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The Guyana Connection

By DAN DIAMOND

Stored within the cavernous, sterily appointed confines of Building 21 at the Bayonne, New Jersey Naval Depot, amongst thousands of case files of long-completed federal trials, are the trial records of a criminal case involving one of our state's more prominent elected officials—a major figure in Governor Carey's campaign television commercials—Westchester County Executive Alfred DeBello.

Dotted within myriad pages of trial testimony and legal memoranda is the contention that Alfred DeBello was a willing co-conspirator in a 1968 scheme to defraud domestic pharmaceutical drug manufacturers out of millions. He was, it is charged, a business partner in the fraud scheme; a participant in its planning; a pivotal figure in its success.

But almost unbelievably—one of DeBello's alleged business partners was the long-time reputed crime overlord, Nicholas (Cockeyed Nick) Rattenni.

When informed of these aspects last week, Governor Carey's campaign press spokesman, Sandy Frucher, said it would "be inappropriate to comment at this time" as the Carey campaign had no knowledge of the charges just voiced at a hearing about reorganization plans for Westchester County's two countywide law enforcement agencies by a former DeBello campaign aide. He

PROBE

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said that Carey considered DeBello "to be a first-rate county executive." Frucher explained that DeBello was picked for the current TV commercials which revolve around praise for the Governor's welfare program accomplishments because he is chairman of the state's Council of County Executive and a well-known county executive.

DeBello maintains that his involvement in the affair was limited to an attorney relationship, that he was not indicted, and that accusations of his partnership with Rattenni are baseless.

The root of the controversy lies with the formation of the SOR Trading International Company in September, 1968. Former DeBello-backed Sharon Eves says that "records indicate that the incorporated business—SOR—meant as follows: S for Stagg, O for DeBello, and R for another well-known crime figure in Westchester County." She

"I'm certain you're all familiar with—Nick Rattenni."

"MR. KISCO STING"

The name Stagg refers to a flamboyant, cocaine construction company owner in Westchester—Tony Stagg, presently living with an assumed identity somewhere in northern California as part of the government's protective witness program. Stagg had once been a civilian undercover agent for various law enforcement agencies focusing on local drug trade. But his biggest caper was the major part he took in exposing the famous "Mr. Kisco Sting" international gunrunning plot two years ago. Stagg didn't become an undercover man, however, because he was, as many believe, a confirmed crime buff. He was himself an indicted figure in connection with several business frauds; he was turned into a government informer.

Rattenni, on the other hand, was a long-recognized criminal. The reputed overlord of crime in Westchester, Rockland, and Orange counties, Rattenni also operates several legitimate operations, particularly private garbage collection companies. And his garbage firms hold contracts both with the city of Yonkers, his home base, and with the county. About five years ago, Rattenni was tried and convicted for attempted bribery of state police officers and jury tampering regarding a grand jury probe of his activities. He was paroled last year and is now back in following.

According to the government investigation, Stagg, DeBello, and five others joined in a scheme to purchase pharmaceuticals at the most favorable discount price, which is reserved for foreign destinations, from domestic drug manufacturers. The five others included Joseph Faccaselli, who in addition to being associated with a New Rochelle pharmaceutical wholesaler was DeBello's next-door neighbor in Yonkers and his campaign coordinator as DeBello was then seeking the Yonkers mayoralty.

Sir John Crier, the ambassador to the United States from the Guyana, was approached with the proposition of providing the American group with authorization to purchase drugs at the lesser discount for shipment to Guyana's hospitals. In November, 1968, Faccaselli, Stagg, and DeBello traveled to Guyana and met with doctors from a private hospital and, according to federal charges, the doctors "were told that if they allowed the hospital's name to be associated with the purchase of pharmaceuticals by Faccaselli in the United States, the American would be purchased at the

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ENCLOSURE

The Incredible Guyana Connection

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1972, just prior to then Yonkers Mayor Alfred DeBello's induction as county executive. Five weeks after their trial start, the five were acquitted by decision of Federal Judge Sylvester Ryan who soon after retired. The judge dismissed the charges on a legal technicality, claiming their furtive actions weren't really criminal but simply a ruse to obtain the lowest competitive price. Federal sources bitterly claimed the State Department had intervened because of the international implications. Prosecutor's sources whom I questioned lamented the case wasn't appealed; in fact, federal attorneys later charged Judge Ryan with wholesale usurpation of the law. And Sir John was bounced from his job by Guyanan authorities.

DEBELLO "DOESN'T REMEMBER"

Al DeBello maintains he was simply the attorney in the matter although he admits to have taken several trips to Guyana with members of the group. His press spokesman, Judd Cohen, said this week that DeBello "was only the attorney for one man, not the company itself," that would appear to contradict the very documents of incorporation for "SOR Trading International" which lists the corporate address, for service of papers and summonses at the law firm of DeBello and Belkin at 30 South Broadway in Yonkers. The SOR incorporation papers were witnessed by DeBello's law partner at the time, Marshall Belkin.

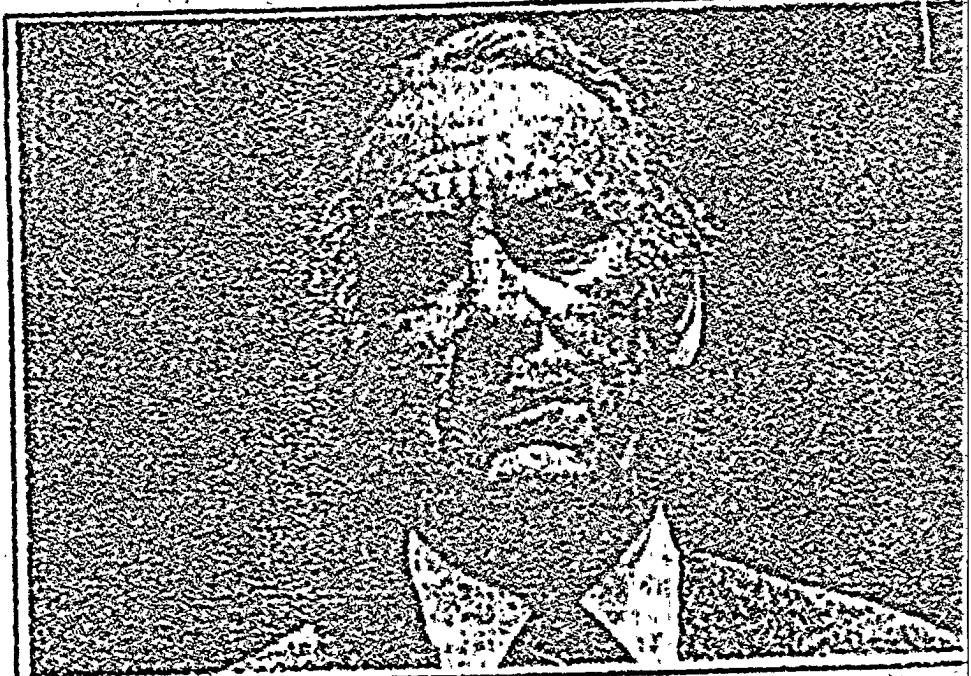
Trial testimony revealed that the very first business meeting with Sir John, the Guyanan ambassador, took place at a private cocktail party in DeBello's own house. When queried, Cohen claimed that DeBello was aware of most of the details of the drug buying scheme but did not consider the plan to have any illegality. In fact, he saw nothing even unethical about it. Cohen, the DeBello aide, defended DeBello's actions by reiterating that the case had been dis-

missed by the federal judge. And that's the point—it wasn't decided by the jury, it was squashed by technical interpretation in the same way that many other criminal offenses escape prosecution. The fact remains, the accusations were with some merit; they resulted in grand jury indictments. DeBello must have been aware that the drug buying scheme had dubious legality.

More importantly, when asked if DeBello knew who the SOR figures really were,

Joseph Tonelli—^{for} allegedly grabbed \$350,000 from the union funds. Tonelli is resident of Yonkers. He and the union have been substantial political contributors money and union manpower to both DeBello's campaigns and the 1974 Carey gubernatorial effort. Carey made Tonelli the man of the State Racing Commission return.

DeBello appointed Vincent Castaldo head of the Westchester General Serv-



Cohen admitted that DeBello agrees that "the S stands for Stagg and the R stands for Nick Rattenni." Then Cohen added, "Al can't recall who the O stood for, he just doesn't remember."

DeBello's political life has not been entirely free of criminal associations. Just last week, a federal grand jury indicted five top officials of the United Paperworkers International Union—including its president,

Administration shortly after the controversial Castaldo was ousted as City Manager of Yonkers. Castaldo had come to Yonkers on DeBello's strength. It was more recently revealed that Castaldo was a long-time business partner in both a Yonkers shopping center and a New Jersey tennis center. Reputed members of organized crime of his Yonkers partners was Joseph Quino, head of a mob-linked construc-

return, the hospital was to receive small supplies of drugs and a fee." That's not exactly what later happened.

COUNTERFEIT LETTERHEAD

The government contends that the group made large purchases of various drug supplies but notified the Guyanan group about portions of the orders. Most of the actual drug purchases were sidetracked in the United States by an air freight forwarding company in New York of which two partners were involved with the conspiracy. Eventually, the government contends, the American group printed up a counterfeit letterhead bearing the seal of the Guyanan embassy and conducted their own business secretly of Sir John. He was purportedly to receive a private commission on the Guyanan purchases. The waylaid drug purchases were sold in the domestic U.S. market to various retail drug chains at prices lower than competitors.

In early 1969, Sir John was forced by Guyana government pressure to withdraw from the scheme as Stagg followed suit shortly thereafter. The SOR group continued to function. One of the group began to solicit orders from pharmaceutical companies using the fictitious name 'John Arkay' and falsely representing that he was the purchasing agent for the Permanent Mission of Guyana. These purchases were then diverted for sale within the United States.

According to the federal trial memoranda, the group made similar arrangements for foreign authorizations with the head of a hospital in Haiti. The same fraudulent diversion was practiced. They next enlisted a Tunisian businessman to falsely represent

himself as an official purchasing agent for and a representative of both the Algerian Government and the Tunisian Government." The practice perpetuated itself. Eventually, security men from various domestic drug manufacturers became suspicious and followed the trail leading them, along with F.B.I. agents, to uncovering the drug scheme and making arrests.

When the five alleged conspirators (excluding DellBello and Stagg) were indicted on forty-nine fraud and conspiracy charges, they went to trial in early 1973. But SOR had been already dissolved in December.

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company, who is considered by law enforcement sources to be a close associate in the mob to Rattenni.

Only a few months ago, DelBello was the target of another grand jury probe, this time looking into alleged irregularities in his campaign filing reports for his 1973 election as county executive. DelBello was accused of siphoning off contributions from several fundraising efforts for his own personal use. The grand jury later exonerated DelBello of any violations of federal law. But grand jury sources claim the jury did uncover money discrepancies of between \$10,000 and \$30,000 which would be subjected to state prosecution. DelBello denies this.

What has come out now is that Al DelBello was admittedly aware of a scheme to purchase pharmaceutical drugs under false pretenses and did not consider, at least did not advise his client, that this was illegal. He didn't even think it was unethical. Moreover, he was involved, while a public official with high responsibility, with a business that included one person of questionable legal status (Slagg) and another (Rattenni) who was a major figure in organized crime. And DelBello will serve as a key political advisor to the Carey reelection campaign.

Admittedly, Al DelBello has never been indicted, only accused. But it makes you consider the adage—where there's smoke, there's fire.