of Pullman with Maury Jacobs, November 22, 1966, in Alan Block papers). Wolfson was also a good friend of heavyweight fighter Jack Dempsey, who ran a gambling casino in Ensenada, Baja California, and an illegal casino at his Miami Beach hotel.

<sup>15</sup> Paul Ricca, Frank Nitti, and Al Capone himself owned interests in Johnston’s Sportman’s Park racetrack. Johnston shared an accountant with Ricca, Louis Campagna, and Charles Gioe, all of whom were involved in the 1947 parole scandal. “Link Race Track, Syndicate,” *Chicago Tribune*, October 7, 1950.

<sup>16</sup> Abels, *The Truman Scandals*, 257; Kefauver, *Crime in America*, 107; Abell, *Drew Pearson Diaries*, 345; Russo, *The Outfit*, 249–50; Kefauver hearings, part 1, 356–60, 377, 600, 616–31. For a colorful account of the struggles between rival criminal groups to control gambling in South Florida, see Arthur Jay Harris, “He Did a Job on the Mob,” *Miami New Times*, April 23, 1998.

<sup>17</sup> “A Century of Murder, Mayhem, and Fraud in Jacksonville,” November 10, 2014, at [metrojacksonville.com/article/2014-nov-a-century-of-murder-mayhem-and-fraud-in-jacksonville/page/7](http://metrojacksonville.com/article/2014-nov-a-century-of-murder-mayhem-and-fraud-in-jacksonville/page/7). Johnston had buildings named after him at Florida State University and Bishop Kenny High School. His Chicago employer was Al Capone lieutenant Edward O’Hare, whose son’s name graces Chicago’s

international airport.

<sup>18</sup> Many published accounts imply that Nixon first visited the state in December 1950 or 1951. See, for example, Stephen Ambrose, *Nixon, Vol. 1: The Education of a Politician 1913–1962* (New York: Simon & Schuster, 1987), 301 and “The Florida of Richard Nixon,” *Newsday*, October 13, 1971.

<sup>19</sup> Jeff Gerth, “Nixon and the Mafia,” *Sundance*, November/December 1972, 32; Jeff Gerth, “Richard M. Nixon and Organized Crime,” *Penthouse*, July 1974; Kefauver report, 11, 161; Kefauver hearings, part 1, 105; Newton, *Mr. Mob*, 88. Anthony Summers incorrectly concluded that Tatem had no connection to the Wofford Hotel (Summers, *The Arrogance of Power*, 495n). It was built by his parents Tatem Wofford Sr. and Ora Burks Wofford next to their first hotel, The Breakers. Tatum helped his mother manage it, then built his own hotel, the Tatem, in 1938. After the death of his father and brother, The Wofford Hotel was acquired by Tatem’s sister-in-law, Olive. On the history of the family’s hotels, see Seth Bramson, *Sunshine, Stone Crabs and Cheesecake: The Story of Miami Beach* (Charleston, SC: The History Press, 2009); “Tatem Wofford,” in Jack Averitt, *Families of Southeastern Georgia* (Baltimore: Genealogical Publishing, 2007), 85; Abraham Lavender, *Miami Beach in 1920: The Making of a Winter Resort* (Charleston, SC: Arcadia, 2002), 71; “Historic Miami Hotel,” <http://www.fourpointsmiamibeach.com/historic-miami-hotel>. In 1941, the Wofford Hotel was leased by Connecticut attorney Thomas J. Cassara, who had strong ties to New York and Chicago mobsters, and later to Joseph Kennedy. Cassara was murdered, gangland-style, in Chicago in January 1946. Hersh, *The Dark Side of Camelot*, 52–53.

<sup>20</sup> Kefauver report, 12; *Time*, August 21, 1950, 13. In 1950, Frank Erickson was sentenced to two years in prison and a \$30,000 fine for conspiracy and bookmaking (*Time*, July 3, 1950). He was later charged \$2,258,349.91 in back taxes (*Time*, February 5, 1951).

<sup>21</sup> Roosevelt testimony, US Congress, Senate, Committee on Government Operations, Permanent Subcommittee on Investigations, hearings, *Organized Crime: Securities, Theft and Frauds*, pt. 3, 2nd series, 93rd Cong., 1st sess. (Washington: US Government Printing Office, 1973), 359. Roosevelt’s original quote may be found in Clarence Jones and James Savage, “Mob Money: Silent Host in Beach Hotels,” *Miami Herald*, January 29, 1967.

<sup>22</sup> Jon McDermott, “Who is Bebe?” *Miami Herald*, January 23, 1955; Summers, *Arrogance of Power*, 100–3, 107. On his trips to visit Rebozo, Nixon typically stayed at the “exclusive” Key Biscayne hotel, owned by the Mackle brothers, who were among America’s largest developers. To Nixon’s credit, he paid for his rooms, unlike some officials in the Truman and Eisenhower years who enjoyed complimentary stays in South Florida hotels. Sam Mase, “Nixon, Unlike Hagerty at Jacksonville, Pays for His Vacations at Miami Hotel,” *Tampa Tribune*, June 26, 1958.

<sup>23</sup> “The Story of Bebe Rebozo: The Making of a Millionaire,” *Newsday*, October 6, 1971.

<sup>24</sup> Gerth, “Nixon and the Mafia,” *Sundance*, November/December 1972.

<sup>25</sup> Lewis Chester, Godfrey Hodgson, Bruce Page, *An American Melodrama: The Presidential Campaign of 1968* (New York: Viking, 1969), 769; Kirkpatrick Sale, “The World Behind Watergate,” *New York Review of Books*, May 3, 1973; Gerth, “Richard M. Nixon and Organized Crime,” 144.

<sup>26</sup> Summers, *Arrogance of Power*, 112, 107–8; Lucien Truscott IV, “Nixon Real Estate: The Rebozo Connection,” *Village Voice*, August 30, 1973. Also living in Key Biscayne—just 10 minutes away from Nixon’s home, at 210 Harbor Drive—was Chicago Mafia boss Murray Humphreys (report by Chicago FBI office, April 6, 1960, vault.fbi.gov/murray-humphreys/murray-humphreys-part-03-04-of-20/view).

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<sup>27</sup> Ronald Kessler, “How Rebozo’s Fortune Grew,” *Washington Post*, August 25, 1974. The IRS later claimed that Rebozo underpaid his 1970 and 1971 taxes by about \$100,000; he settled and agreed to pay just over half (“IRS: Rebozo Owes \$100,000 in Tax,” *Miami Herald*, October 2, 1975; “Rebozo to Pay \$52,574 in Disputed Taxes,” *San Francisco Chronicle*, January 7, 1976). Rebozo’s success was not entirely due to skill and good luck. In 1973, for example, the Treasury Department rejected an application to open a new bank to compete with Rebozo’s Key Biscayne Bank, which enjoyed a monopoly in its affluent community. As one member of the disappointed investor group said, “It boils down to who’s got the clout.” “A Plan for a Bank to Compete with Bebe Rebozo’s is Barred by U.S.,” *Wall Street Journal*, October 15, 1973.

<sup>28</sup> Gerth, “Nixon and the Mafia,” *Sundance*, November/December 1972, 35.

<sup>29</sup> Sale, “The World Behind Watergate”; Kefauver report, 48, 50; Gerth, “Nixon and the Mafia,” *Sundance*, November/December 1972; Summers, *Arrogance of Power*, 112–13; Newton, *Mr. Mob*, 88, 118; Joe Griffin, *Mob Nemesis: How the FBI Crippled Organized Crime* (New York: Prometheus Books, 2002), 168. Polizzi’s construction partner was John Angersola, who joined Frank Erickson and Abe Allenberg in buying the Wofford Hotel in 1941 (Newton, *Mr. Mob*, 88; Kefauver Report, 111–12). As late as the mid-1960s, Polizzi and the Angersola brothers, all from Cleveland, received profits “skimmed” from the Desert Inn and Stardust casinos in Las Vegas, (Sandy Smith, “Las Vegas Skimming Probe Opens,” *Chicago Sun-Times*, August 10, 1966). The Angersola brothers and Polizzi are discussed in the Kefauver report, 111–12.

<sup>30</sup> “Rebozo and a U.S. Loan: Capitalizing on Friends,” *Newsday*, October 7, 1971, William Amlong, “Bebe and Dick on a Houseboat,” *The Nation*, November 12, 1973, 489–93. On Buttari’s career, see also memorandum of interview with Buttari by IRS agents Al Kivett and Robert Smoot, August 23, 1974, in “Buttari, Edgardo” file, WSPF papers, NARA.

<sup>31</sup> John Crewdson, “Nixon in Apparent Conflict on Hush Fund,” *New York Times*, June 9, 1974; Horace Sutton, “The Curious Intrigues of the Miami Cubans,” *Saturday Review*, September 11, 1973, 29; Lamar Waldron, *Watergate: The Hidden History* (Berkeley: Counterpoint, 2012), 601; Susanne Jonas, “Cuban Exiles & Watergate: Opening a Can of Worms,” *NACLA’s Latin America & Empire Report*, at [nacla.org/article/cuban-exiles-watergate-opening-can-worms](http://nacla.org/article/cuban-exiles-watergate-opening-can-worms).

<sup>32</sup> FBI memorandum from A. Rosen to William Sullivan, September 12, 1970, FBI files on Rebozo, part 3; “A Story of Stolen Stock and Bebe Rebozo’s Bank,” *Newsday*, October 9, 1971; “Bebe Rebozo Said to Cash Stolen Stock,” *Washington Post*, October 25, 1973; “Rebozo Sale of Stocks Held Legal,” *Washington Post*, November 1, 1973; “Judge Clears Rebozo Bank in Stock Sale,” *San Francisco Examiner*, November 4, 1973; Joe Crankshaw, “FBI Arrests Suspect in Bank Case,” *Miami Herald*, January 17, 1976; Summers, *Arrogance of Power*, 113–14. An attorney with the Watergate Special Prosecution Force decided after a cursory investigation that there was “no substance” to allegations by an attorney for one of the defendants in the case that federal prosecutors had arranged a plea deal to avoid making Rebozo testify (memo by Nick Ackerman, “Miscellaneous,” June 27, 1975, in “IBM Stock and ‘Bebe’ Rebozo” file, WSPF papers, NARA). The New England mobster was Vincent Teresa, who later became a federal informant and witness; see “8 Indicted in Stolen Stock,” *Miami News*, September 26, 1970 and testimony of Louis Mastriana in US Congress, Senate, Committee on Government Operations, Permanent Subcommittee on Investigations, hearings, *Organized Crime: Securities, Theft and Frauds*, pt. 2, 2nd series, 93rd Cong., 1st sess. (Washington: US Government Printing Office, 1973), 186. In 1968, Teresa got permission from Meyer Lansky to conduct gambling junkets to the Paradise Island casino, according to a federal indictment of Lansky in 1971 (Gerth, “Nixon and the Mafia,” *Sundance*, November/December 1972, 65). On Judge King’s favorable ruling for Rebozo in the IBM stock case, see Gerth, “Richard M. Nixon and Organized Crime,” 102–3, and “Bebe Rebozo Said to Cash Stolen Stock,”

*Washington Post*, October 25, 1973. White House special counsel Charles Colson warned Nixon's chief of staff H. R. Haldeman to "be sure we are positioned so that the other side can't try to create a phony issue" out of the stolen stock case. (September 12, 1970 memo in "IBM Stock and 'Bebe' Rebozo" file, WSPF papers, NARA).

<sup>33</sup> Summers, *The Arrogance of Power*, 115; cf. David Wise, *The Politics of Lying: Government Deception, Secrecy, and Power* (New York: Random House, 1973), 232–38. J. Anthony Lukas wrote that in October 1971, following publication of the *Newsday* series about Rebozo, White House Chief of Staff Bob "Haldeman instructed [White House Counsel John] Dean that Robert W. Greene, the senior editor who headed the *Newsday* team, 'should have some [tax] problems.' [White House investigator Jack] Caulfield spoke with his contact, [Assistant IRS Commissioner for Inspection Vernon] Acree, who arranged for an anonymous letter to be written to the IRS, requesting an audit on Greene. Later, Greene's taxes were audited by the New York State Department of Taxation under the federal-state exchange program, but there is no firm evidence that the audit had anything to do with his unpopularity at the White House." *Nightmare: The Underside of the Nixon Years* (New York: Viking, 1976), 24.

<sup>34</sup> Morris, *Richard Milhous Nixon*, 233–34.

<sup>35</sup> Lars Schoultz, *That Infernal Little Cuban Republic: The United States and the Cuban Revolution* (Chapel Hill: University of North Carolina Press, 2011), 56.

<sup>36</sup> Eisenberg, Dan, and Landau, *Meyer Lansky*, 258; Summers, *Arrogance of Power*, 124–28; Newton, *Mr. Mob*, 91.

<sup>37</sup> James Cockayne, *Hidden Power: The Strategic Logic of Organized Crime* (New York: Oxford University Press, 2016), 231–2; Schlesinger Jr., *Robert Kennedy and His Times*, 482.

<sup>38</sup> According to one tally, "Among the 76 millionaires who kicked in to the Nixon fund were 15 oilmen, 11 real-estate executives and a cross section of bankers, milk-products men and munitions and armaments contractors. All had had heavy stakes in legislation on which Nixon had voted." Pearson and Anderson, *The Case Against Congress*, 434. A Price, Waterhouse audit determined that none of the money was diverted to Nixon's personal use. Richard Wilson, "Is Nixon Fit to Be President?" *Look*, February 24, 1953.

<sup>39</sup> Anderson with Boyd, *Confessions of a Muckraker*, 326.

<sup>40</sup> Summers, *Arrogance of Power*, 118–24; Pearson and Anderson, *U.S.A.—Second-Class Power?*, 290–93.

<sup>41</sup> Summers, *Arrogance of Power*, 124–28; Newton, *Mr. Mob*, 91; Turner, *The Cuban Connection*, Kindle Location 1071; Abell, *Drew Pearson Diaries*, 335. Rothman claimed that Nixon was grateful to him for moving to Brazil to avoid testifying about the Sans Souci debt; FBI memo from Special Agent in Charge, Miami, to Director, FBI, June 27, 1961, NARA 124-10289-10371. A reporter for the *St. Louis Post-Dispatch* claimed that Nixon had actually accompanied Smith to the gaming tables in Havana; Rothman, not the most trustworthy source, later declared that Nixon, not Smith, had been the one who lost big, with Smith covering the debt. Nixon flatly denied accompanying Smith to Cuba and evidence cited by *Look* magazine supported him (Richard Wilson, "Is Nixon Fit to be President?" *Look*, February 24, 1953; Nixon cable of November 2, 1952 in "Pearson, Drew (Correspondence About)" file, box 583, Series 320, Nixon papers, Nixon Library).

<sup>42</sup> Eisenberg, Dan and Landau, *Meyer Lansky*, 258.

<sup>43</sup> Gerth, "Nixon and the Mafia," *Sundance*, November/December 1972, 65 (\$14,000 contribution in 1960).

<sup>44</sup> Ed Cony, “The Chesler Empire: A Mysterious Canadian Juggles Film, Casino, Florida Land Holdings,” *Wall Street Journal*, June 23, 1964; Block, *Masters of Paradise*, 39.

<sup>45</sup> Some of his mining deals allegedly included Meyer Lansky. “Bahamas Government Commission of Inquiry,” memo from Henry Petersen, chief, Organized Crime and Racketeering Section, to Fred M. Vinson, Jr., Assistant Attorney General, Criminal Division, Department of Justice, March 24, 1967, Alan Block papers.

<sup>46</sup> Block, *Masters of Paradise*, 36–37. Chesler arrived in Miami soon after World War II to look for investment opportunities, and soon began placing huge bets with transplanted New York numbers boss Michael “Trigger Mike” Coppola (FBI report from SAC, Miami to Director, FBI, July 3, 1963, NARA 124-10207-10078). Chesler later invested with Pullman’s brother-in-law, A. C. Cowan, in Miami Beach’s lavish Copa City nightclub (Messick, *Syndicate Abroad*, 66).

<sup>47</sup> Vincent Scro, son-in-law of Buffalo Mafia boss Steve Magaddino, speaking with Pasquale Natarelli, transcript in FBI report by SAC, Buffalo, to Director, FBI, June 18, 1963, NARA 124-10339-10141.

<sup>48</sup> FBI memo from SAC, Miami, to June 7, 1962, re Michael J. McLaney, NARA 124-90154-10058.

<sup>49</sup> Sands claimed he turned Lansky down, but as Mahon notes, “events would seem to indicate otherwise.” Gigi Mahon, *The Company That Bought the Boardwalk* (New York: Random House, 1980), 59–60 (Lansky and Sands); Block, *Masters of Paradise*, 43 (1960 meeting of Chesler, Lansky, Dino Cellini, and Max Orovitz).

<sup>50</sup> Convicted in 1941 of defrauding General Investment Corp. and its minority shareholders of \$750,000, Groves later purchased 114,000 acres on Grand Bahama Island from the British government. He sold his interests in 1968 for \$80 million. His obituary notes that he was “a financial supporter of the University of Miami’s Rosenstiel School of Marine and Atmospheric Science” (Lourdes Fernandez, “Wallace Groves, ‘Father of Freeport,’” *Miami Herald*, January 31, 1988). In early 1941, prior to his conviction, Groves offered Richard C. Patterson Jr., who was then Floyd Odlum’s man at RKO, \$12,000 to join the board of one of his companies. The offer followed months of lobbying by Patterson with prosecutors in the Department of Justice—including the Attorney General—to drop their case against Groves. Odlum’s attorney Ed Weisl also prepared a long legal memorandum in defense of Groves. See Patterson’s memos in “General File 1918-66, Corres., 1925–66–Groves, Wallace” file, Patterson papers, Truman Library; “Groves Brothers on Trial,” *New York Times*, February 7, 1941).

Lansky’s financial adviser John Pullman was represented in the company by executive vice president Al Cowan, his brother-in-law. With title to 102,000 acres on Grand Bahama Island, the company set to work building the 250-room Lucayan Beach Hotel. Its plans called for a huge “handball court,” which was secretly slated for conversion to a casino. Messick, *Syndicate Abroad*, 69–72, 101–3, 151; Block, *Masters of Paradise*, 33–37; Reid, *The Grim Reapers*, 190-196; memo from Henry Petersen, chief, Organized Crime and Racketeering Section, to Fred M. Vinson, Jr., Assistant Attorney General, Criminal Division, Department of Justice, March 24, 1967, Alan Block papers.

Recognizing that his strength lay in sales rather than administration, Chesler sought a partner to manage his Bahamian venture. He turned first to Robert B. Anderson, a former oil industry lobbyist, Eisenhower’s secretary of Treasury, and close confidant of Lyndon Johnson. Anderson eventually dropped out but stayed active in the Bahamas, incorporating his own bank in Nassau and joining the board of Zurich-based Cosmos Bank, which opened a Bahamian subsidiary. Years later, Anderson would plead guilty to tax evasion and defrauding investors in oil and gas projects using an unregistered offshore

bank in the West Indies. On Chesler and Anderson, see 1962 correspondence in “Grand Bahama Development Company (1)” and “Grand Bahama Development Company (2)” files, Robert B. Anderson papers, Eisenhower Library. Anderson hosted a dinner for members of the Bahamian cabinet on January 23, 1964, one month after he incorporated World Banking Corporation Ltd. in Nassau, with Bank of America and investment banker and Hilton Hotels director J. Clifford Folger, who chaired the Republican Finance Committee during second Eisenhower-Nixon campaign and Nixon’s 1960 campaign for president. Anderson letter to Hans Rinderknecht, Cosmos Finance Corp., January 15, 1964, in “Cosmos Finance Corporation 1964 (3)” file, Anderson papers; Anderson letter to Eric Gasser, December 29, 1966, “Cosmos Finance Corporation 966-67 (1)” file, Anderson papers; Eisenhower Library; “Former Treasury Chief Joins Big Bank in Bahamas Venture,” *New York Times*, December 7, 1963; J. Y. Smith, “J. C. Folger, Investment Banker, GOP Official, Former Envoy, Dies,” *Washington Post*, March 25, 1981. On Anderson’s extremely close ties to Lyndon Johnson, see Edward Cowan, “R. B. Anderson Sees Two Big Problems,” *New York Times*, December 8, 1963; Martin Waldron, “Johnson, Virtually Penniless in 1937, Left a Fortune Valued at \$20-Million,” *New York Times*, January 28, 1973; Eric Pace, “Robert B. Anderson, Ex-Treasury Chief, Dies at 79,” *New York Times*, August 16, 1989. On Anderson’s fraud conviction, see Marcia Chambers, “From Treasury Secretary to Guilt in a Fraud,” *New York Times*, June 16, 1987.

<sup>51</sup> Messick, *Syndicate Abroad*, 112–14; Block, *Masters of Paradise*, 40–43; Monroe Karmin, “Chesler Concedes Paying Huge Sums for Gambling Permission in Bahamas,” *Wall Street Journal*, April 19, 1967; Peterson memo to Vinson, op. cit.

<sup>52</sup> Block, *Masters of Paradise*, 45–46; Messick, *Syndicate Abroad*, 155–59, 127 (Nixon bookie); Cony, “The Chesler Empire,” *Wall Street Journal*, June 23, 1964 (crime commission quote). Chesler told a Bahamian commission of inquiry that he hired the men because “they were my bookmakers in the U.S. . . . I had a great deal of experience with them.” Monroe Karmin, “Chesler Concedes Paying Huge Sums for Gambling Permission in Bahamas,” *Wall Street Journal*, April 19, 1967. The Bahamian attorney general explained that they were allowed to remain because they were essential to the management of the casino. Bookmaker Frank Ritter insisted he was a competitor to Lansky and called reports of syndicate involvement with casinos a “dramatic myth” and a “complete figment of the imagination.” Cable from American consul in Nassau to Department of State, April 12, 1967, in SOC 11 BAH file, Records of the Department of State, RG 59, NARA. Famed criminal lawyer Edward Bennett Williams represented Ritter with only limited success. Under indictment in New York, and unwelcome in The Bahamas, Ritter and his partner Max Courtney resettled in Israel. Robert Pack, *Edward Bennett Williams for the Defense* (New York: Harper & Row, 1983), 341–44; Messick, *Lansky*, 275.

<sup>53</sup> Bill Davidson, “The Mafia: Shadow of Evil on an Island in the Sun,” *Saturday Evening Post*, February 25, 1967.

<sup>54</sup> Memo from IRS Special Agent A. W. Shellen to Chief, Intelligence Division, Manhattan District Internal Revenue Service, February 4, 1965, Alan Block papers.

<sup>55</sup> Chesler was replaced by Miami Beach investor Max Orovitz, who managed the casino’s large account at the Bank of Miami Beach. Lansky remained a powerful force behind the scenes. At the Fontainebleau Hotel in Miami Beach, the mobster received weekly courier deliveries of cash skimmed from the casino. Messick, *The Beauties and the Beasts*, 209–16; Messick, *Syndicate Abroad*, 162–66; McClintick, *Indecent Exposure: A True Story of Hollywood and Wall Street* (New York: William Morrow, 1982), 90–91, 95, 107; Moldea, *Interference*, 129–32, 143; Mahon, *The Company That Bought the Boardwalk*, 64. The IRS determined from examining records of the casino’s account at the Bank of Miami Beach that in one four-month period, January to April 1964, \$600,000 was “siphoned out of the account” to Chesler and Orovitz “and thence we believe to Lansky.” Memo from Henry Petersen, chief,



Organized Crime and Racketeering Section, to Fred M. Vinson, Jr., Assistant Attorney General, Criminal Division, Department of Justice, March 24, 1967, Alan Block papers.

Chesler was down but not out. He continued investing in various other Bahamian real estate projects, with creative financing. In 1971, a mob-connected witness testified before a Senate subcommittee that he “personally delivered stolen securities to Chesler in 1968 the Bahamas. I know that securities were used in trust accounts which were then spun off into other places, mostly likely to Switzerland. The discussion I had with . . . Chesler actually taught me this technique of disposing of stolen securities.” US Senate, Committee on Government Operations, Permanent Subcommittee on Investigations, *Organized Crime: Stolen Securities*, hearings, Part 3, 92nd Cong., 1st Sess. (Washington, D.C.: US Government Printing Office, 1971), 852, cf. 857. New England Mafia turncoat Vincent Teresa also testified to dealing in Chesler’s stolen bonds; see his affidavit in *Resorts International, Inc. vs. Straight Arrow Publishers, Inc.*, United States District Court for the Southern District of Florida, 76-1452-Civ-CA, 60-63.

<sup>56</sup> Groves was from April 1966 to April 1972 “of interest to the [CIA’s] Office of the General Counsel for the utilization of Groves as an advisor or possible officer of one of the Project WUMUTUAL entities. . . . In March 1975, Cover and Commercial Staff was somehow involved with two individuals connected with a corporation owned by Groves, the Grand Bahama Development Corporation,” CIA memorandum from Jerry G. Brown, Deputy Chief, Security Analysis Group, to Chief, Security Analysis Group, August 18, 1976, re “Resorts International, Inc.” NARA 104-10213-10381; cf. CIA memo, “Request for RI Trace Action on Wallace Groves,” December 30, 1965, associated background sheets on Groves from Office of Security files, and clearance cancellation notice from CIA attorney John K. Greaney, April 12, 1972, in Alan Block papers; and memorandum for the record by Jerry G. Brown, January 4, 1974, re “McLaney, Michael,” NARA 104-10254-10010. This latter memo cites Lansky’s Office of Security file number as #623 652. See also Jim Drinkhall, “IRS vs. CIA,” *Wall Street Journal*, April 18, 1980, which notes claims by a former CIA official that more than \$5 million was siphoned by the CIA out of Groves’s Bahamian holding company, Intercontinental Diversified Corp., during this period.

<sup>57</sup> Block, *Masters of Paradise*, 86; New Jersey Division of Gaming Enforcement, New Jersey Division of Gaming Enforcement, *Report to the Casino Control Commission With Reference to the Casino License Application of Resorts International Hotel, Inc.*, December 4, 1978, 27; Richard Oulahan and William Lambert, “The Scandal in the Bahamas,” *Life*, February 3, 1967. Through Fiduciary Growth Fund, Chesler’s son Alan became an early investor in Mary Carter Paint Co.

<sup>58</sup> Summers, *Arrogance of Power*, 240, 243 (Seymour Alter).

<sup>59</sup> “Rebozo Bank and Gambling in Bahamas Attract Election Spending Investigators,” *New York Times*, January 21, 1974; Summers, *Arrogance of Power*, 240–41, 244, 278–79; Waller, *The Swiss Bank Connection*, (1972), 133. Crosby played down his political role with Nixon in a January 17, 1975, affidavit and a November 5, 1974, interview with IRS agents Robert Smoot and Al Keeney, representing the Watergate Special Prosecutor. See “Crosby, James” file, WSPF papers, NARA.

<sup>60</sup> Messick, *John Edgar Hoover*, 234–36; Block, *Masters of Paradise*, 46; Mahon, *The Company That Bought the Boardwalk*, 94–96. Eddie was manager of the casino at Trafficante’s Sans Souci.

<sup>61</sup> J. S. Earman, CIA Inspector General, “Report on Plots to Assassinate Fidel Castro,” May 23, 1967, 14, 29–30 (hereafter “IG Report”), NARA 1993.06.30.17:15:56:650140 (Cellini); Scott, *The American War Machine*, 158; Jack Calhoun, “When America Turned to Gangsters to Oust Castro,” July 21, 2013, at [salon.com/2013/07/21/when\\_america\\_turned\\_to\\_gangsters\\_to\\_oust\\_castro\\_partner/](http://salon.com/2013/07/21/when_america_turned_to_gangsters_to_oust_castro_partner/).

<sup>62</sup> “Paradise Island Casino Staff,” undated memorandum in casino employee file, reproduced in appendix to New Jersey Division of Gaming Enforcement, *Report to the Casino Control Commission with Reference to the Casino License Application of Resorts International Hotel, Inc.*

<sup>63</sup> New Jersey Division of Gaming Enforcement, *Report to the Casino Control Commission with Reference to the Casino License Application of Resorts International Hotel, Inc.*, 36 (Richard Gittlin). The loan was made by American National Insurance Co. (ANICO), which was second only to the Teamster pension fund as a source of funds for mob-controlled casinos in Las Vegas. Messick, *Syndicate Abroad*, 228–30; Gene Ayres and Jeff Morgan, “Insurance Firm, Gambler Tied,” *Oakland Tribune*, January 24, 1971 (ANICO); Bruce Locklin and Vinny Byrne, “Behind the Casino Push: A Look at Resorts International,” *The Record* [South Bergen County], October 14, 1976.

<sup>64</sup> For simplicity, I refer in the text to “Resorts International” even when the actual corporate entity was its predecessor, Mary Carter Paint Co. (Resorts sold the paint division in May 1968.) “Some Trading in Mary Carter Paint Stock By Outsiders Is Subject of Inquiry by SEC,” *Wall Street Journal*, June 25, 1968; Messick, *Syndicate Abroad*, 234–5; Messick, *Lansky*, 248–49; Block, *Masters of Paradise*, 81–86. Two subsidiaries of IOS invested \$3.5 million in June, 1967 (New Jersey Division of Gaming Enforcement, *Report to the Casino Control Commission*, 29). IOS founder Bernie Cornfeld himself admitted that 10 percent of the funds invested in IOS came from “organized crime types”; Jim Hougan, *Spooks* (New York: William Morrow, 1978), 169. In 1969, the SEC forced IOS to dispose of its large stock interest, purchased from Delbert Coleman, in the Korshak-linked Parvin-Dohrmann Co., which owned the Aladdin, Fremont, and Stardust hotel casinos in Las Vegas (“Nevada Forbids Parvin-Dohrmann Casino Purchases,” *Wall Street Journal*, April 17, 1969).

<sup>65</sup> New Jersey Division of Gaming Enforcement, *Report to the Casino Control Commission with Reference to the Casino License Application of Resorts International Hotel, Inc.*, passim.

<sup>66</sup> Donald Janson, “Resorts Wins a Permanent License To Operate Casino in Atlantic City,” *New York Times*, February 27, 1979.

<sup>67</sup> Wallace Turner, “Hidden Money: Bahamas Called Way Station to Swiss Banks,” *New York Times*, February 17, 1965.

<sup>68</sup> Richard Oulahan and William Lambert, “The Scandal in the Bahamas,” *Life*, February 3, 1967.

<sup>69</sup> “Rebozo Bank and Gambling in Bahamas Attract Election Spending Investigators,” *New York Times*, January 21, 1974; Lucien Truscott IV and Robin Reisio, “The Little Bank that Could,” *Village Voice*, October 4, 1973. Florida State Attorney Richard E. Gerstein subpoenaed records from Key Biscayne Bank relating to alleged large cash deposits by Seymour Alter, a “consultant” to the Paradise Island Casino. Gerstein suspected the cash was skimmed from the casino. The bank fought Gerstein’s request but was ordered by a court to divulge its records. See “Rebozo Bank Told to Yield Records,” *New York Times*, December 6, 1973. However, those bank records, and investigations by the Senate Watergate Committee, reportedly provided no evidence of secret Nixon accounts at Rebozo’s bank; “Inquiry Finds No Evidence of Rumored Nixon Fund in Rebozo’s Bank,” *New York Times*, January 27, 1974. Files of the Watergate Special Prosecution Force in the National Archives offer further unsubstantiated (or worse) allegations.

<sup>70</sup> Summers, *Arrogance of Power*, 244–45, 251–58; Hougan confirmed this conversation with me on November 14, 2019, and said he is sure that Mitchell was not joking. Rebozo “unequivocally” denied ever transferring funds from Key Biscayne Bank to Switzerland on Nixon’s behalf; John Crewdson, “Rebozo Denies Shifting Funds to Swiss Banks for President,” *New York Times*, March 21, 1974. Huntington Hartford, who procured the gaming license for Paradise Island, told author Dan Moldea that

Nixon “made three deposits totaling \$35,883,070, between October 21, 1971 and June 11, 1972, in the Cosmos Bank in Zurich, Switzerland.” (How he came to know this is unclear.) See Moldea, *Interference*, 458n6. See also Robert Hutchison, *Vesco* (New York: Praeger, 1974), 282; “Transatlantic Ripples from the Cosmos Bank,” *Business Week*, September 14, 1974; “Probe of Possible Nixon Link with Foreign Bank,” *San Francisco Chronicle*, November 8, 1975; Jack Anderson, “Curious Cash in Rebozo’s Bank,” *San Francisco Chronicle*, March 20, 1974.

<sup>71</sup> Smathers’s job was arranged by his uncle, New Jersey Senator William H. Smathers, a product of Jersey City Mayor Frank Hague’s political machine. Manuel Garcia oral history interview, October 12, 1982, University of South Florida, Tampa Library; George Smathers Senate oral history interview with Donald A. Ritchie, August 1, 1989, Senate Historical Office, [https://www.senate.gov/artandhistory/history/resources/pdf/Smathers\\_interview\\_1.pdf](https://www.senate.gov/artandhistory/history/resources/pdf/Smathers_interview_1.pdf).

<sup>72</sup> “Danner to Quit FBI When Colt Trial Ends,” *Miami News*, January 21, 1946; “Smathers Given Danner’s Praise,” *Miami News*, February 3, 1946.

<sup>73</sup> FBI telegram from Miami office to Director, FBI, July 21, 1971, “George Armistead Smathers, Special Inquiry,” FBI Smathers file; US Congress, Senate, Select Committee on Presidential Campaign Activities, *Final Report* (US Government Printing Office, 1974), 934 (hereafter Senate Watergate Report). Rebozo was “a key figure” in the Smathers “Goon Squad,” a group of close friends who supported Smathers’s business and political ambitions. “Hustling for his candidate the way he hustled to make a prosperous living, Rebozo helped coordinate Goon Squad activities, performing the jobs that make a successful campaign, from passing out literature to ringing doorbells and providing transportation to polling places.” Brian Lewis Crispell, *Testing the Limits: George Armistead Smathers and Cold War America* (Athens: The University of Georgia Press, 1999), 24. The two men were partners in many business ventures. Smathers loaned Rebozo \$25,000 in 1951, and for years received no payment of interest or principal. The two men also engaged in various land deals on Key Biscayne and Fishers Island. Rebozo also acted as a nominee for Smathers in holding various real estate assets. See IRS memorandum of interview with Smathers, July 19, 1974, and interview with Smathers by the Watergate Special Prosecutor’s office, November 19, 1974, in “Smathers, George” files, WSPF papers, NARA.

<sup>74</sup> “Danner Named to Beach Hotel Post,” *Miami News*, June 24, 1946; Gerth, “Nixon and the Mafia,” *Sundance*, November/December 1972, 34.

<sup>75</sup> Gerth, “Nixon and the Mafia,” *Sundance*, November/December 1972.

<sup>76</sup> “Ex-FBI Agent Named Miami City Manager,” *Tampa Bay Times*, September 5, 1946; “Both Levels Needed,” *Miami News*, September 10, 1946; also see Stephen Harris, “Miami Police Told to Enforce Laws,” *Miami News*, August 6, 1947; Stephen Harris, “Income Tax Investigator Steps Into Police Probe,” *Miami News*, August 8, 1947; “Danner Wins Important Round in Miami,” *Tampa Times*, January 12, 1948; Stephen Harris, “Bar Leaders Rally to Aid of Danner,” *Miami News*, January 12, 1948.

<sup>77</sup> “Symbol of Decency Booted Out,” *Miami News*, June 3, 1948; “Misrule in Miami,” *Tampa Tribune*, June 4, 1948; Summers, *The Arrogance of Power*, 112–13; Crispell, *Testing the Limits*, 17–18. Messick suggests that one gangster faction may have tried to plant false evidence against Danner (*Lansky*, 189).

<sup>78</sup> Crispell, *Testing the Limits*, xvi, 33, 42–43, 68.

<sup>79</sup> Eisenberg, Dan and Landau, *Meyer Lansky*, 258.

<sup>80</sup> George A. Smathers Oral History Interview—JFK #1, March 31, 1964, Kennedy Library.

<sup>81</sup> Robert Sherrill, *Gothic Politics in the Deep South*, 167, 170–72; Drew Pearson and Jack

Anderson, *The Case Against Congress*, 127; Crispell, *Testing the Limits*, 194; Chester, et. al., *An American Melodrama*, 767; E. W. Kenworthy, "Baker Question Raises Large Questions," *New York Times*, November 17, 1963; Deakin, *The Lobbyists*, 117. Smathers told an interviewer that after he retired from the Senate, "I became a lobbyist. I organized the American Horse Council. I became attorney for the Association of American Railroads. I became attorney for the waterways. Man, I had more damn business! I was so busy I couldn't believe it. I loved it. And I made a lot of money. That's the only money I ever made. . . . I bought into a number of orange groves, and I'm now a pretty substantial orange grove operator. We have over a thousand acres of orange grove, and I love it, just love it. Then I have an automobile agency that my son runs. I'm in a couple of law offices, still have a law office in Miami. . . . I was on the board of Paramount Studios, and Gulf and Western. I was on the board of the Pan-American Banks. I was on the board of the Winn-Dixie Grocery Company. I was on the board of one private high school, and one University of Florida group, and that sort of thing. I was on the board of a commercial bank, and I owned two other banks that I bought after I got out of the Senate, and made a little money, one in Ocala and one in Bradenton, and so on." See George Smathers, oral history interview with Donald Ritchie, October 17, 1989, Senate Historical Office, [senate.gov/artandhistory/history/resources/pdf/Smathers\\_interview\\_8.pdf](https://senate.gov/artandhistory/history/resources/pdf/Smathers_interview_8.pdf).

<sup>82</sup> Peter Prugh, "Opening of Huge Amusement Park in Florida is Boon to Developers, Bane to Ecologists," *Wall Street Journal*, October 1, 1971; "Crossing Paths With Major Realty," *Newsday*, October 11, 1971. Smathers's cousin, Orlando attorney Benjamin Smathers, joined Major Realty's board in early 1967 ("Major Realty Gets New Financing, Management," *Wall Street Journal*, February 28, 1967). Around the same time, Major Realty sold valuable beachfront property at a loss to a lobbyist and unofficial aide to Smathers named W. A. Jernigan, who used it to get a loan from a Miami defense contractor that he and Smathers sought (successfully) to save from debarment after it was convicted of presenting false claims to the government. The firm, Aerodex, named Smathers to its board in February 1969 and sold the newly retired senator \$435,000 worth of its stock for a mere \$20,000. Their connection went back several years. In 1961, Aerodex fired its existing vending machine contractor and replaced it with Automatic Vending Service Inc., whose principals included Jernigan, the listed owner of Bobby Baker's Washington town house; former Smathers aide Grant Stockdale; and Smathers friend Eugene Hancock, who became a partner of Bobby Baker in Serv-U. See "Smathers and Aerodex—How to Succeed in the Defense Business," *Newsday*, October 11, 1971; FBI telegram from Miami office to Director, FBI, July 21, 1971, "George Armistead Smathers, Special Inquiry," FBI Smathers file, and chapter 5.

Did Major Realty have insider information on Disney's plans when it acquired 2,500 acres near Orlando? Others appear to have. The key insider employed by Disney to help assemble the land was Miami lawyer and prominent Florida Republican Paul Helliwell. Disney was apparently referred to Helliwell by the law firm of his former OSS boss and fellow Thai lobbyist, William Donovan (Alan Block interview with Demetrius Stampados, July 17, 1986, in Alan Block papers). Smathers mentioned going to school with Helliwell, and Helliwell's very successful work for Disney, in an interview with the Watergate Special Prosecutor's office on December 5, 1974, in "Smathers George" file, WSPF papers, NARA. Helliwell became a director of Mercantile Bank and Trust Co. in the Cayman Islands in 1965, while he was setting up dummy corporations to buy land for Disney. The IRS later charged that Orange County Commissioner L. Ralph Poe used an account there to hide hundreds of thousands of dollars in profits from land transactions related to Disney World. Poe's brother, F. Eugene Poe, was former president of Helliwell's Bank of Perrine and a director of Helliwell's Castle Bank. Theodore Stanger, "Attorney Helliwell Dies at Gables Home," *Miami Herald*, December 27, 1976; James Savage, "Jury May Question Disney Site Buyers," *Miami Herald*, August 25, 1976; James Savage, "Lawyer: Disney Sites Unrelated to Probes," *Miami Herald*, August 27, 1976; Jerry Shields, *The Invisible Billionaire*:

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*Daniel Ludwig* (Boston: Houghton Mifflin, 1986), 276–77, 281, 27374. For general coverage of Helliwell’s role in Disney’s cloaked land purchases, see Stan Witwer, “Orlando Mystery Industry Puzzle Remains Unsolved,” *St. Petersburg Times*, May 27, 1965; “Mystery Industry Ends ‘Phase I’ Buying Plans,” *Orlando Evening Star*, June 24, 1965; “Mystery Land Report Set for November,” *Orlando Sentinel*, July 9, 1965; “Disney Picks Orlando for Big Attraction,” *Miami News*, October 25, 1965; Clarke Ash, “Disney’s Man In Florida,” *Miami News*, February 15, 1967; Mark Andrews, “Disney Assembled Cast of Buyers to Amass Land Stage for Kingdom,” *Orlando Sentinel*, May 30, 1993.

<sup>83</sup> Moldea, *Interference*, 286. The Coral Gables lawyer for many of Major Realty’s deals in the early 1960s was Gerson Blatt (“The Syndicate Makes a Land Killing in Florida,” *Los Angeles Free Press*, December 1, 1972). In 1974, Blatt was named in an SEC complaint regarding fraudulent stock transactions in Corporation of the Americas, Ltd., along with two of Lansky’s top money couriers, Benjamin Sigelbaum and John Pullman (SEC News Digest, March 8, 1974; decision of US Court of Appeals for the Fifth Circuit, November 15, 1978 Fed. Sec. L. Rep. P 96,610 *Securities and Exchange Commission v. Gerson Blatt, Barton S. Udell, and John Pullman*, 583 F.2d 1325 (5th Cir. 1978). The case involved acquisition of the company’s stock by Exquisite Form Industries, whose principals, Benjamin Wheeler and Garson Reiner, ran Exchange and Investment Bank in Geneva, a major mob money laundromat. Blatt was Sigelbaum’s longtime attorney; Terry Robards, “Secret Indictment Cites Apparel Concern Officer,” *New York Times*, October 3, 1972; US Senate, Government Operations Committee, Permanent Subcommittee on Investigations, hearings, *Organized Crime: Stolen Securities*, part 3, 92nd Cong., 1st sess. (Washington: US Government Printing Office, 1971), 708.

Major Realty was founded in 1960 to develop the huge Florida real estate holdings of George Friedland, whose large grocery chain, Food Fair Stores, had been investigated by the Senate Rackets Committee in 1958 for making payoffs to mob-connected (but impeccably anti-Communist and pro-Israel) union officials. When founded, with George Friedland as chairman, Major Realty owned more than 100 square miles of land in Florida worth \$25 million. “New Company Acquires Big Tracts in Florida,” *New York Times*, April 20, 1960; “Realty Concerns Planning Merger,” *New York Times*, October 4, 1961 (Major Realty). On Food Fair and Max and Louis Block, see R. Alton Lee, *Eisenhower and Landrum-Griffin: A Study in Labor-Management Politics* (University Press of Kentucky, 1990), 64–5; McClellan hearings, pt. 28, 11100–6; Jonathan Kwitny, *Vicious Circles: The Mafia in the Marketplace* (New York: W. W. Norton, 1979), 82–84.

Another founding partner of Major Realty was Friedland’s friend and business partner Max Orovitz of Miami Beach, who helped Chesler and Lansky organize their Bahamian casino in the early 1960s. Messick, *Syndicate Abroad*, 123–24; 165–66. Orovitz, a Georgia native, was a legitimate businessman and an honored Jewish philanthropist, but no stranger to criminals. In 1950 he lent money to a representative of the Chicago Outfit to set up a Miami newspaper, which Capone’s successors used as a weapon to muscle in on local gambling (*Miami News*, June 21, 1951). A major donor to the state of Israel, he was also a member of the “Miami Group” that formed Israel-American Enterprises Corp. Ltd. in 1951. Other members included Samuel Friedland, cofounder of Food Fair Stores; Sam Blank, a Florida land speculator, sugar broker, and beer distributor; and Dan Ruskin, who made his initial fortune in the lighting fixture business. The Miami Group joined the Israeli brothers Yekutiel and Samuel Federmann to found the prestigious Dan hotel chain in Israel (owner of the Dan Hotel in Tel Aviv and King David Hotel in Jerusalem), along with a cement factory, bank, and a Swiss financial corporation. By 2002, the constellation of enterprises they founded had 9,000 employees worldwide. Investigation of a mysterious \$50,000 cash delivery from Switzerland by Yekutiel Federmann to Orovitz in 1961 ultimately led to the conviction of Orovitz in 1968 for the unregistered sale of debentures in Chesler’s General Development Corp. John McDermott, “How a Gamble in Israel Paid Off for a Miamian,” *Miami Herald*, November 5, 1957; “Miamians Get Rich on Israeli Ventures,” *Miami Herald*, April 3, 1960; Hugh Orgel, “Six Good

Men and True, "Jerusalem Post, October 3, 1962; MacAbee Dean, "The Federmans and Their Hotels," *Jerusalem Post*, February 16, 1973; "Yekutiel Federman, Dan Hotel Founder, 87," *Ha'aretz*, January 20, 2002; Thurston Clarke and John Tigue, *Dirty Money* (New York: Simon & Schuster, 1975), 128–29.

The Miami Group also founded Israel's first successful oil drilling company, Israel Oil Ventures. In 1960 it took control of Israel-American Oil Corp., which owned a major interest in Rimrock Tidelands. Santo Sorge, managing director of Rimrock's international subsidiary, was described by the Federal Bureau of Narcotics in 1964 as "one of the most important Mafia leaders" with "considerable political influence in Italy." His extensive foreign travels were believed to "cover for liaison duties between highest ranking Mafiosi in the United States and Italy." His associates included Lucky Luciano and New York heroin trafficking bosses Vito Genovese and Carmine Galante. He also participated at a summit meeting of US and Sicilian Mafia leaders at the Hotel des Palmes in Palermo in October 1957. In 1965, Italy issued a warrant for his arrest while rounding up several Mafia leaders, including Frank Coppola. "Miamians Interested in Israel Oil," *Miami News*, September 29, 1955; David Horowitz, "The News Picture," *The Southern Israelite*, May 11, 1956; Bert Collier, "Beach Group Strikes It Oil-Rich in Israel," *Miami Herald*, November 24, 1956; *The Jewish Advocate*, January 21, 1960; Moody's, 1962 and 1963; "Lucky Luciano is Linked with N.Y. Gathering," *Miami News*, July 1, 1958; "Italy Collars 10 as Mafia Chiefs; U.S. Links Cited," *Philadelphia Inquirer*, August 3, 1965; Scott, *Deep Politics and the Death of JFK*, 202–4; US Congress, Senate, Committee on Government Operations, Permanent Subcommittee on Investigations, *Organized Crime and Illicit Traffic in Narcotics*, hearings, 88th Cong., 2nd Sess. (Washington: US Government Printing Office, 1964), 997; Michele Pantaleone, *Mafia e droga* (Turin: Giulio Einaudi, 1966), 112–17; FBI memorandum, New York, re Carlo Gambino, June 28, 1960, RIF 124-10347-10001 NARA.

<sup>84</sup> "Crossing Paths With Major Realty," *Newsday*, October 11, 1971.

<sup>85</sup> Senate Watergate Report, 934.

<sup>86</sup> Nixon letter of thanks to Danner, November 28, 1952, in Danner, Richard G. folder, box 201, Series 320, Nixon papers, Nixon Library.

<sup>87</sup> "The Florida of Richard Nixon," *Newsday*, October 14, 1971; Chester, et al., *An American Melodrama*, 770.

<sup>88</sup> Jack Roberts, "Politics, Show Biz in Ch. 10 Fight," *Miami News*, January 7, 1970. Pawley considered himself one of Smathers's "strongest supporters," even though Pawley was a Republican; FBI telegram from Miami office to Director, FBI, July 21, 1971, "George Armistead Smathers, Special Inquiry," FBI Smathers file.

<sup>89</sup> The FBI source was Catherine Taaffe, an arms dealer with extensive contacts in Cuba, the Dominican Republic, Guatemala, and Venezuela. Two other names mentioned as partners in the investment syndicate were "Smiley," possibly Tampa/St. Petersburg State Attorney W. Mack Smiley, and Robert Thompson, identified as an attorney from south Florida. FBI memorandum from D. E. Moore to A. H. Belmont, "Cuban Revolutionary Activities," January 9, 1959; and urgent FBI teletype from SAC, New York, to Director, FBI, February 9, 1959, in FBI releases, Charles Rebozo FOIA file; John Newman, *Where Angels Tread Lightly: The Assassination of President Kennedy* (North Charleston: CreateSpace, 2015), 61–62.

<sup>90</sup> See, for example, Danner letter to Nixon announcing his new law firm, November 26, 1965, in Danner, Richard folder, box 9, Wilderness Years: Series I: Correspondence: Series A, Nixon papers, Nixon Library. Nixon referred business to Danner; Nixon letter to I. N. Kraushaar, April 16, 1964, Danner, Richard G. file, box 1, Wilderness Years: Series VI: Legal Papers, 1963–1967, Nixon papers,

Nixon Library. Danner emerged into the public limelight in 1966 as General Motors' coordinator of corporate espionage against consumer advocate Ralph Nader. The exposure of GM's misdeeds made Nader a national hero and cost the automaker a small fortune in legal damages. "Detective Says GM Wanted to Get Nader," *Frederick Post*, February 14, 1967; US Senate, Committee on Government Operations, Subcommittee on Executive Reorganization, hearings, *Federal Role in Traffic Safety*, 89th Cong., 2nd sess. (Washington: US Government Printing Office, 1966), 1383–84, 1395, 1398, 1403 et seq.

<sup>91</sup> Danner spoke by telephone with Rebozo and Nixon in Miami on March 17 to discuss his participation in the campaign, and met Nixon on a flight to New York a couple of days later. US Congress, Senate, Select Committee on Presidential Campaign Activities, hearings, *Presidential Campaign Activities of 1972, Watergate and Related Activities, The Hughes-Rebozo Investigation and Related Matters* (Washington, DC: US Government Printing Office, 1973), Book 24, 11409–11. Hereafter Senate Watergate hearings.

<sup>92</sup> Danner testimony, May 15, 1972, in "Danner, Richard" file, WSPF papers, NARA.

<sup>93</sup> Senate Watergate Report, 934.

<sup>94</sup> Senate Watergate hearings, Book 24, 11419 and 11422; Senate Watergate Report, 935–36.

<sup>95</sup> Haldeman wrote that Nixon told him in 1976 "there was much more money in Bebe's 'tin box' than the Hughes \$100,000. For example, Dwayne Andreas, a Minnesota financier, had contributed another \$100,000. . . . Bebe Rebozo, in effect, maintained a private fund for Nixon to use as he wished." H. R. Haldeman, *The Ends of Power* (New York: Times Books, 1978), 21–22. Haldeman's assistant Lawrence Higby testified his boss had spoken of a \$400,000 secret fund controlled by Rebozo. On April 17, 1973, Nixon urged his aides Haldeman and Ehrlichman to accept "two or three hundred thousand dollars" toward their legal fees. He said, "No strain. Doesn't come outta me. . . . As a matter of fact, I told Bebe, basically, be sure that people . . . who have contributed money over the contributing years are favored and so forth in general. And he's used it for the purpose of getting things out, paid for in check and all that sort of thing." "Rebozo Silent on Revelation of Slush Fund," *Miami Herald*, December 6, 1974; "Nixon's Taped Remarks on Apparent Slush Fund Called Key Evidence in Rebozo Inquiry," *New York Times*, December 9, 1974.

<sup>96</sup> Carl Bernstein and Bob Woodward, "Nixon-Danner Talk Probed by Panel," *Washington Post*, January 25, 1974; John Crewdson, "Nixon-Danner May Meeting Confirmed," *New York Times*, January 26, 1974.

<sup>97</sup> Jack Anderson, "What Happened to the Money?" *The Free Lance-Star* (Fredericksburg, Virginia), September 27, 1973. In July 1974, television producer and former publicist David B. Charnay (chapter 3) was indicted (and separately sued by the SEC) with Robert Maheu, Howard Hughes, and a top Hughes lawyer on charges of stock manipulation, fraud, and conspiracy in connection with the 1968 purchase of Air West. Although the indictment was subsequently dismissed, the federal judge called the defendants' behavior "reprehensible and an abuse of the power of great wealth." J. Y. Smith, "Hughes Re-Indicted in Air West Deal," *Washington Post*, July 31, 1974; "Indictment Charging Hughes and 3 Others is Again Turned Down," *Wall Street Journal*, November 14, 1974; "Hughes Accused of Manipulation, Fraud by SEC," *Wall Street Journal*, March 28, 1975; Wallace Turner, "Appeals Court Reinstates Indictment of Hughes and 3," *New York Times*, May 12, 1976; John Berry, "Hughes Estate Agrees to Pay Airline's Stockholders \$30 Million," *Washington Post*, January 20, 1979.

<sup>98</sup> Memorandum from FBI Director Hoover to Assistant Attorney General, Antitrust Division, March 23, 1970, Senate Watergate hearings, Book 26, 12878; Memorandum for Attorney General Mitchell from Assistant Attorney General Richard McLaren, March 26, 1970, Senate Watergate hearings,

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Book 26, 12876–77; Memorandum from FBI Director Hoover to Attorney General Mitchell, November 24, 1970, Senate Watergate hearings, Book 26, 12879; Donald Bartlett and James Steele, *Empire: The Life, Legend, and Madness of Howard Hughes* (New York: W. W. Norton, 1979), 449–50; Lukas, *Nightmare*, 115. A Senate Watergate Committee staff report called Mitchell’s “secret, ad hoc” decision to overrule his antitrust division “a classic case of governmental decision-making for friends” of the Nixon administration. John Crewdson, “Ervin Staff Says Mitchell Bypassed Aides on Hughes,” *New York Times*, June 23, 1974.

<sup>99</sup> Bartlett and Steele, *Empire*, 464–66; Bill Richards, “Hughes Institute Wins Round at IRS,” *Washington Post*, January 20, 1979.

<sup>100</sup> J. Anthony Lukas, “Why the Watergate Break-In?” *New York Times*, November 30, 1987; Bruce Oudes, ed., *From the President: Richard Nixon’s Secret Files* (Harper & Row, 1989), xxx–xxxv; “Nixon, Hughes and Watergate,” *San Francisco Chronicle*, December 11, 1973; Jerry Landauer, “Investigators Believe Hughes Case Provides Motive for Watergate,” *Wall Street Journal*, May 6, 1974; “A New Watergate Theory,” *San Francisco Chronicle*, July 5, 1974; Ron Rosenbaum, “What Were They Hoping to Hear on Larry O’Brien’s Phone,” *Village Voice*, August 8, 1974, 7-9, 73.

<sup>101</sup> “Inquiry Expected to Clear Rebozo,” *New York Times*, September 28, 1975; Samuel Dash, *Chief Counsel: Inside the Ervin Committee—the Untold Story of Watergate* (New York: Random House: 1976), 230–245.

<sup>102</sup> Senate Watergate Report, 1031–32; “Who Got Hughes Gift—New Report,” *San Francisco Chronicle*, April 6, 1974; “Probers Report Fund for Nixon, Pressure on IRS,” *Washington Post*, July 11, 1974; “Evidence of Nixon Fund Diversion by Rebozo,” *San Francisco Chronicle*, August 20, 1974; John M. Crewdson, “Nixon Fund Inquiry Focuses on Bribery and Tax Issues,” *New York Times*, August 24, 1974; Summers, *Arrogance of Power*, 281; CBS 60 Minutes, “Watergate: ‘Aviator’ Connection?” [\$46,000 in house improvements]; testimony of Herbert Kalmbach, Senate Watergate hearings, Book 21, 10189 [payouts to Woods and Nixon brothers].

<sup>103</sup> Senate Watergate Committee, *Final Report*, 1070.

<sup>104</sup> Danner diary for August 6, Senate Watergate hearings, Book 24, 11416.

<sup>105</sup> Senate Watergate hearings, Book 24, 11413, 11440, 11431–32.

<sup>106</sup> James R. Polk, “Murchison Is Said to Link Nixon to Role in Donation,” *New York Times*, July 19, 1974; documents in “Murchison Bros.—Sen. Contrib and background information” file, and interview notes with Clint Murchison in “Murchison, Clint— 5/14/74” file, WSPF papers, NARA.

<sup>107</sup> Wolfe, *The Murchisons*, 332. As noted in chapter 7, Nixon sat with Murchison at the Washington Redskins–Dallas Cowboys game in November 1969; Moldea, *Interference*, 457n4.

<sup>108</sup> Senate Watergate Committee, *Final Report*, 935. On Danner’s meetings with Morgan, see Senate Watergate hearings, Book 24, 11402, 11408, 11414–19; Danner testimony, Senate Watergate hearings, Book 20, 9497–98.

<sup>109</sup> “Winn-Dixie Buys Bahamas Food Chain,” *Louisville Courier-Journal*, May 3, 1967; Messick, *Syndicate Abroad*, 112–14; Block, *Masters of Paradise*, 40–43; Monroe Karmin, “Chesler Concedes Paying Huge Sums for Gambling Permission in Bahamas,” *Wall Street Journal*, April 19, 1967. In December 1968, Danner met with Groves to discuss representing him. Senate Watergate hearings, Book 24, 11431–32 (December 13, 1968).

<sup>110</sup> Davis testimony, Senate Watergate hearings, Book 22, 10582–83



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<sup>111</sup> “Smathers: Thriving Lobbyist,” *Newsday* special report, October 12, 1971; Baker, *Wheeling and Dealing*, 56. James Davis, chairman of the board of Winn-Dixie, told the FBI that Smathers had been a “tremendous asset” to the company thanks to his “extensive political experience and his uncanny ability to predict well in advance what the effects of certain proposed or recently enacted federal legislation will be on industry.” FBI report of SA Milton Cummings, Jr., July 21, 1971, FBI file 161-8194, FBI FOIA release.

<sup>112</sup> IRS memorandum of interview with Smathers, July 19, 1974, in “Smathers, George 7/19/74” file, and notes of August 21, 1974 interview in “Smathers, George 8/21/74” file, WSPF papers, NARA.

<sup>113</sup> The Watergate Special Prosecutor concluded that the Justice Department’s decision was ultimately based on legal reasoning rather than political pressure. See closing memorandum by Stephen E. Haberfeld, December 4, 1974, and supporting materials, in “Davis, A. D. Winn-Dixie” file, WSPF papers, NARA.

<sup>114</sup> Davis testimony, Senate Watergate hearings, Book 22, 10561 et seq.; “Davis, A.D.” file, WSPF papers, NARA. Davis’s contribution is ignored by most Watergate books, but see Lukas, *Nightmare*, 366–67. The disposition of his cash remains a mystery. A former aide to Sen. Herman Talmadge told investigators in 1978 that the Georgia Democrat and member of the Senate Watergate Committee had protected Davis—his hunting partner, business associate and campaign contributor—from answering staff questioning about the contribution. “According to testimony by the committee’s assistant chief counsel, Terry Lenzner, the investigators believed the money ended up in the hands of Watergate operatives Anthony Ulasewicz and John J. Caulfield. Despite objections from Lenzner and other staff members of the committee, Talmadge ruled that the questions were not allowed under the Senate’s mandate and cut off further questions about the contributions. At the end of the session Talmadge complied with a request by Davis and ordered the transcript of the hearing sealed.” Bill Richards, “Talmadge Said to Help Donor at Watergate Hearing,” *Washington Post*, October 3, 1978; Davis testimony, Senate Watergate hearings, Book 22, 10570–71, 10574–80, 10590. Talmadge later faced damaging questions before the Senate Ethics Committee about his own handling of huge wads of \$100 bills that he left in his overcoat for his wife’s household expenses. Note that the Talmadge family ran a successful business—selling ham to Winn-Dixie supermarkets. See Bill Richards, “Talmadge Calls His Accuser ‘A Proven Liar,’” *Washington Post*, May 1, 1979; “Ex–Georgia Governor Herman Talmadge Dies,” *USA Today*, March 21, 2002; Margalit Fox, “Betty Talmadge, Ex-Wife of Georgia Senator, Dies at 81,” *New York Times*, May 12, 2005. Former Senate aide Bobby Baker said Talmadge “probably is the biggest crook that ever served while I was in the Senate.” Oral history interview with Bobby Baker by Donald Ritchie (Senate Historical Office, 2009), 185, at [documentcloud.org/documents/836424-baker-text.html#document/\\_](http://documentcloud.org/documents/836424-baker-text.html#document/_).

<sup>115</sup> Danner testimony, Senate Watergate hearings, Book 24, 11416; Danner testimony, May 15, 1972, and Danner Senate witness summary, undated, in “Danner, Richard” files, WSPF papers, NARA. Meetings with Smathers took place on June 25, July 23, July 24 and July 30, 1968 (Senate Watergate hearings, Book 26, 11414, 11415, 11416). Danner added that Smathers “was a considerable stockholder in the Tropicana or the Continental Connector. I believe that controlled that stock (sic).” He may have been confused with Continental Connector’s role in the Dunes hotel-casino, which he tried to acquire for Hughes in 1970. Continental Connector Corp. controlled the Dunes casino, which James Gottlieb, a “Chicago mob front man” and ally of Hoffa, had purchased in 1955 from a syndicate representing the Patriarcha crime family in New England. Continental Connector was owned primarily by a group of investors close to Hoffa’s attorney, Morris Shenker. The owners also included E. Parry Thomas, the head of the Bank of Las Vegas, who had fingers in many Las Vegas casinos and a close relationship with the Teamster pension fund. The Dunes received the first big Teamster pension fund loan in Las Vegas, totaling \$4 million, in 1958. In 1969, the Securities and Exchange Commission sued Continental

Connector for issuing “false and misleading” proxy statements involving the acquisition of the Dunes and a second Las Vegas casino, the Golden Nugget. In 1972, six employees and officers of its Dunes subsidiary were indicted by a federal grand jury for skimming and income tax evasion. See Jeff Morgan and Gene Ayres, “Insurance Firm, Pension Fund Compete for Vegas Financing,” *Oakland Tribune*, September 27, 1969; Burbank, *Las Vegas Babylon*, 46; Denny Walsh, “A Two-Faced Crime Fight in St. Louis,” *Life*, May 29, 1970; Jim Drinkhall, “How the Central States Pension Fund Finances the Nevada Schemes of Organized Crime,” *Overdrive*, reprinted in *Congressional Record*, August 17, 1972, E7595–96; Denton and Morris, *The Money and the Power*, 316; “SEC Charges New Owners of Dunes Hotel Defrauded Stockholders in Statement,” *Lewiston Evening Journal* (Lewiston, Maine), December 19, 1969; “U.S. Jury Indicts 6 at Nevada Hotel,” *New York Times*, December 15, 1971; Senate Watergate Committee interview with Sidney Wyman and Morris Shenker, December 20, 1973, in “Shenker, Morris” file, WSPF papers, NARA, and various memoranda in “Dunes” file WSPF papers, NARA.

<sup>116</sup> Jaffe was a scrappy businessman who grew up on the lower East Side of New York City before moving to Chicago in 1940. He had interests in radio broadcasting, insurance, and hotels. He also sold punchboards, a primitive gambling device, in the Mexican border cities of Juárez and Mexicali. As his outlays grew for construction of the Tropicana’s, Jaffe loaned the project \$2.8 million from his insurance company—representing a third of its assets. That company, Guarantee Reserve Life Insurance Co. of Hammond, Indiana, held the construction loan for a motel owned by Chicago Outfit boss Sam Giancana. Jaffe’s insurance company also loaned \$50,000 to Edward Levinson (chapters 4 and 5) in 1954. An FBI investigation determined that the latter loan allowed Jaffe to make a disguised purchase of shares in the fabled Flamingo Hotel-Casino in Las Vegas. The FBI further learned that a member of Guarantee’s finance committee was one Nathan H. Glass of Chicago, “commonly known as a Syndicate front man.” In the late 1950s, Jaffe was also a codirector of Silver State Terminal Warehouse Corp. with Ruby Kolod, the casino manager at Moe Dalitz’s Desert Inn; others involved in the warehouse venture included John Rosselli and Art Samish, the convicted California liquor lobbyist. FBI report by SA Robert J. Tompkins, Jr., January 10, 1962, NARA 124-10333-10067; report by SA Ralph R. Hill, Jr., Chicago FBI office, re Samuel M. Giancana, May 5, 1961, NARA 124-90024-10122; FBI Chicago report of July 31, 1963, NARA 124-10195-10024; report by SA Harold F. Dodge, Los Angeles, September 26, 1960, re “John Roselli,” NARA 124-10208-10484.

<sup>117</sup> Reid and Demaris, *The Green Felt Jungle*, 69–74. The casino’s manager was Louis Lederer. FBI report from SAC, Las Vegas, to FBI Director, March 6, 1963, NARA 124-10354-10115; FBI interview by Chicago SAs Thomas W. Parrish and Marshall E. Rutland with Louis J. Lederer, April 24, 1961 NARA 124-10219-10163; report by SA Ralph R. Hill, Jr., Chicago FBI office, May 5, 1961, NARA 124-90024-10122; Bureau of Narcotics, “Report on Organized Crime and Corruption for President’s Commission on Law Enforcement and Administration of Justice,” December 1965, container 52, RG 170, NARA; Jeff Burbank, *Las Vegas Babylon: The True Tales of Glitter, Glamour, and Greed* (London: Robson Books, 2005), 39–40.

<sup>118</sup> FBI SAC, Las Vegas, to Director, FBI, March 6, 1963, re Tropicana Hotel, NARA 124-10354-10115 (Feinberg); FBI report, May 5, 1961 re Sam Giancana, NARA 124-90024-10122 (Baron and Giancana); Russo, *Supernob*, 220; Ronald Farrell and Carole Case, *The Black Book and the Mob: The Untold Story of the Control of Nevada’s Casinos* (Madison: University of Wisconsin Press, 1995), 34–35; Scott, *Deep Politics*, 179, 199.

<sup>119</sup> Kanter was acquitted in 1977 of conspiring to use Castle Bank & Trust to evade taxes, though his law partner was convicted. At the end of 1999, a federal judge ruled him guilty of a “concerted effort” with two corporate executives “to defeat and evade payment of taxes and to cover up their acts.” Ten years later, however, an appeals court substantially overturned the Tax Court’s findings. “Attorney is

Acquitted of Tax-Evasion Charges,” *New York Times*, September 13, 1977; David Cay Johnston, “Tax Lawyer Called Architect of a Tax-Evasion Scheme,” *New York Times*, January 1, 2000; William P. Barrett, “From The Grave, Tax Lawyer To Rich Beats IRS Again,” *Forbes*, December 15, 2009; Joshua S. Kanter, *Estate of Burton W. Kanter, and Estate of Naomi R. Kanter, v. Commissioner of Internal Revenue*, United States Court of Appeals, Seventh Circuit, December 1, 2009, 590 F.3d 410, 414 (7th Cir. 2009); *Estate of Burton W. Kanter, De v. CIR, 11-1310* (7th Cir. 2011). George Smathers related his connections with Kanter in an interview with the Watergate Special Prosecutor’s office on November 19, 1974, in “Smathers, George” file, WSPF papers, NARA.

<sup>120</sup> A major IRS investigation of Castle Bank was reportedly terminated in part because the bank was “the conduit for millions of dollars earmarked by the CIA for the funding of clandestine operations against Cuba and for other covert intelligence operations directed at countries in Latin America and the Far East.” One government official said, “The CIA convinced Justice that exposure of Castle and, of necessity, other Helliwell dealings, would compromise very sensitive and very significant intelligence operations.” Jim Drinkhall, “IRS vs. CIA: Big Tax Investigation Was Quietly Scuttled by Intelligence Agency,” *Wall Street Journal*, April 18, 1980. Smathers discussed Helliwell in an interview with the Watergate Special Prosecutor’s office on December 5, 1974, in “Smathers George” file, WSPF papers, NARA.

<sup>121</sup> Block, *Masters of Paradise*, 162–63, 170, 176–77. One source told the FBI in 1966 that Helliwell was Kleinman’s attorney. FBI memo re “Eugene Richard Warner,” February 7, 1975, file no. 56-174, in Campaign Contributions Task Force, Hughes/Rebozo Investigation file #804, WSPF papers, RG 460, NARA.

<sup>122</sup> Russo, *Supermob*, 224.

<sup>123</sup> Smathers interview with the Watergate Special Prosecutor’s office on December 5, 1974, in “Smathers George” file, WSPF papers, NARA. Helliwell’s law partner, Mary Jane Melrose, was a director and counsel to Grand Bahama Port Authority, the company founded by Groves to develop Freeport, including its casinos.

<sup>124</sup> Danner testimony, Senate Watergate hearings, Book 20, 9498.

<sup>125</sup> Danner testimony, Senate Watergate hearings, Book 24, 11430.

<sup>126</sup> Senate Watergate Report 939. As noted above, Danner met a week later with Groves to discuss legal representation.

<sup>127</sup> Senate Watergate hearings, 11414–15 (July 18); 11415 (July 23); 11419 (August 29); 11420 (September 10); 11422 (September 28); 11423 (October 3); cf. “2 Smathers Friends Join Nixon Camp,” *Tampa Tribune*, October 17, 1968 (“Danner . . . is a top coordinator with the United Citizens for Nixon organization”).

<sup>128</sup> See “Manuel Garcia collection,” University of South Florida at Tampa, [digital.lib.usf.edu/SFS0031954/00001](http://digital.lib.usf.edu/SFS0031954/00001); “2 Smathers Friends Join Nixon Camp,” *Tampa Tribune*, October 17, 1968 (“Garcia has been named coordinator of the [United Citizens for Nixon] Spanish-speaking section”).

<sup>129</sup> Tom Inglis, “Gloom in the Demo Camp,” *Tampa Tribune*, October 28, 1968. Danner spent time with Garcia earlier that year as cocounsel in the defense of St. Petersburg banker and embezzler Harry R. Playford. Ronald Hutchison, “Playford Given Fine, 5-Year Prison Term,” *St. Petersburg Times*, January 16, 1968.

<sup>130</sup> “2 Smathers Friends Join Nixon Camp,” *Tampa Tribune*, October 17, 1968.

<sup>131</sup> “3 Lawyers Get Patronage Jobs,” *Tampa Bay Times*, November 15, 1961. Garcia said cryptically of his role in the Warren and Smathers campaigns, “we did a lot of bad things.” Manuel Garcia oral history interview, October 12, 1982, University of South Florida, Tampa Library.

<sup>132</sup> “Attorney Misses Politics of Yesteryear Tampa,” *Tampa Bay Times*, November 6, 1978; “M. Garcia Named New Attorney for Racing Board,” *Tampa Times*, January 5, 1949; “Suspended Solicitor Brings Hillsborough New Political Crisis,” *St. Petersburg Times*, March 25, 1950.

<sup>133</sup> “Hospitalized, Manuel Garcia Sends Word He Will Appear,” *Tampa Times*, December 30, 1950.

<sup>134</sup> Kefauver Committee, *Interim Report #1*, August 18, 1950, at [onewal.com/kef/kef1.html](http://onewal.com/kef/kef1.html).

<sup>135</sup> “Impeachment Aimed at Florida Governor,” *New York Times*, April 11, 1951; “Move to Oust Governor of Florida Fails,” *Chicago Tribune*, May 29, 1951.

<sup>136</sup> “Warren to Quit Politics,” *New York Times*, September 16, 1951. Warren defended his record in “Fuller Warren’s Version of Gambling,” *St. Petersburg Times*, January 20, 1954. Warren also blasted the Senate committee, noting that Kefauver’s successor as chairman, Sen. Herbert O’Conor of Maryland, represented a state that “reeked with gambling corruption . . . on a widespread scale.” “Florida Governor Accepts Subpoena,” *New York Times*, June 27, 1951.

<sup>137</sup> Anthony J. Stanonis, *Faith in Bikinis: Politics and Leisure in the Coastal South Since the Civil War* (Athens: University of Georgia Press, 2014), 199; see also Scott M. Deitche, *Cigar City Mafia: The Complete History of the Tampa Underworld* (Fort Lee, NJ: Barricade Books, 2004); Scott M. Deitche, *The Silent Don: the Criminal Underworld of Santo Trafficante, Jr.* (Fort Lee, NJ: Barricade Books, 2009); Robert Grey Reynolds, Jr. *Tampa, Florida: Italian and Cuban Mafia Gambling and Political Corruption* (Smashwords Edition, 2015).

<sup>138</sup> Manuel Garcia oral history interview, October 12, 1982, University of South Florida, Tampa Library.

<sup>139</sup> Kefauver hearings, I, 248–50. Sheriff Hugh Culbreath was a key part of a political machine, supported by the *bolita* syndicate, which included Tampa Mayor Curtis Hixon and State’s Attorney Rex Farrior. In a 1982 interview, Garcia refused to say what he knew about Culbreath’s ties with gamblers. Manuel Garcia oral history interview, October 12, 1982, University of South Florida, Tampa Library.

<sup>140</sup> Kefauver report, 44–47.

<sup>141</sup> Reid, *The Grim Reapers*, 93.

<sup>142</sup> See, for example, FBI report by SA Stephen J. Labadie, Tampa, September 22, 1960, re Santo Trafficante, Jr., NARA 124-10195-10346.

<sup>143</sup> “Court Ponders Wiretap Issue in Bolita Case,” *St. Petersburg Times*, July 8, 1955.

<sup>144</sup> “Attorney Misses Politics of Yesteryear Tampa,” *Miami Times*, November 6, 1978.

<sup>145</sup> Attorney William Pallot headed the Florida State Chapter of United Citizens for Nixon/Agnew in 1968 (“Massive Staff Runs Nixon-Agnew Presidential Campaign,” *CQ Almanac*, 1968). He was elected chairman of Miami National Bank in 1961, a period of peak involvement by the bank with criminal money laundering (*Miami News*, June 23, 1961). Pallot was attorney to the bank’s owner, Lou Poller, discussed in chapter 5’s notes (“Poller Quits Job at Bank,” *Milwaukee Journal*, August 3, 1962). In 1963, Pallot organized the Inter National Bank of Miami, which made loans to the mobbed-up Bank of Miami Beach (*Miami Herald*, June 10, 1965).

<sup>146</sup> Peter Dale Scott, untitled manuscript, ca. 1972.