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Not Entrenched Like Eastern Families

The L.A. Mob: Eking Out a Living Working Streets

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He drives a 1973 Buick with a rebuilt transmission. He goes at night to a modest home in Tarzana, watches a little television, goes to bed by 9.

"Once in a while, I go to the movies; not that often. I have trouble staying awake," Carmen Milano confessed. "Maybe it's because I'm not one of the gang, I don't know. It's not my cup of tea. I'm not from the fast lane, the Bruce Willises, that type of thing. I'm very boring."

Milano, interviewed recently at the home of a friend in Sherman Oaks, hardly fits the image that a recent federal indictment has projected for him: under-boss of the Los Angeles Mafia family and No. 2 overseer of the mob's drug dealing, loan sharking and extortion rackets in Southern California.

It is a designation that Milano vigorously contests. And if the rotund, slightly bashful former lawyer from Cleveland doesn't fit the movie version of an underworld godfather, neither does the Southern California crime family he allegedly represents.

Barely 20 members strong, loosely organized and frequently ignored by its more powerful East Coast associates, the Los Angeles syndicate presides over what is widely viewed as the only major "open city" in the nation, a wealthy empire in which outside crime families have been free to operate without stirring territorial jealousies.

While powerful New York and Chicago families have muscled their way into Southern California's multibillion-dollar pornography, film, real estate and recording industries, the federal government's most recent investigations make clear that the Los Angeles mob is still largely working the streets, meeting in restaurant back rooms and threatening to break heads over \$25,000 drug deals and \$500-a-week Shylock loans.

"We see the mob scratching and digging out here. We see them just trying to make a buck any way they can," said Capt. Stuart Finck, head of the Los Angeles Police Department's Organized Crime Intelligence Division for the last 10 years.

For a variety of reasons, organized crime--a veritable institution in the close-knit ethnic neighborhoods of the East--wears a much different face in suburban California.

Here, Colombian drug lords and ethnic youth gangs deal more terror in the streets than the traditional Italian Mafia, which has not been linked to a gangland slaying in California since

1977. Increasingly, white-collar real estate swindles and complicated loan fraud schemes have become organized crime's biggest money earners.

"They have not had the kind of controlling influence over some elements of crime in Los Angeles like the other, Eastern (Mafia) families have had because of the absence of the type of political structures that you find back East, where corruption has wielded its way through the various ranks," said Richard T. Bretzing, special agent in charge of the Los Angeles FBI office.

"While in the 1940s and '50s there were some elements of corruption present, it never got to the point where they could commandeer an element of crime and call it their own," he said.

24 Mafia Families

But the Los Angeles Mafia family, one of 24 recognized families in the American wing of the Sicilian Mafia, has had a foothold in the city for 40 years.

Italian and Jewish mobsters flourished in Los Angeles in the 1940s when Jack Dragna and Mickey Cohen battled for control of the city's bookmaking operations and extended the West Coast mob's tentacles into the emerging gambling mecca of Las Vegas.

But Dragna, perhaps the only classic "godfather" that the city has ever known, died in 1957, and the family went into decline under the leadership of Frank DeSimone and Nick Licata.

A series of federal prosecutions during the 1970s sent most of the family's top brass to prison, concluding with the 1980 conviction of boss Dominick Brooklier and four others on federal racketeering charges.

Today, federal prosecutors allege that the family is headed by Carmen Milano's brother, Westlake Village businessman Peter John Milano, 61.

Although Peter Milano denies any mob connections, federal authorities claim he has moved swiftly to consolidate power, recruit new members and aggressively improve the family's standing in the national organized crime community.

State organized crime authorities, in reports and interviews, credit Milano with drawing at least five, and possibly as many as seven, "made" members into the family, conducting the secret blood initiation rite that renders an ordinary criminal a member for life of the so-called La Cosa Nostra, or "this thing of ours."

A star witness in the upcoming trial in Los Angeles on the federal indictment is sure to be Angelo Lonardo, a longtime under-boss of the Cleveland crime family who is expected to testify that Peter Milano met with the Cleveland family's upper echelons in 1981 and informed them that he had taken over the family in Los Angeles.

Murder Contract

According to the recent indictment, Peter Milano told them he had adopted as the first order of business a murder contract on Louis Tom Dragna, a longtime garment industry executive and nephew of Jack Dragna, who had reportedly approached the FBI about becoming a government

informant.

The purported meeting with the Cleveland leadership was important in two respects. Federal prosecutors say it demonstrated that Milano was seeking national recognition for his leadership of the family. But it also may be evidence that the focus of power in Southern California had shifted from Chicago to Cleveland.

Through the late 1970s and early '80s, Southern California's only representation on the national "commission" that purportedly runs Mafia operations was through the Chicago "outfit," according to past trial testimony and state reports.

Many law enforcement officials believe that Chicago crime leaders held strong oversight authority over organized crime activities in the state, an influence that became even more significant with the 1980 convictions of Brooklier and his four top lieutenants.

Anthony Spilotro, the man who reportedly directed the Chicago mob's ventures in Las Vegas, held vast influence over the Mafia's loan sharking, bookmaking and burglary activities in Southern California up until the time his body was found in an Indiana cornfield last year, the state attorney general's office reported.

Power Shift

But Spilotro's death, the recent convictions of Chicago's top Mafia leaders and Milano's reported movement to power in the Los Angeles family changed all that.

Law enforcement officials have documented a number of recent meetings between Los Angeles family members and East Coast crime figures, prompting some authorities to conclude that Eastern families for the first time were seeking permission from the Los Angeles family to do business here.

Moreover, federal law enforcement officials say there is evidence that Milano may have been flexing his muscles outside of California.

In recent months, Cleveland--where the Milano brothers were born and where their father, Anthony Milano, and uncle, Frank Milano, reportedly led the local crime family through the 1970s--has been rife with reports that Peter Milano was contemplating an unprecedented bid to take over criminal operations there.

Decimated by the convictions of nearly 100 organized crime figures in the last five years, the Cleveland family was considered a logical move for Milano because of his longstanding ties to the city, said Joe Griffin, head of the FBI there.

"We think perhaps Peter John (Milano) had in mind taking over this area for the L.A. area," Griffin said. "That's what we've heard from sources and informants, anyway. It would be a logical move."

Owns Business

Peter Milano, owner of a vending machine company and, through his wife, a bail bond business

in the San Fernando Valley, never figured to be an important family chieftain.

"I remember him as a fairly young guy, quiet, unassuming, took orders, didn't offer suggestions or advice," recalled one longtime investigator. "He was just a good soldier."

Aladena (Jimmy the Weasel) Fratianno, the former Mafia enforcer who became a government informant, lumped Milano with a cadre of latter-day Mafiosi that he holds responsible for the decline of the Los Angeles family.

In his 1981 biography, "The Last Mafioso," Fratianno recalls sending a warning through Milano to the Los Angeles family leadership to back away from a Las Vegas casino in which Fratianno and several partners hoped to acquire an interest.

Milano was terrified, recalled Fratianno, who admitted to involvement in 11 gangland murders before he turned government witness and helped to convict most of the former leadership of the Los Angeles family.

Fratianno said he reached out and patted Milano on the cheek after the meeting.

"That's a good boy, Pete," he said. "Give my regards to your daddy."

"My father was such a good man, so well-respected; family was so important to him, respect and discipline, hard work," Carmen Milano recalled of Anthony Milano, identified by law enforcement officials as the longtime under-boss of the Cleveland crime family.

"We were taught high morals. You do good and avoid evil; this is the way you grow up in life."

When their mother developed cancer, the Milano brothers moved with her to Beverly Hills and finished high school. Peter Milano stayed on in Southern California. Carmen Milano finished law school and went home to Cleveland to practice.

"Studies always came easy for me, and I just kept going on, and I finally decided to be a lawyer," Carmen Milano said. "It was either that or a doctor. I don't know, maybe I would've been better off being a doctor."

Gave Up License

Forced to give up his license in a case involving fraudulent workers compensation claims, Carmen Milano returned in 1984 to Southern California, where law enforcement officials say he took up residence with alleged family *caporegime* (street boss) Luigi Gelfuso Jr. and became under-boss of the family.

"I came back in '84, and it's been nothing but disaster ever since," he said. "I don't know. I'm the kind of guy who's on thin ice. I step out of line once and boom! I go down."

The Milano brothers were among 20 reputed organized crime figures arrested in October, 1984, in what law enforcement officials said was a bid to take over a \$1-million-a-week bookmaking operation in Los Angeles.

Neither the Milanos nor six of the others originally arrested were charged because of lack of

evidence, but at least two family associates were eventually convicted. The case represented the third or fourth time the family had tried muscling in on bookmakers in the last 15 years, according to longtime Detective John P. Motto, a Los Angeles police vice officer.

Family members were demanding 50-50 partnership shares in exchange for protection, Motto said, and successfully penetrated about four one- or two-man books that may have netted up to \$10,000 a week each.

First-Name Basis

The problem, Motto said, was that they were selecting old, well-known bookmakers in the city to muscle in on, bookies with small operations and long criminal records who knew Los Angeles Police Department detectives on a first-name basis and called quickly to complain.

The investigation that led to the arrests of the Milano brothers and their associates was dubbed Operation Lightweight--a tribute, Police Chief Daryl F. Gates said, to what had become a "Mickey Mouse Mafia." But the take was not necessarily mouse-like.

Cash--\$24,408 worth of it--was everywhere, said Detective Jim Como, a specialist on organized crime who had tailed Peter Milano for years and who was assigned to search his Westlake Village home.

"It was all over the house. It was just every place. There was a pair of pants rolled up in a corner with all kinds of money in them; there was a drawer with underwear and money, in the pocket of a jacket, every place we looked," he said.

But because of insufficient evidence, neither of the Milano brothers was charged in Operation Lightweight, and the money was returned.

Contract Target

But John DeMattia, a family associate named in the current indictment, was convicted on a felony bookmaking charge stemming from the crackdown and wound up, federal law enforcement officials said, as the target of a contract by the Milano family when Detective Motto revealed in a sworn statement that DeMattia had been supplying him with information--albeit bogus information.

DeMattia scoffs at the idea that there was ever a contract out on his life. He got up in front of a federal magistrate shortly after the arrests and argued for Milano's release on bail.

Likewise, Milano's attorney, Donald Marks, argues that federal officials cannot have possibly believed that the family planned to kill DeMattia, Dragna and government informant Robert Kessler because they never warned the men of possible danger.

"The only thing I can conclude, in a rational, sensible manner, is the government simply did not believe that these people were ever going to be killed," Marks said.

Moreover, Marks claims that the evidence presented by the government so far does not link Milano to any of the alleged acts of extortion, loan sharking and drug dealing detailed in the

indictment. Many of the alleged crimes, he said, were apparently committed by the government's two key informants in the case: Craig Anthony Fiato and Larry Fiato. Many of the other defendants have expressed similar reservations.

The Fiato brothers were persuaded to become informants for the FBI when agents developed evidence against them in a stolen securities case involving Michael Rizzitello, identified by the state attorney general's office and other law enforcement authorities as another former *caporegime* of the Los Angeles family.

For more than two years, the Fiatos secretly tape-recorded meetings with mob leaders and gave firsthand reports of extortion and drug dealing activities. Through the Fiatos, government investigators say, they penetrated for the first time the family's innermost secrets and established a reliable guide to the structure of the organization.

It was through a combination of information provided by the Fiatos and another government informant, Kessler, and court-authorized wiretaps that FBI investigators developed the case that led to last month's indictment against the Milano brothers; alleged *caporegimes* Gelfuso and Vincent (Jimmy) Caci and his brother, Charles Caci; and reputed soldiers and associates DeMattia, Rocco Zangari, Stephen Cino, John Vaccaro, Albert Nunez, Stephen Munichello, Michael Gelfuso, Robert D'Agostino, Abraham Prins and Arthur Franconeri.

Stiff Penalties

All have been indicted under the federal Racketeer Influenced and Corrupt Organization Act, which provides stiff penalties for criminals convicted of being members of an ongoing criminal enterprise. The penalties are much stiffer than those associated with the individual crimes that might be charged. Some have been charged with additional crimes--obstruction of justice, extortion, conspiracy and cocaine distribution.

All of the defendants have entered not guilty pleas, and many, including the Milanos, have denied any association with the Mafia.

"Mafia?" Carmen Milano said. "I say no. And that's all I want to say about it."

"I am saying for the record there is no organized crime except in the minds of the U.S. government, Mario Puzo and reporters who seem to capitalize on it," Vaccaro told a Las Vegas newspaper after his arrest earlier this year on charges of conspiring to buy stolen postage stamps.

Gelfuso's attorney, Martin Calaway, blames the indictment on the U.S. Justice Department's Organized Crime Strike Force, which is prosecuting the case.

"They're trying to make up a West Coast Mafia because they've got nothing else to do; they're trying to justify their existence," Calaway said. "The idea of Luigi (Gelfuso) being a *capo* or anything else is a little ludicrous."

Range of Activities

The indictment sets out a wide range of criminal activities and suggests that mob leaders regularly threatened violence for everything from cooperation with the government to making

derogatory remarks about Italians.

In one instance, mob associates went so far as to search all over Los Angeles for suspected informant Kessler on the evening of Aug. 6, 1985, to kill him (though they apparently never found him), the indictment alleges. Moreover, the government claims to have evidence, strongly disputed by Peter Milano and his attorney, that Milano ordered the killing.

Kessler and the Fiato brothers have been secretly relocated by the government pending their testimony in the case, which is scheduled to go to trial in October.

"These guys may not be 6-foot-4, they may not be wearing a pinstripe suit, but you'll be talking to one of these guys and all of a sudden you get a very eerie feeling that this guy is capable of anything," the LAPD's Finck said. "They are capable of every crime, not the least of which is murder or hurting people."

It was the Los Angeles family, under the late Dominick Brooklier's leadership, that was unofficially held responsible for the 1977 murder of San Diego mobster Frank (The Bomp) Bompensiero, who was gunned down in a San Diego telephone booth after several years as a secret government informant.

Dropping the Dime

In a pool of blood next to his body, there were three dimes, testimony to the mob's belief that Bompensiero had been "dropping the dime," or informing, law enforcement officials said.

Three years earlier, when Peter Milano and six others were awaiting trial on charges of running a Las Vegas-style gambling operation in the San Fernando Valley, a key government witness in the case was murdered in Las Vegas.

John Ludlow Dubeck, a 31-year-old shift manager at a Las Vegas casino, and his wife, a casino cocktail waitress, were shot to death as they walked across an open courtyard to their apartment after returning from work shortly after midnight. It was a week before Dubeck was scheduled to testify about the gambling operation allegedly headed by Milano. Despite rampant rumors of a contract on his life, Dubeck had repeatedly refused offers of government protection.

No charges were ever filed in the case, and the killing did not come up during the trial, in which Peter Milano, Gelfuso, Vaccaro and two other men were convicted. But afterward, prosecutor James A. Twitty declared, "I am convinced the four principal defendants in this case did in fact solicit the murder of John Dubeck."

The defendants denied any involvement in Dubeck's murder. Milano was sentenced to four years for his role in that case and two previous heroin conspiracy and racketeering convictions.

'Danger' Tag Hit

His lawyer, Marks, has been critical of government attempts to characterize Milano, Gelfuso and other alleged mob leaders as dangers to the community--designations upon which many of them are being held without bail pending the October trial on the racketeering charges.

"I think this decision was made in Washington, because Mr. Milano is labeled as a person who must be detained in order to give their case credibility," Marks told a federal judge last month.

"I'm concerned about the fact that I've seen no proof up to now that any dangerous acts were committed by my client or that my client is linked to any violence," he said. "The grave danger that I consider exists under (federal racketeering laws) is in taking relatively minor criminal acts, if any exist, and weaving them into a so-called pattern of racketeering activity.

"I don't think that people should feel the streets are any safer because these prosecutions are going forward."

Should these alleged mob leaders be convicted in the present case, law enforcement officials said they are unsure how the underworld in Southern California will regroup.

Rival Indicted

Rizzitello, whom the state attorney general's office identified as one of Milano's strongest rivals for leadership of the family and who might have been a logical candidate to succeed him, was indicted shortly after Milano in an alleged scheme to sell \$1 million in stolen public improvement bonds. He faces a potential 15 to 25 years in prison.

The man identified by the attorney general's office as the *consigliere* of the family, Jack LoCicero, in his mid-70s and in poor health, is probably in no shape to help the family regroup, law enforcement officials speculate.

And some say that this apparent power vacuum could leave Los Angeles more open than ever to the activities of other crime families.

Already, East Coast families, primarily the Gambino and Luchese organizations, hold firm sway over the Los Angeles pornography trade, the production source of an estimated 80% of the nation's pornography, a market worth nearly \$1 billion a year locally that Southern California mobsters have been largely unable to tap.

Eastern Inroads

Likewise, it is primarily Eastern crime figures who have been linked to inroads in Hollywood's recording and movie industries, real estate developments, hazardous waste disposal and Italian cheese production. Chicago mobsters, until recent criminal convictions cut into their home organization, held partial control of rackets in the Southland.

With the current round of indictments, "there won't be many remnants to pull together," the FBI's Bretzing said. "So it really leaves one wondering whether or not a vacuum is being created into which other organized crime elements, either traditional or non-traditional, will move, or whether we've stamped out something which will not replace itself.

"I happen to be a little more skeptical than others, and I think we're going to have to be very alert. It's going to be a situation that's going to require an awful lot of watchful care."

