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# 7 Alleged Southland Mafia Figures Enter Guilty Pleas

By Kim Murphy

Seven alleged mobsters, including Peter J. Milano, the reputed Mafia boss who led a move to strengthen the Los Angeles crime family's grip on loan-sharking, bookmaking and narcotics, pleaded guilty Tuesday in a case that officials said may have sounded the death knell for organized crime in Southern California.

Milano pleaded guilty to conducting a racketeering enterprise that federal authorities have identified as a newly revitalized wing of La Cosa Nostra in Los Angeles. His brother, Carmen Milano, identified as underboss of the family, pleaded guilty to conspiring to extort money out of loan-shark victims who had unpaid debts to the family.

Milano, 62, of Westlake Village, faces a maximum of six years in prison as a result of the plea agreement. His brother, Carmen, 58, of Tarzana, agreed to six months in prison and three years' probation.

Neither the Milanos nor any of the five alleged family lieutenants who pleaded guilty Tuesday admitted any affiliation with the Los Angeles crime organization that law enforcement authorities say is one of 24 recognized Mafia families in the United States, and a family which the FBI claims Milano has headed since 1984.

Also entering pleas in Los Angeles federal court were alleged *capo* or "street boss" Vincent Dominic Caci, 62; his brother, Charles James Caci, 51; Stephen Cino, 51; Rocco Zangari, 54, and Albert Nunez, 57. Three other defendants, including the family's other purported *capo*, Luigi Gelfuso Jr., will go to trial next week.

The guilty pleas, entered after nearly two weeks of intense negotiations, came on the eve of what could have been a six-month trial targeting the entire hierarchy of the mob in Southern California--a case which U.S. Atty. Gen. Edwin Meese III has called the most significant organized crime prosecution on the West Coast in more than a decade.

"I think it has absolutely crippled the family here," said James Henderson, lead prosecutor on the case for the Los Angeles Strike Force on Organized Crime.

"We indicted what we believe to be the hierarchy of the La Cosa Nostra family in Los Angeles, so we have effectively put them out of business," prosecutor Richard Small added. "This is it. This is the family."

Donald Marks, Milano's lawyer and the lead defense counsel, said he had mixed emotions about the plea bargains, although he said he believed that the agreement was a "fair package."

## 'Defensible Case'

"We felt we had a potentially defensible case, but we also felt that given my client's age, the potential exposure and the uncertainty of a trial, this was a reasonable way to resolve it," Marks said.

The plea bargain package was entered over the objections of U.S. Atty. Robert C. Bonner, who, sources said, upset delicate negotiations last week when he vetoed the sentencing agreement, calling Milano's six-year sentence too generous.

But strike force attorneys, at Bonner's invitation, appealed the decision to Assistant Atty. Gen. William F. Weld, head of the Justice Department's criminal division in Washington, who reinstated the plea agreement. Weld's decision came only days before he resigned Tuesday, reportedly leaving the Justice Department because his embattled boss, Meese, has refused to step down.

The pleas were again ready to be submitted Monday afternoon when three of the defendants decided to back out and go to trial, prompting one defense lawyer to remark bitterly: "Why do you think they call it the Mickey Mouse Mafia?"

Defense lawyers said the relatively light sentences provided for in the plea bargains--nearly all less than two years--reflect both the nature of the offenses charged and some important weaknesses in the government's case.

## FBI Undercover Work

The 18-count indictment unsealed in May, 1987, and based on several years of undercover work by the FBI and three government informants who attempted to penetrate the mob, outlines a wide range of extortion, drug-dealing and attempted murder as Milano's organization tried to muscle in on bookmakers and loan sharks in Southern California.

But what actually happened hardly reads like a Mario Puzo novel.

For one thing, none of the murder attempts was ever carried out--although in one case two of the defendants drove all over the San Fernando Valley looking for their intended target, investigators said.

Nunez, whose 10-year sentence for two counts of extortion and narcotics conspiracy is the stiffest in the plea package, is accused of "whacking" a loan-shark victim behind on his debts--but he allegedly launched the attack with--of all things--a rolled-up newspaper.

Moreover, defense lawyers claim that much of the drug dealing and extortion complained of in the indictment was committed not by the accused mobsters, but by the government's two key informants, Craig Anthony Fiato and Lawrence Fiato, who allegedly cleared their activities with Gelfuso.

"I would like to say, wow! did we put one over on those guys, but we didn't--they knew what their case was worth," said Anthony Brooklier, who represented Charles James Caci.

## 'It's Different'

"You just do not have organized crime in Southern California, at least in the Italian Mafia sense, that we all read about back East. Here you have somebody hitting somebody over the head with a rolled-up newspaper; back there, they shoot people. It's different," Brooklier said.

Some defense lawyers said they believe that government prosecutors also were concerned about how a jury would react to the Fiato brothers' testimony.

The Fiatos were already under investigation as suspected collectors for a Mafia loan-sharking investigation when, confronted by the FBI in 1984, they began working secretly as government informants. They gathered a major portion of the nearly 600 hours of recorded conversations that represent the government's key evidence against the Milano family.

The credibility of Craig Anthony Fiato's testimony was believed to be one of the factors in the acquittal last year of another suspected Milano family associate, Michael Rizzitello, on charges of attempting to sell stolen securities.

But Small, the strike force prosecutor, denied that concerns about Fiato's testimony played any role in the plea negotiations, noting that Fiato will still testify against the three remaining defendants.

## Saving Time, Expense

"Definitely, some of the overt acts were committed by some of the government witnesses," he said, "but our evaluation in doing this as a package was that we saved the government an extremely burdensome trial--time, expense and things like that. We all believe that had we gone to trial we would have gotten convictions and, in our opinion, people would have gotten sentenced to somewhat longer periods of incarceration."

In his guilty plea, Milano, owner of a San Fernando Valley vending machine company and co-owner with his wife of a bail bond business, admitted conducting a racketeering enterprise and also admitted two attempts to shake down a bookmaker and a loan-shark victim for unpaid debts.

But he stopped short of admitting any specific ties to the Mafia or his purported role as boss of the Los Angeles family.

"He does not admit to that at all," Marks said.

But Henderson told reporters later: "Nobody ever admits it."

Milano, nephew of former Cleveland mob boss Frank Milano, could have been sentenced under the racketeering statute under which he pleaded to 20 years in prison and a \$250,000 fine. Carmen Milano could have faced 20 years and a \$10,000 fine.

## Guilty Pleas

Alleged street boss Vincent Dominic Caci and his brother Charles Caci pleaded guilty to extortion conspiracy and face one-year sentences. Zangari faces probable probation on a guilty

plea to an extortion conspiracy charge. Cino faces 18 months and three years' probation. He pleaded guilty to one count of extortion conspiracy and also admitted submitting false loan documents to Sunwest Bank of Newport Beach.

U.S. District Judge Ferdinand F. Fernandez could reject any of the plea agreements during sentencing, scheduled for May 16, but defendants, in that event, would be permitted to withdraw their guilty pleas.

Still scheduled to go to trial next week are Gelfuso, John De Mattia and John Joseph Vaccaro. Opening statements in the case are tentatively scheduled to begin Tuesday.

Things went from bad to worse for the Mafia in Los Angeles. Part II, Page 1.