

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)

v.)

NICHOLAS CALABRESE, et al.)

No. 02 CR 1050

Honorable James B. Zagel

UNDER SEAL

RECEIVED

MAR 09 2007

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

GOVERNMENT'S SANTIAGO PROFFER

Now comes the United States of America, by and through Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and herein files the government's *Santiago* proffer under seal.

I. Introduction

Federal Rule of Evidence 801(d)(2)(E) provides that a "statement" is not hearsay if it "is offered against a party" and is "a statement by a coconspirator of a party during the course and in furtherance of the conspiracy." Such coconspirator statements are admissible against a defendant where the United States establishes, by a preponderance of the evidence, that 1) a conspiracy or joint venture existed; 2) the defendant and the person making the statement were members of the conspiracy or joint venture; and 3) the statement was made during the course and in furtherance of the conspiracy or joint venture. See Bourjaily v. United States, 483 U.S. 171 (1987); United States v. Stephenson, 53 F.3d 836, 842 (7th Cir. 1995); United States v. Brookins, 52 F.3d 615, 623 (7th Cir. 1995). This rule "applies not only to conspiracies but also to joint ventures, and ... a charge of criminal conspiracy is not required to invoke the evidentiary rule." United States v. Kelley, 864 F.2d 569, 573 (7th Cir. 1989).

A court must consider the offered coconspirator statement itself when determining

whether the statement was made "in furtherance" of the charged conspiracy. United States v. Shoffner, 826 F.2d 619, 628 (7th Cir. 1987); United States v. Xheka, 704 F.2d 974, 986 (7th Cir. 1983). The Supreme Court has also made it clear that a trial court may consider a proffered coconspirator statement itself in determining the existence of a conspiracy and a defendant's participation in it. Bourjaily, 483 U.S. at 178-79; United States v. Zambrana, 841 F.2d 1320, 1345 (7th Cir. 1988) (discussing how overall context of coconspirator statements is what makes the statements very reliable as evidence of a defendant's role in a conspiracy). Rule 801(d)(2) explicitly provides, "The contents of the statement shall be considered but are not alone sufficient to establish ... the existence of the conspiracy and the participation therein of the declarant and the party against whom the statement is offered under subdivision (E)." In this context, a defendant's own admissions are obviously and powerfully relevant to establishing the factual predicates for the admission of coconspirator statements against him. See United States v. Potts, 840 F.2d 368, 371-72 (7th Cir. 1987).

Where Rule 801(d)(2)(E) is implicated, there is no requirement of a formal agreement to prove the existence of the conspiracy; circumstantial evidence of the conspiracy and defendant's membership in the conspiracy can suffice to prove the issue. See United States v. Schumpert, 958 F.2d 770, 773 (7th Cir. 1992); United States v. Townsend, 924 F.2d 1385, 1390 (7th Cir. 1991). It is also clear that "statements made during the course of and in furtherance of a conspiracy, even in its embryonic stages, are admissible against those who arrive late to join a going concern." Potts, 840 F.2d at 372 (citing cases); see also United States v. Harris, 729 F.2d 441, 448 (7th Cir. 1984) ("Statements made in furtherance of a conspiracy are admissible against members of the conspiracy who join after the statements were made, provided the conspiracy was

in existence when they were made.”). Moreover, “[c]onversations made by conspirators to prospective coconspirators for membership purposes are acts in furtherance of the conspiracy.” Shoffner, 826 F.2d at 628 (quoting and citing cases).

In determining whether a statement was made “in furtherance” of the conspiracy (or venture), courts look for “some reasonable basis” upon which to conclude that the statement furthered the conspiracy. United States v. Stephens, 46 F.3d 587, 597 (7th Cir. 1995); Shoffner, 826 F.2d at 628; United States v. Mackey, 571 F.2d 376, 383 (7th Cir. 1978). Under the reasonable basis standard, a statement may be susceptible to alternative interpretations and still be “in furtherance” of the conspiracy; the statement need not have been exclusively, or even primarily, made to further the conspiracy in order to be admissible under the coconspirator exception. United States v. Powers, 75 F.3d 335, 340 (7th Cir. 1996); Shoffner, 826 F.2d at 628. Indeed, the statements need not have been made to other coconspirators; as long as statements are made in furtherance of the conspiracy, the statements could have been made to anyone. Powers, 75 F.3d at 340-41.

Not surprisingly, given the United States’ “relatively low burden of proof” on this issue, Powers, 75 F.3d at 340-41, the Seventh Circuit has upheld the admission of a wide variety of coconspirator statements. The Seventh Circuit has considered “in furtherance of” conspiracies not only “recruiting” statements, id., but also updates on a conspiracy’s progress, Potts, 840 F.2d at 371; and conversations concerning planning or review of coconspirators’ exploits, United States v. Molt, 772 F.2d 366, 368-69 (7th Cir. 1985). In general, therefore, statements that are “part of the information flow between conspirators intended to help each perform his role” are statements “in furtherance.” United States v. Van Daal Wyk, 840 F.2d 494, 499 (7th Cir. 1988).

Similarly, assurances that a coconspirator can be trusted or relied upon to perform his role are considered to further the conspiracy. United States v. Buishas, 791 F.2d 1310, 1315 (7th Cir. 1986). And statements designed to conceal a conspiracy also are deemed to be "in furtherance" of it where ongoing concealment is one of its purposes. United States v. Mackey, 571 F.2d at 383; see also United States v. Kaden, 819 F.2d 813, 820 (7th Cir. 1987).

"The requirements for admission under Rule 801(d)(2)(E) are identical to the requirements of the Confrontation Clause," so there is "no constitutional problem" once the Rule's requirements are met. Bourjaily, 483 U.S. at 181-82. Therefore, in weighing the admissibility of proffered coconspirator statements, the trial court does not consider whether or not the coconspirator/declarant is "unavailable," United States v. Inadi, 475 U.S. 387, 400 (1986), and the court also does not engage in an independent inquiry into the "reliability" of the proffered statements. Bourjaily, 483 U.S. at 182.

Lastly, statements admissible pursuant to Rule 801(d)(2)(E) do not run afoul of the holding of *Crawford v. Washington*, 541 U.S. 36 (2004). *United States v. Jenkins*, 419 F.3d 614, 618 (7th Cir. 2005).

II. Proffered Witness Testimony

Nicholas Calabrese

The existence of the charged organization, the "Chicago Outfit," will be proven through the testimony of a number of individuals associated with that enterprise, including co-defendant Nicholas Calabrese. It is anticipated Calabrese will testify that he was associated with the Outfit from approximately 1970, and became a "made" member of the Outfit in 1983. Calabrese continued his membership in the Outfit until his cooperation with the government in 2002.

Calabrese will identify the hierarchy of the Outfit as it existed during his tenure as a member, Joseph Aiuppa serving as the primary boss of the enterprise until his death in 1997, although Anthony Accardo served in a position of control himself. After Aiuppa, Sam Carlisi and John Monteleone occupied the position of boss. Jack Cerone served as an "underboss" or second-in-command until his death in 1996.

Calabrese will testify that a number of individuals were "made" with him in 1983, including co-defendant James Marcello, co-defendant Frank Calabrese Sr., Rocky Infelise, [REDACTED] Albert Tocco, [REDACTED] and others. During the "making" ceremony, each "inductee" was accompanied by his crew boss, or "capo," and in attendance at the 1983 making ceremony were crew bosses Sam Carlisi, Vince Solano, Dominic Palermo, [REDACTED] and Calabrese's own boss, Angelo LaPietra. [REDACTED] and Joseph Aiuppa conducted the ceremony, which included an oath of allegiance to the Organization. In fact, in a conversation recorded on February 14, 1999, Frank Calabrese, Sr., confirms to his son the existence of this ceremony and his presence at it. The government will introduce at trial a photograph, circa 1976, of several Outfit bosses at a restaurant. Accardo, Aiuppa, Cerone, Solano, and Joseph Lombardo are in the photo, along with several other high-ranking Outfit bosses.

Both before and after he was made, Nicholas Calabrese will testify that it was necessary for him to know the leadership of other crews, and the general hierarchy of the Outfit. This information was critical so that Calabrese knew whom to "respect" and obey, so that he understood the importance of orders from the top, particularly with respect to homicides, and for general survival purposes (homicides were authorized when an Outfit member showed disrespect to the organization and/or one of its members, or failed to complete assigned tasks).

During Nicholas Calabrese's own participation in the Outfit, Angelo LaPietra, James LaPietra, and others were the bosses of the "South Side" or "26th Street" crew. Other persons occupied positions of authority within the crew, most notably Frank Calabrese Sr.; John Fecarotta, a made member, also took a leadership role in planning some of the crew's murders. Other members of the crew that Nicholas Calabrese committed crimes with, including murder, were Ronald Jarrett, James DiForti, Frank Saladino, Frank Furio, John Monteleone, and Frank Santucci.

Nicholas Calabrese also committed crimes with members of other crews, when directed to do so by his superiors. Other Outfit members and associates that the 26th Street crew committed crimes with were James Marcello, Sam Carlisi, Frank Schweihs, Paul Schiro, Joseph Hansen, Joseph Ferriola, Anthony Doyle, Joseph Lombardo, James "Turk" Torello, and Fiore "Fifi" Buccieri.

Nicholas Calabrese has detailed in a number of interviews the criminal activity in which he was engaged during his participation in the criminal enterprise. A 100-plus page summary of his anticipated testimony has been provided to the defendants in an FBI 302 report. This summary recounts Calabrese's role in various types of activities, including bookmaking, loansharking, extortion, arson, and murder. Calabrese's 302 details the persons with whom he conducted these activities, and gives an account as to how the crimes were carried out.

For the most part, Nicholas Calabrese did not socialize with his fellow Outfit members and associates. Perhaps due to the strained relationship he had with his brother Frank Calabrese, Sr., virtually all contact he had with other Outfit members concerned carrying out the business of the enterprise. Accordingly, conversations recounted in the FBI 302 are either not hearsay,

because they involved instructions or directions from other members of the enterprise, or they are "in furtherance of the conspiracy" in that discussions directly related to carrying out the criminal task at hand.

For example, conversations as to who was to perform particular acts, including homicides, directly related to the business of the enterprise. Most of the information Nicholas Calabrese received came from his bosses, Angelo and James LaPietra, who often advised that a particular criminal episode was authorized by "the old man," a reference to Joseph Aiuppa. Criminal conduct authorized by Aiuppa gained elevated significance, since the conduct often involved a life-or-death situation for the persons who failed to carry out the plan correctly.


Nicholas Calabrese also received direction from his brother and John Fecarotta, both of whom had more influence within the crew. The chain of command often went from Aiuppa to Angelo LaPietra to Frank Calabrese, Sr., who would tell his brother what criminal activity was to be conducted. With respect to homicides, Nicholas Calabrese would be told the purpose of the murder by his brother, or by the LaPietra brothers. Often, when a fellow conspirator "took the lead" in a particular scheme, that person would provide direction and instructions to Nicholas Calabrese. For example, John Fecarotta and Frank Schweihs took charge of operations in Phoenix and Las Vegas in plans to murder Emil Vaci and Anthony and Michael Spilotro. On these occasions, Fecarotta and Schweihs provide the main directions in executing these aspects of the conspiracy, although reporting the crew's progress back to Chicago was also necessary.

When criminal activity was being conducted with other crews, Nicholas Calabrese would learn of the other participants' activities, either through his own participation, or from his bosses. Generally, everyone involved in a criminal scheme had a particular role, and it was important to

know who was executing each part of the plan. Nicholas Calabrese would often be advised of the criminal activities of others outside the crew so that he would know what areas of activity his own crew needed to avoid so as not to intrude on another crew's territory. When an intrusion occurred, "sit downs" would be called so that disputes could be resolved, either by crew captains, or, when necessary, Aiuppa himself. Nicholas Calabrese did not attend these "sit downs," not being a member of rank in the crew, but he would be advised of the results by his brother or the LaPietras, so all would know what activity was or was not authorized.

On occasion, Nicholas Calabrese would be advised about homicides committed by other Outfit members, and their purpose, by his superiors. Because murders were acts given to trusted crew members, or were used to "test" associates who were viewed as potential "made" members, this information let Nicholas Calabrese know who was considered trustworthy in the enterprise, particularly where Calabrese would be called upon to commit murders with some of these same individuals. Additionally, the purpose of other homicides committed provided Calabrese with an update as to the status of Outfit business, and information as to what transgressions were punished with the ultimate penalty.

Conversations as testified to by Nicholas Calabrese will therefore concern exclusively criminal activities conducted by the Outfit, by Calabrese and others. Particular conversations are set out in great detail in the FBI 302. These conversations include: planning particular criminal activities, acquiring "tools" (e.g., weapons, "work" cars, explosives, scanners, walkie talkies) for particular activities, disposing of proceeds of criminal activities, and concealing evidence of criminal activities.



██████████ will testify that from his own personal knowledge he knows that Joseph Lombardo was a street boss in the Chicago organized crime syndicate, known to him as the "Outfit." ██████████ worked under Marshall Caifano and took directions from Caifano and Lombardo. Over three years in the 1970s (except when Caifano or ██████████ were out of state) ██████████ and Caifano saw one another on an almost daily basis. ██████████ met with Lombardo on scores of occasions, often to take direction from Lombardo in criminal activity.

Caifano and ██████████ befriended one another in federal prison and Caifano invited ██████████ to come to Chicago to work for Caifano. After Sam Battaglia, a capo, or street boss in the Chicago Outfit, died, Marshall Caifano told ██████████ that Caifano was required to go to an Outfit meeting because a new "job" was to be handed out. Caifano believed that he was going to get the job which was being handed out. After Caifano returned, he expressed disappointment and told ██████████ that "another guy" had gotten the job. Caifano told ██████████ that the guy who had gotten the job was a friend of his, however. After ██████████ had been introduced to Joseph Lombardo, Caifano informed him that the person who was the boss and who had gotten Sam Battaglia's job was Joseph Lombardo. Thereafter, it became clear to ██████████ from personal observations that Lombardo was in fact Caifano's superior in the Chicago Outfit.

In 1973 or 1974, around Christmas, ██████████ was present in Chicago when Marshall Caifano told him that Caifano had been trying to "set up" a guy all week, that is, assist in his murder. ██████████ was present later that day when Caifano emerged from Rose's Sandwich Shop on Grand Avenue in Chicago, and subsequently stated, "I hope they get that son-of-a-bitch today, because I'm tired of hauling him around." ██████████ later learned that Richard Cain, former chief of the Cook County Sheriff's Police, had been murdered in Rose's Sandwich Shop that day. Over

the next several months, Caifano told [REDACTED] that he was very, very happy over the killing of Cain. At some point, Caifano told [REDACTED] that Lombardo was the guy that pulled the trigger and that the "Saint" [Vincent Inzerro] was the guy that was in the building with him. (Cain was murdered on December 20, 1973).

Caifano told [REDACTED] that he received the okay from Joseph Lombardo to take over the pornography business in Chicago. In 1973 or 1974, [REDACTED] helped form a business known as [REDACTED] which had its principal office [REDACTED] in Chicago, Illinois. [REDACTED] was in the wholesale and retail pornography business. [REDACTED] built the interior of the office of [REDACTED] and was in the process of setting up the office when he had a telephone installed. During this time, Lombardo was visiting [REDACTED] every two or three days. Lombardo saw the phone installed and told [REDACTED] not to call anyone on that phone unless it was legitimate business. Lombardo further instructed [REDACTED] not to make any appointments by the telephone. Lombardo told [REDACTED] to use a pay phone and not to use his home phone because his home phone was probably tapped. Lombardo and [REDACTED] discussed opening adult book stores and putting in peep shows.

Lombardo directed [REDACTED] to contact [REDACTED] and as a result of this direction, [REDACTED] came to operate a part of a pornography store, associated with [REDACTED] known as [REDACTED]. Sums of money obtained through operation of this store were passed by [REDACTED] through Caifano to Lombardo on a regular basis.

Robert Harder owned adult bookstores in the Chicago area and Harder operated "peep shows" in some of the adult bookstores. One of the first things Lombardo told [REDACTED] about the pornography business was for [REDACTED] to stay away from Harder because he was "number one on

the hit list, and if you go around him you will get hit too." (Harder was murdered a few weeks after this conversation.)

In 1973 and 1974, Capitol News, run by Rubin Sternman, controlled most of the wholesale distribution of pornography in the Chicago area and was gradually taking control over retail stores as well. ██████ understood that Lombardo wanted to run Capitol News out of town. In 1974, ██████ met with Marshall Caifano and Joseph Lombardo in the parking lot near the intersection of Grand, Ogden and Racine Avenues in Chicago, Illinois. During this meeting the three discussed the best way to get rid of Capitol News. ██████ suggested that the best way to get rid of them was to blow up or burn down the warehouse in which Capitol News stored their pornography. Lombardo said he agreed with this, but that he did not want ██████ to do the arson, that Lombardo would take care of it. Three to four months later there was a superficial fire at the warehouse of Capitol News. A few days after the fire, Lombardo met with Caifano and ██████ and told them that the fire was under Lombardo's orders and that Lombardo was happy with what happened.

In late 1973 or early 1974, at the request of a ██████, another member of Lombardo's Outfit crew, ██████ engaged in two acts of criminal conduct.

In one incident, ██████ set fire to a vacant building in ██████. During this arson, ██████ was severely burned. After escaping from the area, ██████ fled to ██████ to recuperate. Several months later, ██████ returned to Chicago and Lombardo summoned ██████ to see him. Lombardo was upset about the arson, saying that ██████ did not get permission to do it in advance. During this conversation, Lombardo told ██████ that ██████ didn't have permission to burn the place in ██████ and cautioned him about the fact that

they could not have two Outfits in town. Lombardo told [REDACTED] that [REDACTED] should not go out and do anything on his own and that if he wanted to do something, he'd better get permission first or he was liable to "wind up like Richard Cain." Lombardo then proceeded to instruct [REDACTED] as to the proper way to set such a fire.

On another occasion, [REDACTED] paid [REDACTED] money to try to cause a restaurant to close. [REDACTED] thereafter caused some youngsters in the neighborhood to break the plate glass windows on several occasions, resulting in a rapid decrease in the business. When [REDACTED] told [REDACTED] that he expected [REDACTED] to burn the business down, [REDACTED] refused to burn down the location, and he also refused to return the money paid him by [REDACTED]. Lombardo subsequently summoned [REDACTED] to resolve the matter, and was extremely upset with [REDACTED], for failure to get permission. When Lombardo learned the location of the restaurant, he chastised [REDACTED], saying that the location was frequented by bookmakers and that James "Turk" Torello was associated with the location.

In the mid-70's, [REDACTED] had a conversation with Lombardo about Sam Annerino, a Chicago organized crime figure. Lombardo said that Annerino had a "crew" and Lombardo was afraid of a power struggle; Annerino thus became number one on Lombardo's "hit parade." Lombardo said he was taking Lombardo's crew off of everyone else to work on Annerino until they got Annerino. [REDACTED] Lombardo suggested that [REDACTED] try to get Annerino into the neighborhood [REDACTED] Lombardo said he thought this would be a good place to "hit" Annerino. Lombardo told [REDACTED] not to go near Annerino without telling Lombardo first. Lombardo said he had a crew sitting on Annerino and if they found Annerino and [REDACTED] were

distributors who did business in Chicago. On one occasion, ██████████ told him to deliver a message to ██████████, a Chicago film distributor ██████████. ██████████ delivered the message by telephone by calling a phone number which had been given to him by Lombardo and telling the person who answered that he was "to join the association or else." On Lombardo's instructions, ██████████ delivered similar messages to movie distributors in Hollywood, California, and in Detroit, Michigan. He was told by Lombardo to tell the movie distributors in these areas that if they did not fall into line, they would have to pay the consequences.

██████████ will testify that Marshall Caifano told him that he had asked Joseph Lombardo for permission to kill Ray Ryan, a person who had testified against Caifano in a case in the 1960's. Lombardo refused to authorize the killing. Subsequently, Lombardo told Caifano that Ryan was to be offered a settlement with Ryan paying \$1 million to the Outfit. Lombardo then asked Caifano if it would be sufficient if Caifano were given \$500,000 from the proceeds of Ryan's settlement. Caifano agreed because he needed the money. ██████████ later learned that Ryan was blown up in Indiana. Caifano subsequently told ██████████ that Ryan was hard to follow because Ryan had no set pattern of movement.

Lombardo postponed Caifano's requests to execute Ryan with statements to the effect that he (Lombardo) was already overworking his hit crews. Lombardo assured Caifano, however, that Ryan was on "the list" and that they would get to him when they could. On other occasions, ██████████ heard Lombardo say, "I got the crew working on him - he's going down the first chance we get so stay away from him." Although Caifano repeatedly voiced his desire to "work" (to perform murders), Lombardo would not allow him to do so. Lombardo told Caifano that law

enforcement authorities knew him (Caifano) and followed him around, and that they had other guys that law enforcement authorities were unaware of to do the "hits."

In separate incidents, Lombardo took guns away from [REDACTED] and Caifano. [REDACTED]

[REDACTED], Lombardo ordered [REDACTED] to give him the gun and told him that, "nobody has a gun unless I give it to them to use." When Lombardo discovered that Caifano had a gun [REDACTED] [REDACTED] Lombardo got upset and took the gun away from Caifano.

On many occasions, [REDACTED] heard Lombardo say, "We got a lot of soldiers to feed." Based on conversations with Lombardo and Marshall Caifano, and on personal observations, [REDACTED] believes that Lombardo, after becoming a street boss, was in charge of several Outfit-related executions in Chicago. In this regard, [REDACTED] heard Lombardo state on a number of occasions that, "The West Side crew (Lombardo's crew) has all the fire power."

[REDACTED] Lombardo offered [REDACTED] the opportunity to run one of their "off track" bet messenger services. Although [REDACTED] declined Lombardo's offer, he was told on several occasions by Lombardo that once a favorable court decision came down allowing off track betting parlors, he (Lombardo) was going to eliminate all other "off track" betting establishments operating in competition with "the Outfit."

[REDACTED] operated an adult bookstore [REDACTED]. He initially had a financial partner named [REDACTED], who told [REDACTED] they had to go to Outfit

boss Jimmy Catura to get permission to operate and pay a street tax. [REDACTED] went to Catura, who advised them they had to go to Joseph Lombardo for permission to operate, since the store was in Lombardo's territory.

[REDACTED] went [REDACTED] to meet Lombardo. [REDACTED] met with Lombardo while [REDACTED] waited next door. [REDACTED] came out and told [REDACTED] the agreement reached with Lombardo: no "up front" charge, but the "tax" on the peep shows would be a 50/50 split of the profits.

Thereafter, [REDACTED] saw Frank Schweihs, Irv Weiner, Anthony Spilotro, and Joseph Lombardo meeting at American Bonding. [REDACTED] told [REDACTED] that Schweihs was an enforcer for the Outfit. Marshall Caifano began to collect the tax from [REDACTED]

[REDACTED]

[REDACTED]

After [REDACTED] terminated his collections, [REDACTED] called [REDACTED] to collect the tax; he told [REDACTED] that "Joey sent me." [REDACTED] confirmed this with Lombardo. On one occasion [REDACTED] complained to [REDACTED] about the tax; [REDACTED] told him to pay the tax or [REDACTED] would have "an accident."

After [REDACTED] had been operating for a time, [REDACTED] tried to collect tax from [REDACTED]. [REDACTED] reported this to [REDACTED] who warned [REDACTED] off. [REDACTED] told [REDACTED] that he went to see "our guy," meaning Lombardo, and [REDACTED] got "straightened out" and backed off.

[REDACTED]

When Lombardo was preparing to go to jail, he held a meeting at [REDACTED] house.

[REDACTED] was present. [REDACTED] At this meeting, Lombardo told

Frank Schweihs to keep an eye out for [REDACTED]. Thereafter, [REDACTED] began collecting the tax. [REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

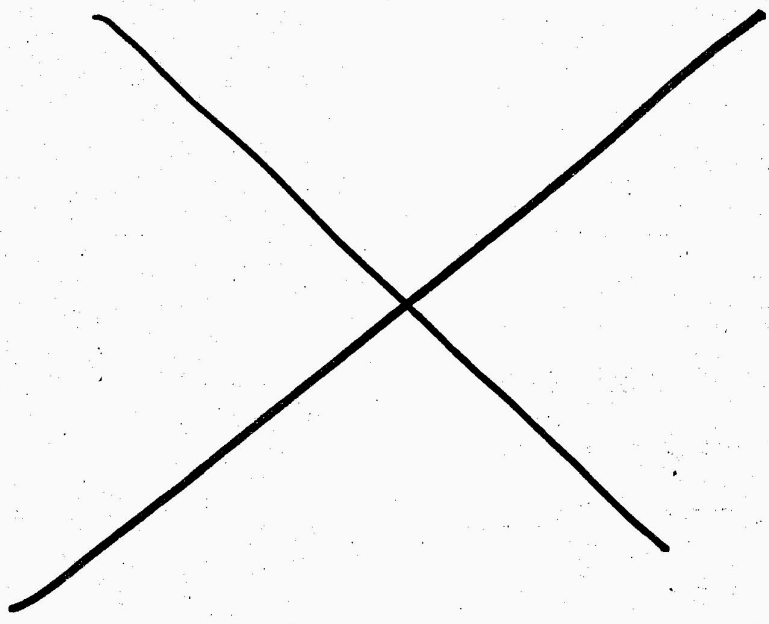
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

In April 1983, [REDACTED] was [REDACTED] [REDACTED] the nation's largest Chinese Tong. As such, he traveled to various On Leong chapters in the United States, including Chicago, on a somewhat regular basis. The Chicago Chapter, like a number of other On Leong chapters, had operated a casino on its premises for years dating back at least to the mid 1960's.

On one of his trips to Chicago for On Leong business, [REDACTED] was told by the Chicago Chapter president and others that the "Italians" had told them not to continue to gamble at the Chicago On Leong. When [REDACTED] asked them why, they told him that since the Italians were taking care of officials in the 1st Ward, the Italians had the right to collect funds from the On Leong

gambling casino. They asked [REDACTED] to help the Chicago On Leong to resolve the impasse with the Chicago Italians, and he agreed.

From owning a business in an eastern state, [REDACTED] had become acquainted with many individuals of Italian descent that he learned were among the membership of that area's portion of the Mafia. One of these people was Joe Zonker, an acquaintance who was originally from Chicago who had relocated to a suburb north of Miami. Zonker ran a successful restaurant in Florida called the Gold Coast, where certain elements of the Chicago Outfit congregated. [REDACTED] had met Zonker through other mobsters and Zonker had told him that he knew several [REDACTED] from Chicago. Zonker had also told him that if he needed any assistance relative to Chicago to contact him.

Remembering Zonker's offer of assistance, [REDACTED] telephonically contacted Zonker at Zonker's restaurant. He told Zonker of the problem that the Chicago On Leong was having with the Chicago Italians over gambling, reminded Zonker that Zonker had once told him that if he ever needed a favor to just ask, and then asked Zonker to talk to the Italians in Chicago. Zonker told [REDACTED] to physically come to Florida.

During his next trip to Florida in 1984, [REDACTED] visited Zonker at Zonker's restaurant. Zonker introduced [REDACTED] to a male from Chicago named Wayne (LNU), who was later identified through photographs as Wayne Bock, an associate of defendant Schweihs. Wayne asked [REDACTED] if he knew Joe LaRocca. [REDACTED] knew LaRocca was a mobster. Zonker and Wayne told [REDACTED] that Zonker would look into the On Leong gambling matter for [REDACTED].

On his next trip to Florida, as arranged by Zonker, [REDACTED] saw a mobster from the eastern state where [REDACTED] had his business, who said that he would "take him to see the man". They left

Zonker's restaurant and [REDACTED] was brought to see a person he believed to be an organized crime figure from the area of where [REDACTED] business was located. [REDACTED] explained the Chicago On Leong gambling problem.

On a later trip to Zonker's restaurant, [REDACTED] was told by Wayne or Zonker to meet a friend of Zonker's and Wayne's nearby on the beach. [REDACTED] followed these instructions and met Frank Schweihs. Schweihs gruffly told him that his name was "Big Frank," that he represented the Italians in Chicago, that if the Chicago On Leong paid the "Chicago Italians" based on On Leong gambling revenues, then the Chicago On Leong could reopen the On Leong gambling operation. Schweihs also told [REDACTED] the Chicago Italians did not trust the Chicago On Leong representatives who had been paying them on prior occasions, and said that if the On Leong in Chicago "took care of" the Chicago Italians like in the past, then the Chicago On Leong could reopen the Chicago On Leong gambling operations.

On a subsequent trip to Florida, still in 1984, [REDACTED] again met with Schweihs and gave Schweihs the name of an On Leong contact in Chicago. Schweihs told [REDACTED] that "we" would send a representative named "Shorty" (Joseph "Shorty" LaMantia) who would visit the Chicago On Leong's contact's business to collect the Chicago On Leong payment [Nicholas Calabrese will testify that LaMantia was a member of the 26th Street crew]. Schweihs indicated that \$8,000 per month was to be paid by the Chicago On Leong to the Chicago Italians for the ability to be allowed to continue the gambling business. [REDACTED] also agreed for the Chicago On Leong to pay \$4,000 per month to the eastern state's Mafia for its assistance in resolving the matter.

The \$8,000 per month payment to "Shorty" occurred from late 1984 until the Chicago FBI raid of the On Leong in April 1988 interrupted only when the Chicago casino was closed

because of police raids.

Chicago On Leong Representative

A Chicago On Leong representative will testify that in 1982 and 1983 he was the president of the Chicago Chapter of the On Leong and that in 1984 he was one of the directors of the chapter. During the 1970's through 1988, the On Leong operated a casino.

In 1984, while a director, the representative was contacted by the then-national president of the On Leong, [REDACTED]. [REDACTED] came to his business and asked him to do a favor for the On Leong. [REDACTED] needed the representative to agree to obtain money from the On Leong casino on a recurring basis and deliver it to Italians in order for the casino to be opened and for it to remain open. After a short time he agreed to serve in this function and both flew to Miami and went to a Chicago theme restaurant (Zonker's Gold Coast). While in the restaurant [REDACTED] went out of his sight for close to an hour. When he returned to the table [REDACTED] gave him one of [REDACTED] business cards and instructed him that whoever approached him with the other half of the card was the person to whom he should deliver \$8,000 per month of the casino money in order for the Chicago On Leong to continue to stay open.

Shortly after returning to Chicago, Joseph "Shorty" LaMantia came to his business and presented the other half of [REDACTED] business card. The On Leong representative understood that upon paying \$8,000 per month to LaMantia that the casino would reopen. Thereafter, from 1984 through 1988 the representative collected \$12,000 per month from the Chicago On Leong. Of the \$12,000 delivered every month, the representative set aside \$8,000 to give to the Italians in Chicago, and \$4,000 to give to [REDACTED] to give to other unknown entities. On the 15th of every month, LaMantia came to his business and collected the \$8,000 tax. This occurred for a

few months and then Aldo "Junior" Piscitelli (LaMantia's son)¹ came monthly to get the tribute money. This process lasted until April of 1988 when the On Leong was raided by the FBI and the casino was closed for good.

[REDACTED]
[REDACTED] will testify that in the mid-1970's, he met Frank Furio, who worked as a juice collector and bookmaker for Frank Calabrese, Sr.

[REDACTED] himself received a juice loan from Furio. [REDACTED]
[REDACTED]
[REDACTED]

In the early 1980's, [REDACTED] contacted an individual [REDACTED] who was delinquent on a loan [REDACTED] [REDACTED] began receiving threats from an individual who was "representing" the person [REDACTED] had approached. After speaking to Furio, [REDACTED] set up a meet with this person. Furio, Calabrese, Sr., [REDACTED], and two other persons that Calabrese, Sr., brought to the meeting beat up the individual who had threatened [REDACTED]. Calabrese, Sr., wanted to know if [REDACTED] wanted to kill this person; [REDACTED] said no. Calabrese, Sr., then asked the victim about collection work he had done for another Outfit crew. The victim whispered a name to Calabrese, Sr., and Calabrese, Sr., said, "I'm the same as him," meaning the victim's boss and Calabrese, Sr., were of the same rank. Calabrese, Sr., then warned the victim that [REDACTED] was a friend of his.

[REDACTED] from time to time asked Furio if he could work for Calabrese, Sr.'s crew. Furio

¹ Joseph "Shorty" LaMantia and Aldo "Junior" Piscitelli were both charged and plead guilty to a racketeering conspiracy count that involved this criminal conduct.

discouraged [REDACTED], indicating that [REDACTED] would not be treated fairly by Calabrese. In 1982, [REDACTED] became involved in criminal activities with Lenny Patrick's crew [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

In the mid-1980's, [REDACTED] had occasion to take out another \$10,000 juice loan from Philip Tolomeo, who worked for Calabrese, Sr. On occasion [REDACTED] was late making payments on the loan, which had a 5% per week interest rate. When [REDACTED] was late, Tolomeo told [REDACTED] that Calabrese, Sr., was upset and there would be problems for [REDACTED] if he did not pay. [REDACTED] was aware that Calabrese, Sr., worked for Angelo and James LaPietra.

[REDACTED] rejoined the Patrick crew in 1986 or 1987, becoming involved in gambling and juice loan activity. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

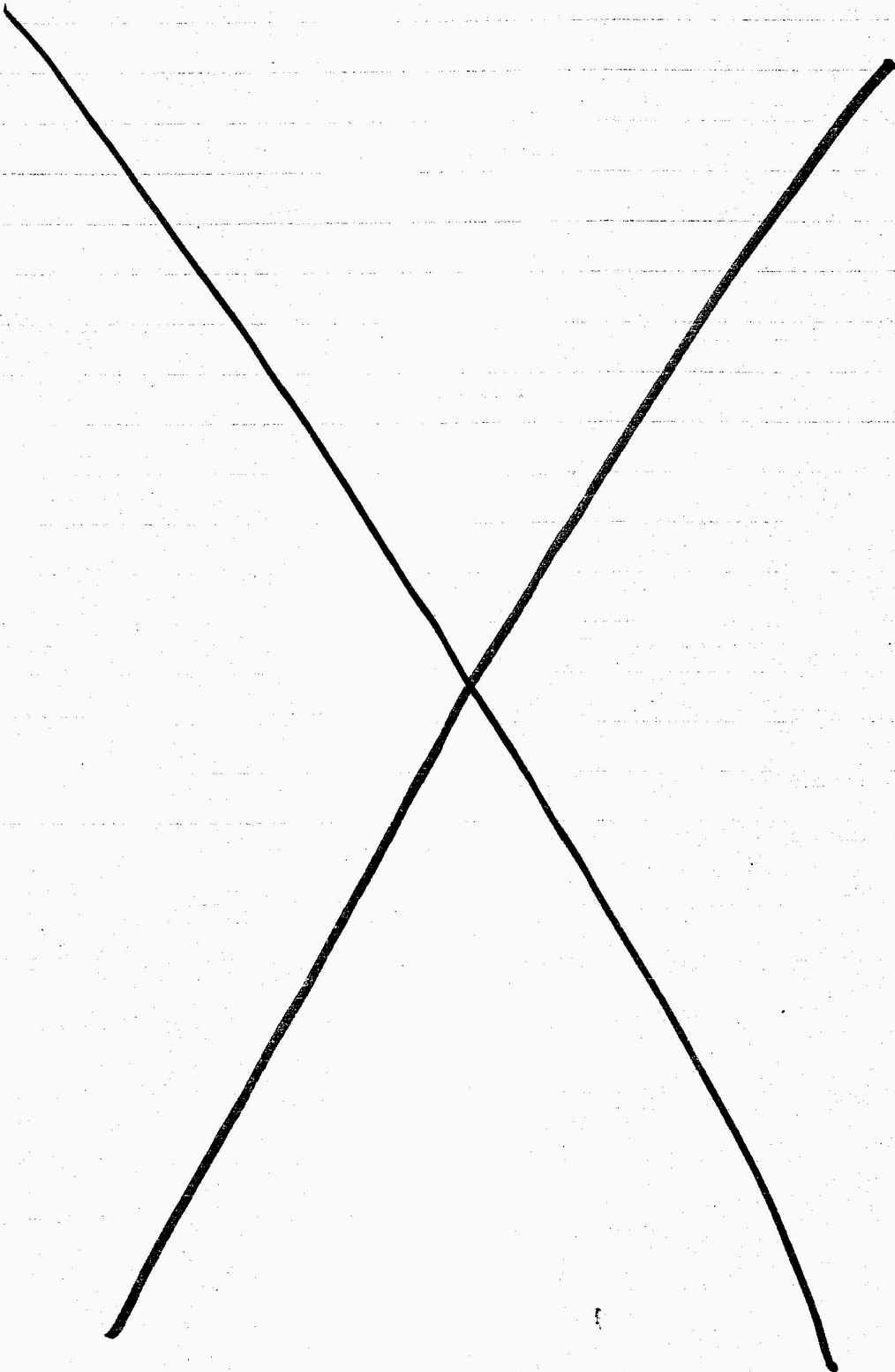
[REDACTED] will testify that in order to conduct a juice loan business, authorization had to be given by the Outfit. [REDACTED]

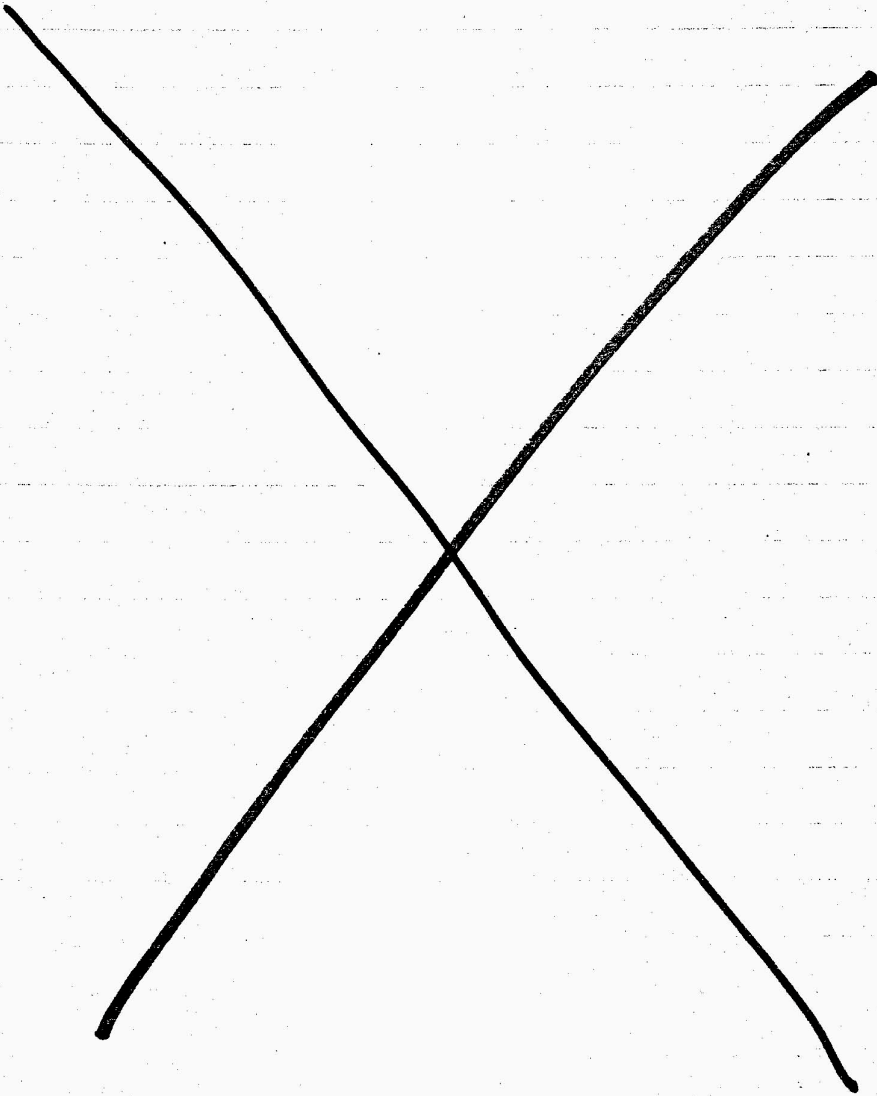
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED] advised [REDACTED] that James Marcello and Anthony Zizzo were Carlisi's underbosses. [REDACTED]

[REDACTED]



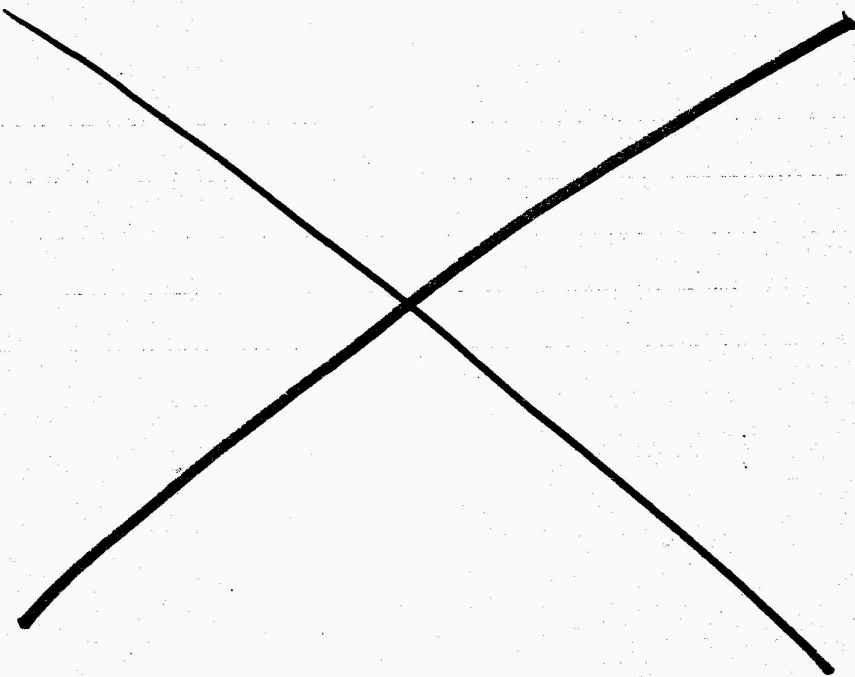


[REDACTED]

[REDACTED] will testify that he was a gambler and independent bookmaker, and began bookmaking during football season [REDACTED] [REDACTED] terminated bookmaking activities in [REDACTED] [REDACTED] operated as an independent bookmaker for about one year, and [REDACTED] became aligned with an Outfit sports bookmaking operation run by William Jahoda and Rocco

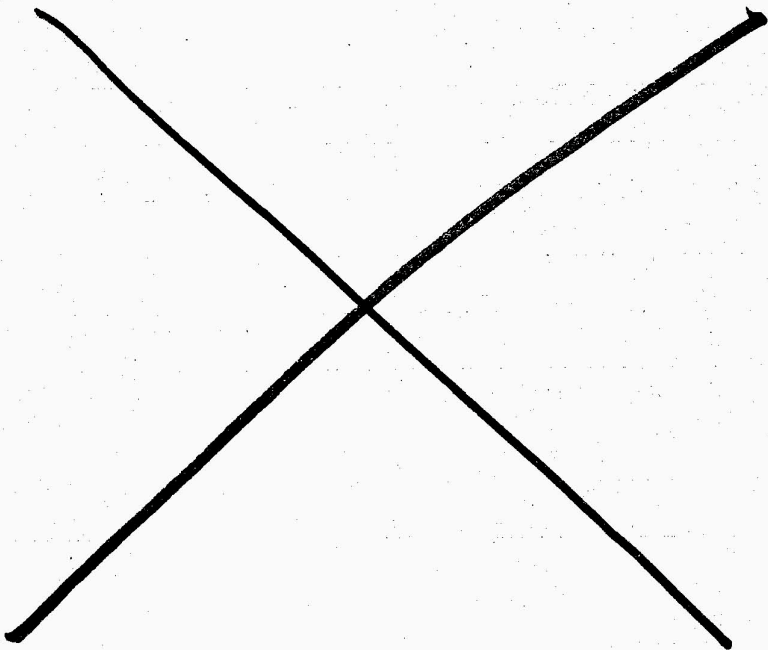
Infelise. [REDACTED] worked with this crew for about a year.

During the winter [REDACTED], [REDACTED] met Sam Carlisi, who in turn introduced him to James Marcello. Carlisi wanted [REDACTED] to provide him with information about poker games that were being conducted in the western suburbs. [REDACTED] told Carlisi that he occasionally held a game himself. [REDACTED] made a financial arrangement with Carlisi, providing him 50% from his games. Carlisi agreed to provide collectors if [REDACTED] had difficulty getting money owed by delinquent players. Marcello was present at this meeting.



About a month later, [REDACTED], Carlisi asked [REDACTED] to meet him at a restaurant near his apartment. Marcello and possibly [REDACTED] were present. Carlisi asked [REDACTED] to work for him as a bookmaker. [REDACTED] was interested, but currently had a dispute over a customer account

[REDACTED], and could not leave that crew until it was resolved. [REDACTED] offered a suggestion to Carlisi as to how to resolve the problem. Carlisi said he would take it to the other crew.



Frank Cullotta

Cullotta will testify that he grew up with Anthony Spilotro, Paul Schiro, and Joseph Hansen. He knew Joseph Lombardo from approximately 1958. Lombardo was operating a craps game at Grand and Ogden in Chicago at the time, and provided juice loans to the players at the game. Cullotta came to work under Lombardo's direction when Lombardo collected street tax from lounges and taverns in Chicago; Cullotta acted as a collector. Cullotta also met Frank Schweihs in the early 60's and knew him to be a collector for both Spilotro and Lombardo. Cullotta also met Frank Calabrese, Sr., in the 50's; Calabrese, Sr., "put out juice," and worked for

Angelo LaPietra.

In 1962, Lombardo financed a trip by Cullotta and others to rob a skid full of fur coats at the airport in Cleveland, Ohio. Cullotta and three others were arrested before the furs could be stolen. After the arrest, Angelo Boscarino, one of the arrestees called a local bailbondsman in Cullotta's presence, and told that bailbondsman to call Irv Weiner and Lombardo to arrange a bond. The four arrestees were bonded out the next day. A few days after they returned to Chicago, Boscarino and Lombardo pulled Cullotta over in his car. Boscarino told Cullotta that Lombardo wanted \$900 for the bond. Cullotta ran into Lombardo a few days after that and Lombardo asked for the \$900. Cullotta did not have it. Lombardo told Cullotta that Irv Weiner wanted the money, and that Weiner was "with" "Milwaukee Phil" Alderisio, Lombardo's boss at the time. Lombardo told Cullotta that he would put the money up for Cullotta, but Cullotta would have to pay Lombardo juice on it. Cullotta told Spilotro about these events, and Spilotro gave Cullotta the money to pay Lombardo.

Cullotta also worked for Anthony Spilotro both in Chicago and Las Vegas; Cullotta considered Spilotro to be his immediate Outfit boss. Cullotta worked for Spilotro in Las Vegas from approximately 1978 until November 1981. In approximately 1975, prior to moving to Las Vegas, Cullotta visited Spilotro there. Spilotro told Cullotta that if he were planning any criminal activity in Chicago, particularly "hits," he had to clear it with Lombardo.

In approximately 1976, Cullotta ran a club in Chicago. A customer of the club started trouble at the club by fighting with other customers. The offender had a reputation of causing problems in other clubs, and Cullotta wanted to have him killed. Cullotta knew he had to get authorization before a hit could be made. He first went to Jerry "Dinger" Carussiello, who was a

driver for Joseph Aiuppa, at the time the boss of the Outfit. Cullotta asked Carussiello if he could get an okay for the hit. Carussiello left for a few hours and came back; he told Cullotta that he would have to get permission from Lombardo.

Cullotta called Lombardo the following day. Cullotta arranged to meet Lombardo near Lombardo's home. Cullotta told Lombardo about the disturbance at the club and his desire to kill the offender. Lombardo told Cullotta to bring a picture of the target to him and he would have an answer. After Cullotta got a photo of the target he met Lombardo, again on a street near Lombardo's home. Cullotta showed the photo to Lombardo, and a car pulled up. Lombardo told Cullotta that he could not kill the target, but he could break his legs and hands. Lombardo added that if the target caused trouble after that warning, Cullotta could kill him.

After Lombardo said this, the occupant of the car, Louis Eboli, came up. Lombardo showed Eboli the photo, and told him Cullotta's request. Eboli, in Lombardo's presence, told Cullotta that he would be happy to assist Cullotta in tracking down the target, and "doing whatever you have to do to him." Cullotta told Eboli he only had authority to break his hands and legs. Cullotta had known Eboli from the 1950s and knew he provided money from gambling, and vending machines to Lombardo. Cullotta ultimately found the target, but in the interim had learned that the target was not the one who had started the problem in the bar. Cullotta slapped the target and let him go.

In 1977, Eboli's stepson got beat up in a fight at Cullotta's club. Cullotta arrived at the club as the fight ended. Eboli told Cullotta that his stepson claimed Cullotta hit him with a blackjack. Cullotta denied it. Eboli said that this was not the end of it. Cullotta called Spilotro in Las Vegas and told him about the incident. Cullotta asked Spilotro to call Lombardo to

intercede on Cullotta's behalf. Spilotro agreed to do so. Cullotta also asked Lombardo's brother, Rocky, to talk to Lombardo. Rocky Lombardo said he knew Eboli and would talk to him as well.

Rocky Lombardo called Eboli and told him to come to Rocky's beef stand in Melrose Park. Eboli did so, and Eboli and Cullotta began fighting. Cullotta left and went to a barbershop, where Joseph Lombardo called him. Lombardo instructed Cullotta to meet him at a tavern on Ohio Street. When Cullotta arrived, Eboli and Lombardo were already there with a man named James D'Antonio. Lombardo told D'Antonio to check Cullotta for a gun. Lombardo asked Cullotta who hit Eboli's stepson. Cullotta said he didn't know. Eboli began hitting Cullotta. Lombardo told Cullotta not to fight back. Lombardo assisted Eboli in the fight. During the fight, Eboli hit Cullotta with a brick and kicked him in the ribs. Lombardo told Eboli, "That's all you can have."

Cullotta called Spilotro to tell him what had happened. Spilotro told Cullotta to go meet with Lombardo, because Spilotro had talked to him. Cullotta did so, and asked Lombardo why he had to take the beating. Lombardo explained that Eboli had asked for authority to kill Cullotta. Lombardo said that he could not give that okay to Eboli because Cullotta "was with us." Lombardo said that Spilotro told him of a favor Cullotta had done "for us" with Billy McCarthy. McCarthy had committed an unauthorized murder in Elmwood Park in 1962. Spilotro had instructed Cullotta to lure McCarthy to a location so that Spilotro and others could kill him. Cullotta had done so. Lombardo therefore gave Eboli the okay to beat Cullotta but not kill him. According to Lombardo, Eboli had told him that he would go over Lombardo's head to "the Old Man," Joseph Aiuppa, if he did not get satisfaction. Lombardo wanted to give Eboli some satisfaction to avoid risking Aiuppa's authorizing something more severe.

After the beating from Eboli, Cullotta decided to move out to Las Vegas. He spent some years in Las Vegas, committing a number of crimes, mostly burglaries and robberies, sanctioned by Spilotro. Cullotta committed some of these with Schiro, and knew that Schiro and Hansen were close. Spilotro told Cullotta that Schiro and Hansen worked for Lombardo, and "did hits." While in Las Vegas, Spilotro ordered Cullotta to prepare for a murder; Cullotta believed that the target was [REDACTED]. Cullotta recruited Larry Neumann to commit the murder, since Neumann was from out of town and would be unknown to [REDACTED]. In preparation for the hit, Cullotta instructed Schiro and Hansen to find a burial spot in the desert to dispose of the body. The murder did not take place; Cullotta believed that Spilotro did not get the necessary authorization to carry it out. Spilotro had gotten authorization to kill Outfit associate and burglar Salvatore Romano after he had become a government witness. Cullotta helped Spilotro plan the murder, but Romano could not be located.

In the late 70's, Cullotta met Emil Vaci through Schiro in Phoenix. Vaci at one time ran gambling junkets to the Stardust in Las Vegas. Vaci later came to work at the Stardust. Vaci and Schiro were close. In the late 70's, Cullotta had a conversation with Schiro and Vaci about the disappearance of Jay Vandermark, an employee at the Stardust who had come under suspicion of skimming money from the Stardust. Vaci said he felt "heat" on him because of Vandermark's disappearance. [Nicholas Calabrese will testify that he, Schiro, and Schweihs plotted the murder of Vaci in 1986. [REDACTED]
[REDACTED]
[REDACTED]

In the early 80's, Cullotta told Spilotro that he might want to work for Dominic Cortina in

Chicago, who in turn worked for Joseph Ferriola. Spilotro told Cullotta he could not do that; "you got to stay with us," meaning the Spilotro/Lombardo crew. Spilotro instructed Cullotta to talk to Michael Spilotro in Chicago; Michael would in turn talk to Lombardo to find a place for Cullotta. In the spring of 1982, Schiro told Cullotta that he [Schiro] had been summoned to Chicago by Lombardo, and that Lombardo was interested in having Schiro oversee the Outfit's interests in San Diego.

[REDACTED]

It is anticipated that [REDACTED] will testify that he was a career thief and burglar. In the 1970's and 1980's, [REDACTED] participated in hundreds of burglaries in, among other places, Las Vegas, Nevada; Tucson, Arizona; and Chicago, Illinois. [REDACTED] whose specialty was disarming alarm systems, planned and executed these burglaries with, among others, Paul Schiro, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] will testify that [REDACTED] and others knew and discussed the hierarchy among, and activities of, Outfit members and associates because the Outfit "ran" Las Vegas and it was important to know who was reporting to whom and who was doing what for whom. As can be seen in the incident involving Outfit associate [REDACTED] and Outfit member [REDACTED] discussed

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

On another occasion in [REDACTED], [REDACTED] was present when [REDACTED] (who [REDACTED] knew from [REDACTED] to be a "hit man" who worked for Anthony Spilotro) and [REDACTED] were involved in a fist fight after [REDACTED] accused [REDACTED] of burglarizing a [REDACTED] store that [REDACTED] had first identified as a promising target. Following the fight, Anthony Spilotro instructed both [REDACTED] and [REDACTED] to meet him (Spilotro) in a parking lot in Las Vegas. [REDACTED] was present when Spilotro gave both [REDACTED] and [REDACTED] a stern dressing-down about the fight. [REDACTED] also heard Spilotro tell [REDACTED] that he (Spilotro) would "cut [REDACTED]'s] hands off" if [REDACTED] ever raised them against one of "my [Spilotro's] guys." Spilotro, demonstrating the relative hierarchy among the men and emphasizing his leadership role, also instructed [REDACTED] to apologize to [REDACTED].

Anthony Spilotro required [REDACTED] and [REDACTED] to include [REDACTED] [REDACTED] in some of their burglaries. [REDACTED] informed [REDACTED] that Spilotro had been using [REDACTED] "as muscle," and that Spilotro took [REDACTED] "under his wing" after [REDACTED] was [REDACTED] and [REDACTED] viewed [REDACTED] as incompetent, but knew that they had to include him because Spilotro ordered them to do so. On another occasion, [REDACTED] told [REDACTED] that a [REDACTED] [REDACTED] [REDACTED] and [REDACTED] had stolen was to be delivered to Anthony Spilotro "free of charge," and on another occasion [REDACTED] had to deliver some walkie-talkies to [REDACTED] at Anthony Spilotro's instructions (Spilotro wanted [REDACTED] to have the walkie-talkies in order to scan police department and FBI radio frequencies for counter-surveillance purposes).

██████████ knew that he and his associates had to follow Spilotro's instructions because he was the "boss," and because they knew failure to follow the orders would result in their not being permitted to "work" in Las Vegas (or worse).

In or about ██████████, ██████████ met Paul Schiro in Arizona. ██████████ met Schiro through ██████████ during a Phoenix trip; ██████████ and ██████████ were looking for Phoenix businesses or residences to rob or burglarize. ██████████ and ██████████ both told ██████████ that Schiro was a "hit man." According to ██████████ Schiro and Anthony Spilotro committed murders together. ██████████ further advised that Schiro "worked" for Spilotro. ██████████ will testify that he was given this information so that he understood that Schiro, being a close associate of Anthony Spilotro, was a "serious" contact of theirs, and that he was to be treated with both respect and caution in their professional and personal dealings.

On a number of occasions Schiro "set up scores [burglaries]" for ██████████ and ██████████; if those burglaries were successful, then ██████████ and ██████████ gave Schiro a "cut" of the illegal proceeds they obtained. For example, on one occasion Schiro knew of an individual who kept approximately \$100,000 in cash in a safe at his residence. While Schiro and this individual were at a wedding together, ██████████ and ██████████ broke into the individual's residence (the burglary was foiled by a barking dog, however). ██████████ will also testify that Schiro and ██████████ on one occasion provided ██████████ and ██████████ with an older Ford to use during a burglary, and Schiro and ██████████ on at least two occasions accompanied ██████████ and ██████████ while driving around Phoenix looking for residences that were promising targets for burglaries.

██████████ knew John Mendell to be a career burglar, and ██████████ admired Mendell's ability to disarm alarm systems. On occasion, ██████████ and Mendell would discuss different

methods of disarming various alarms. [REDACTED] heard that Mendell and five other criminal associates robbed Outfit Boss Tony Accardo's residence "out of spite" following the burglary at Levinson's jewelry store, and that Mendell and a number of others were murdered by the Outfit in order to "send a message." [REDACTED] will testify that it was important to the Outfit that Outfit associates such as himself were aware of the "rules," and that they were afraid of the consequences flowing from a failure to abide by these rules.

[REDACTED]
[REDACTED] As [REDACTED] learned from Sam Guzzino and others, Sam Guzzino and his brother Richard were both members of the Chicago Outfit. [REDACTED] will testify that he had always been interested in becoming a member of the Chicago Outfit.

[REDACTED] let Sam Guzzino know of his [REDACTED] interest in becoming affiliated with the Outfit, and Sam Guzzino demonstrated his increasing trust in [REDACTED] by giving [REDACTED] "jobs" with increasing levels of responsibility. [REDACTED]

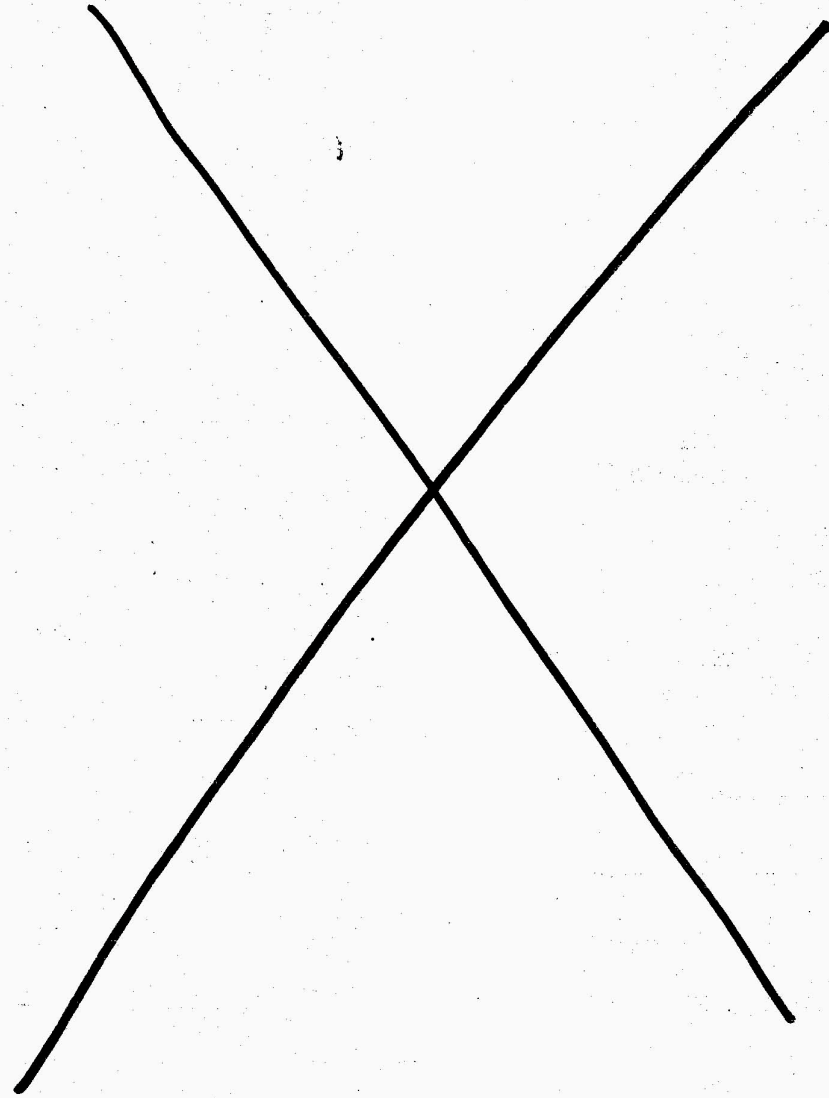
[REDACTED]
[REDACTED]
[REDACTED]

Sam Guzzino told [REDACTED] that he (Guzzino) would travel to Las Vegas between one and three times a month, each time carrying around \$250,000 in illegal gambling and prostitution proceeds with him to "launder" through the Outfit-controlled casinos. [REDACTED] felt that Guzzino was telling him this because Guzzino was "grooming" [REDACTED] and because Guzzino felt it was important for [REDACTED] to understand the nature and structure of the "organization" and the illegal

schemes he [REDACTED] was to become involved with.

In or about 1981, Sam and Richard Guzzino approached [REDACTED] about murdering an individual associated with the Outfit. According to Guzzino, Outfit boss Albert Tocco had "authorized the hit." [REDACTED] was told this information so that [REDACTED] knew the "hit" was "sanctioned" and so that [REDACTED] would not fear reprisals by the Outfit. Sam and Richard Guzzino told [REDACTED] that, since he [REDACTED] was told about the murder, he had no choice but to participate in it if he did not want to himself get murdered. Moreover, Sam and Richard Guzzino told [REDACTED] that he [REDACTED] would henceforth be "taken care of," would always have a "job," and would become a "member" of the "Family" if he committed the murder for the Outfit (though [REDACTED] knew he could not become a "made" member of the Outfit because he was not of Italian descent). Sam Guzzino also told [REDACTED] that, by murdering this individual, Sam Guzzino, Richard Guzzino, and [REDACTED] would become very wealthy because they would no longer have to pay "street tax" to this person. [REDACTED] agreed to commit the murder.

A few days prior to the attempted murder, Sam Guzzino informed [REDACTED] that the intended victim was Outfit member [REDACTED]. Sam Guzzino also told [REDACTED] that he (Guzzino) would "not hesitate to kill [REDACTED]" if he told anyone about the planned shooting. Sam Guzzino said the murder had to take place in Will County because Will County was a "dumping ground" for the Outfit; unlike Cook County investigators, the Will County investigators were purportedly overworked and would therefore not likely devote significant resources to investigating the homicide.



Nicholas D'Andrea, Jr. thereafter helped ██████ look for the two guns he ██████ had with him during the shooting, ██████. After the attempted murder of ██████, Sam and Richard Guzzino gave ██████ some money and ordered him to travel to Atlanta, Georgia, in order to hide out because the D'Andrea family was looking for ██████. Richard Guzzino and ██████ discussed that Nicholas D'Andrea was an Outfit member who worked for ██████, and that Nicholas D'Andrea was murdered shortly after the attempted murder

of [REDACTED] because the Outfit bosses (wrongly) concluded that Nicholas D'Andrea was responsible for the [REDACTED] shooting in an attempt to "move up" the chain. [Nicholas Calabrese will testify that Sam Carlisi, James Marcello, Angelo LaPietra, himself, and others participated in the murder of D'Andrea, who was killed because of the belief that he knew something about the attempt on [REDACTED] life].

A few weeks later [REDACTED] was notified that Sam Guzzino had been found murdered. When [REDACTED] called Richard Guzzino to express his condolences, Richard Guzzino told [REDACTED] "Well, you know, you live by the gun, you die by the gun. It's in your line of work." Richard Guzzino then instructed [REDACTED] to continue to stay in hiding.

[REDACTED]

It is anticipated that [REDACTED] will state that, from approximately 1977 through 1980, he was associated with Outfit member William "Butch" Petrocelli. [REDACTED] worked as a [REDACTED] [REDACTED] Petrocelli offered [REDACTED] several businesses, including a house of prostitution, and asked him on several occasions if he could use his [REDACTED] [REDACTED] declined these requests.

[REDACTED], by attending various meetings, knew Petrocelli's immediate associates to include Jerry Scarpelli, [REDACTED] [REDACTED] and others. This group worked under the direct control of Petrocelli, who in turn worked under the direct control of Joseph Ferriola.

[REDACTED] had occasional contact with Petrocelli's "collectors," including [REDACTED].

From [REDACTED] through [REDACTED], [REDACTED] was [REDACTED] and was thus in the position of supplying weapons, equipment, and \$800 per month in cash as part of a "street tax" payment directly to Petrocelli. [REDACTED] knew to keep the sales of weapons to Petrocelli and his associates a secret because Petrocelli informed [REDACTED] that the weapons were used in connection with Outfit activities. Because Petrocelli wanted to maintain exclusive control over the weapons supply, he instructed [REDACTED] to keep the source of the weapons a secret from other Outfit members. [REDACTED] provided Petrocelli with between 50 and 100 weapons. [REDACTED] at Petrocelli's request, also picked up sawed-off shotguns, silencers, and firearms with obliterated serial numbers on occasion from [REDACTED].

Following the murder of William and Charolette Dauber, [REDACTED] learned from Jerry Scarpelli that [REDACTED] Scarpelli and Petrocelli participated in the murders. Based on his description of the events, Scarpelli seemed to be very proud of the murders. Scarpelli provided this information to [REDACTED] because [REDACTED] was a trusted associate who had to be kept up-to-date on Outfit business relating to [REDACTED] "boss."

In December 1980, Petrocelli disappeared (he was not found until March 1981). A few days after Petrocelli's disappearance, [REDACTED] was summoned to a meeting by Scarpelli and [REDACTED]. During the meeting at a Chicagoland restaurant, Scarpelli and [REDACTED] questioned [REDACTED] about Petrocelli's business, the extortion money that Petrocelli had collected, street tax collections, and the location of various hand guns, automatic weapons, rifles, shotguns and explosives which [REDACTED] had provided to Petrocelli. In order to assure [REDACTED] that the questioning was "authorized" and that he ([REDACTED]) would not get in trouble for providing information about his direct boss (Petrocelli), [REDACTED] was told the questioning was

taking place on the direct orders of Outfit boss Joseph Ferriola. (Petrocelli had previously told [REDACTED] that Ferriola was the boss of the crew in which Petrocelli was a member, and that Scarpelli worked directly for Petrocelli and [REDACTED])

A few days later, Scarpelli again contacted [REDACTED] and told him he ([REDACTED]) was to personally meet with Joseph Ferriola. During this meeting, Ferriola again questioned [REDACTED] on whether he paid street tax to Petrocelli; [REDACTED] informed Ferriola that he paid Petrocelli \$800 a month plus various other sums of money which were taken out of [REDACTED]

The following morning Scarpelli told [REDACTED] that Petrocelli "was gone," and that Scarpelli had gotten Petrocelli's position within the Outfit, saying, "I got Butchie Petrocelli's spot now." At a subsequent meeting with Scarpelli, [REDACTED] asked, "Is he really gone?" Scarpelli became very quiet and said, "I'm only going to tell you this once. I went to a warehouse, the old timers were there. The old timers chewed me out about a few things, tried to scare me. Then, the old timers told me to go into another room and get rid of the garbage there." Scarpelli then explained that he observed Petrocelli in the adjacent room and that Petrocelli was dead. Scarpelli gave this information to [REDACTED] so that [REDACTED] understood that Petrocelli's murder was authorized by the Outfit bosses, and that [REDACTED] now reported to Scarpelli.

Upon the [REDACTED] and based upon instructions from Scarpelli, [REDACTED] passed \$50,000 in cash to Scarpelli, which in turn was to be passed to Joseph Ferriola because the Outfit claimed a financial interest in [REDACTED]. The \$50,000 delivered to Ferriola was considered insufficient, however, and Ferriola and the Outfit wanted the rest of the cash obtained from [REDACTED]. Ferriola angrily asked [REDACTED] "Who do you think you

are?" and told [REDACTED] that [REDACTED] belonged to Petrocelli and the Outfit. Ferriola directed [REDACTED] to turn over the entire \$ [REDACTED] but ultimately did not collect this amount from [REDACTED].

[REDACTED] will testify that during a portion of the period covered by the indictment he was a bookmaker who was under the control of Angelo LaPietra and the Calabreses. He is listed in bookmaking records obtained in the case. In addition, he is referred to in recovered documents and on tape-recorded conversations of Frank Calabrese, Sr., with others as [REDACTED].

In approximately [REDACTED] Angelo LaPietra, asked him to take some sports bookmaking action (football, basketball, baseball). [REDACTED] operated out of several apartments [REDACTED] recruited the bettors. At times, a friend helped on the phones. Initially, [REDACTED] was on salary, the amount determined by Angelo LaPietra. In addition, he took wagers on parlay cards. After a couple of years, Angelo LaPietra and [REDACTED] shared losses and profits on the sports bookmaking, beginning at 25% for him and 75% for Angelo for a year, and then going ultimately to a 50% each rate. The moneys were split at the end of each sports season.

In [REDACTED] [REDACTED] was arrested on a couple of occasions for bookmaking. In approximately [REDACTED] Angelo LaPietra told [REDACTED] that he wanted [REDACTED] to begin working with Calabrese Sr., and Nicholas Calabrese in the bookmaking business. In the early stages of bookmaking with the Calabreses, [REDACTED] was turning over all of his bookmaking records to Nicholas Calabrese. [REDACTED] had others working with him in the bookmaking operation. He and the Calabreses were sharing 50% each. Most of the bettors were recruited by [REDACTED] but some

were referred by Nicholas Calabrese. This 50% arrangement lasted 2 or 3 years.

Because the paperwork became too time consuming, Calabrese, Sr., put [REDACTED] on a "street tax" rather than a percentage of profits/losses. This began at approximately \$1,500 per month, and ended up at \$850 per week. [REDACTED] passed the street tax amount weekly to Nicholas Calabrese and, at times, to [REDACTED]. [REDACTED] made these payments weekly until Nicholas Calabrese went to jail in 1997. [REDACTED] had several agents working with him over the years, sharing in the moneys generated by the bets placed by the agents bettors.

In [REDACTED] [REDACTED] asked Nicholas Calabrese if he could put out juice and Nicholas agreed. These loans were made at 5% per week and were typically for \$500 or \$1000. [REDACTED] did not need to get the approval from either Nicholas Calabrese or Frank Calabrese, Sr. [REDACTED] would take his own money to give to the juice customer and then Nicholas Calabrese would reimburse him. He would give background information on the customer to Nicholas and then weekly pass the payments to Nicholas, passing 1/2 the charged juice, 2 1/2 %. [REDACTED] got the other 2 1/2 % on each customer.

In approximately [REDACTED] [REDACTED] was no longer collecting juice and passing it on to Nicholas Calabrese. In the fall of [REDACTED], Nicholas Calabrese told him to no longer pass the street tax to him. Nicholas also told [REDACTED] that he did not have to pass the money on to anyone else, so [REDACTED] stopped paying street tax. Then, in early 1997, Ronald Jarrett came to [REDACTED] and demanded street tax of \$650 per week, dating back to the time Nicholas Calabrese had told [REDACTED] he no longer had to pay. When [REDACTED] refused to pay for several weeks, saying that he was assisting Nicholas Calabrese's, [REDACTED] and [REDACTED] families while they

were in prison, Ronald Jarrett and an unidentified assailant beat and kicked [REDACTED] [REDACTED] then paid \$850 per week street tax to Jarrett until Jarrett was shot in December 1999. Then, a couple of years later, in the fall of 2001, Joseph "Shorty" LaMantia (a member of the same crew as the Calabreses) on several occasions told [REDACTED] that he owed \$200,000 in street tax to the Outfit. On one occasion, [REDACTED] felt threatened by LaMantia.

On several occasions over the years Angelo LaPietra directed [REDACTED] to assist other members of LaPietra's crew. On two occasions, he was directed to use a "work car" to drive James DiForti so that DiForti could pick up money.

On another occasion, [REDACTED] was ordered by Angelo LaPietra to surveil a location in Oak Lawn for several nights. [REDACTED] used a "work" car. Nicholas Calabrese, Frank Calabrese Sr., and John Monteleone were seen by [REDACTED] meeting after [REDACTED] went to meet with Nicholas Calabrese, who had been involved in the surveillance in another car.

On another assignment, [REDACTED] was instructed to locate the car of a teller at Sportsmen's Park. Nicholas Calabrese and Angelo LaPietra were involved in the surveillance in separate cars. Angelo LaPietra assisted also. Nicholas Calabrese, Frank Calabrese Sr., John Monteleone, Angelo LaPietra, Jimmy LaPietra, and John Fecarotta were seen by [REDACTED] meeting after [REDACTED] went to meet with Nicholas Calabrese.

[REDACTED] remembers Frank Saladino being with Ronald Jarrett in [REDACTED] [REDACTED] often in the [REDACTED]s.

[REDACTED]

It is anticipated that [REDACTED] will testify to being an associate of Ronald Jarrett, and that he placed sports bets with Frank Furio. [REDACTED] accrued gambling debts, got on "juice," and

from approximately [REDACTED] until [REDACTED] worked off his debt as a collector for Furio. During this time, [REDACTED] developed his own betting customers and was paid a percentage of their losses. After Furio died in 1985, Nicholas Calabrese told [REDACTED] that he (Calabrese) was Furio's new boss.

[REDACTED] thereafter worked as a bookie, taking sports bets until approximately [REDACTED] [REDACTED] paid a street tax of between \$200 to \$800 per week to Nicholas Calabrese prior to Nicholas Calabrese going to jail. [REDACTED] also worked in an office for Nicholas Calabrese which serviced between 50 to 100 betting customers per week; of these, [REDACTED] had an average of 15 customers. [REDACTED] took juice loans from Nicholas Calabrese from time to time.

On March 13, 2000, [REDACTED] and [REDACTED], engaged in a recorded conversation. During the face-to-face meeting, [REDACTED] can be heard telling [REDACTED] that he ([REDACTED]) has had law enforcement coming around "since that thing with the Little Guy" (Ron Jarrett's shooting). [REDACTED] tells [REDACTED] that, "He [Frank Calabrese, Sr.] got a message to me from jail. He wanted me to, he's been persistent to come and see you, to get somethin' [money] from you." [REDACTED] responds "There's nothing. We're down. I've been down since that happened. There's no way I'm gonna stay open [continue taking bets] with that." [REDACTED] says "That's what you want me to tell him?" [REDACTED] answers "Yeah. It's done and over with." [REDACTED] towards the end of the conversation says "Ronnie [Jarrett] was never my guy, Furio was my guy, [REDACTED] [Frank Calabrese, Sr.] was my guy... I never wanted to do business with Ronnie ... I inherited him."

[REDACTED]

[REDACTED] will testify that he obtained several juice loans from the Calabrese Street Crew.

█████ first met Frank Calabrese, Sr. and Nicholas Calabrese in the █████'s through █████, who at one point had borrowed money from the Calabrese brothers to finance a business venture. Starting in the █████, █████ would, at █████ instructions, bring the Calabrese brothers envelopes stuffed with money in order to pay off the juice loans, which carried an interest rate of between 2-10% a week. █████ told █████ that he went to the Calabrese brothers for loans because banks would not loan him any more money. Subsequently, █████ also endorsed some promissory notes to the Calabrese brothers for loans he █████ took on.

In addition to the Calabrese brothers, █████ and █████ on occasion would also come to collect from █████ and █████ tried to collect after the Calabrese brothers were incarcerated. On occasion, █████ would also place envelopes, typically containing between \$400 and \$1000, in the mailbox at █████ residence in Melrose Park where the Calabrese brothers would pick them up. During one incident taking place at the Melrose Park Target store after Frank Calabrese, Sr.'s indictment in 1995, but before Calabrese went to jail, Frank Calabrese, Sr. became very agitated with █████ over an outstanding loan, causing █████ to feel physically threatened.

█████

It is anticipated that █████ will testify to being a career bookmaker who started his bookmaking operation in the early 1970's. Between 1973 and the late 1980's, █████ paid various Outfit members (█████ and █████) roughly \$1,300 to \$2,000 a month in street tax in order to be permitted to continue his bookmaking operations.

[REDACTED] throughout the operation of his illegal bookmaking business had between 30-40 regular customers, and was earning approximately \$150,000 a year. On a number of occasions, Outfit collectors would offer their "services" in that they asked [REDACTED] whether there was anyone he ([REDACTED]) needed to have outstanding debts collected from; [REDACTED] turned down this offers because he knew his customers would go to law enforcement if the Outfit used force to collect outstanding debts.

In the late 1960's, [REDACTED] arranged for a business associate of his to obtain a juice loan in the amount of approximately \$40,000 from Frank Calabrese, Sr., and Frank Furio. [REDACTED] in return received a \$150 per week "finder's fee." The loan was eventually paid in full. Subsequently, [REDACTED] arranged for his associate to obtain another loan from [REDACTED] after receiving "permission" from Frank Calabrese, Sr., to go elsewhere to obtain the loan.

[REDACTED]

It is anticipated that [REDACTED] will testify that in or about December 1977, [REDACTED] was approached by John Mendell about participating in the burglary of Levinson's Jewelry store (Mendell and his wife Vicky owned "Herton Machine," [REDACTED]). [REDACTED] was present during this meeting at which the details of the planned burglary were laid out to [REDACTED] so that [REDACTED] could determine whether he was interested in participating. Mendell told [REDACTED] that the burglary would make [REDACTED] \$50,000, and that [REDACTED] was taking over someone else's place ([REDACTED] was later told that the person he was "substituting for" was [REDACTED]).

A few days prior to the burglary, Mendell told [REDACTED] that he ([REDACTED]) was to drive the get-away vehicle and monitor the police scanners. [REDACTED] agreed to participate in the

burglary of Levinson's Jewelry Store, which ultimately was committed by [REDACTED] Mendell,

[REDACTED], and either [REDACTED] or [REDACTED].

A day or so after the burglary of Levinson's Jewelry Store, [REDACTED] told [REDACTED] that the men had robbed "the wrong place." [REDACTED] advised that the "mob" and Outfit boss Tony Accardo "had some involvement" in Levinson's, and that Mendell was in hiding because of this. [REDACTED] gave [REDACTED] this information for [REDACTED] protection.

Two or three days after the burglary, [REDACTED] and Mendell met. Mendell appeared to be very nervous, and Mendell asked [REDACTED] for permission to borrow [REDACTED] because Mendell thought that the "mob" was looking for him as a result of the burglary. Mendell also told [REDACTED] that some unknown people approached Mendell about purchasing the stolen jewelry for \$100,000-\$200,000, but that Mendell declined to sell it for such a low price. Mendell had also informed [REDACTED] that he (Mendell) did not like the Outfit, did not want to pay "street tax" to the Outfit, and had on previous occasions declined the Outfit's request that he (Mendell) begin to work for the Outfit as a burglar and as an expert in disabling alarms for "certain occasions." [REDACTED] will testify that Mendell gave [REDACTED] this background information so that [REDACTED] knew Mendell's relationship with the Outfit, and so that [REDACTED] understood why Mendell needed [REDACTED] and needed [REDACTED] to be secretive about Mendell's whereabouts in order to avoid Outfit retaliation.

[REDACTED] will further testify that, approximately three weeks after the Levinson's burglary, the stolen merchandise was found in the rafters of Mendell's business (unknown persons had broken into the business and stolen the merchandise). Mendell was angry and told [REDACTED] that he (Mendell) wanted to break into Accardo's house to get the jewelry back; Mendell gave this

information to Mendell because he wanted [REDACTED] to participate in "reclaiming" the jewelry, which [REDACTED] refused to do.

A few days later, Mendell told [REDACTED] that he (Mendell) and some others had completed the break-in, and had taken back the Levinson's jewelry and some other items from the walk-in vault in Accardo's basement. Mendell told [REDACTED] this information because [REDACTED] had participated in the Levinson's burglary, and now stood to receive part of the proceeds from the sale of the reclaimed Levinson's merchandise. After reading that Mendell had been killed [REDACTED], [REDACTED] left Chicago due to fear of Outfit retaliation [Nicholas Calabrese will testify that his brother, Ronald Jarret, Frank Saladino, and himself participated in the murder of Mendell because of the burglary of Accardo's house].

[REDACTED] is a career burglar and Outfit hit-man who on at least [REDACTED] occasions murdered individuals for the Outfit because they were suspected of being "FBI informants."

[REDACTED] will testify that Chicago Outfit boss John "No Nose" DiFronzo offered him the position as "co-boss" (with Marco D'Amico) of the Elmwood Park Crew. [REDACTED] will also testify that Outfit member Jerry Scarpelli was a close personal and professional associate of [REDACTED] and that they would keep each other "up to date" on Outfit operations.

[REDACTED] will also testify that the Outfit would attempt to collect "street tax" from "large scores [burglaries]." [REDACTED], on behalf of the Outfit, on a number of occasions also delivered to "corrupt" Chicago Police officials, including [REDACTED] and [REDACTED], envelopes containing cash given to [REDACTED] by [REDACTED].

[REDACTED] was told by Jerry Scarpelli that Outfit member Jack Cerone gave the "order" that,

following the burglary of Outfit boss Tony Accardo's River Forest residence, burglars of various ethnicities who recently "got lucky" were to be killed to "send a message" and discourage similar conduct in the future. [REDACTED] will testify that this "message got lost," however. Additionally, the Outfit wanted to find out which burglars were actually involved in the Accardo burglary so that they could be killed to enforce the "message." Scarpelli informed [REDACTED] that Chicago burglar and drug dealer [REDACTED] fed information concerning the Accardo burglars to the Outfit bosses, and that the Outfit ultimately killed the following suspected burglars: Bernard Ryan, Steven Garcia, Vincent Moretti, Donald Renno, John Mendell, and John McDonald.

With regard to Mendell, on January 16, 1978, which was the date Mendell was last seen, Mendell placed a phone call to [REDACTED]. During the phone conversation, Mendell informed [REDACTED] that "the little guy" (Ronald Jarrett) wanted to see Mendell. When [REDACTED] asked Mendell to confirm who Jarrett was referring to, Mendell told [REDACTED] that he was to meet Jarrett, who "had something" for Mendell ([REDACTED] understood this to be a reference to a potential burglary that Jarrett wanted to tell [REDACTED] about). [REDACTED] knew that Mendell and Jarrett were friends and had committed a number of crimes together, and [REDACTED]

Mendell later in the phone conversation asked [REDACTED] to accompany him (Mendell) to the meeting with Jarrett, but [REDACTED] declined, saying he was "too tired" from a recent trip he had been on. Mendell told [REDACTED] that he (Mendell) would come by [REDACTED]'s residence after Mendell's meeting with [REDACTED], but Mendell never showed up. [REDACTED] in fact never again saw Mendell. [REDACTED] thereafter became so nervous about Outfit retaliation that he had his attorney arrange a polygraph concerning the Levinson's burglary and the burglary of the Accardo residence, and passed the results (showing he was not involved) on to the Outfit, which in turn got the Outfit

"heat" off of him.

[REDACTED] is also expected to testify that Jerry Scarpelli told him [REDACTED] that William "Butch" Petrocelli was murdered because his ego was getting too big (the murder was arranged by Ferriola), and that [REDACTED] was a childhood friend and Outfit member who survived an attempt on his life (a car bomb) committed by the Outfit. [REDACTED] will also testify that he grew up with Outfit member [REDACTED], and was on [REDACTED] "payroll" for [REDACTED]'s juice loan and narcotics operations. [REDACTED] knows about the procedure and benefits of being a "made" member of the Outfit; one of the "rules" was that nobody was to publicly rebuke or question a "made" member of the Outfit. Also, Fifi Buccieri's "crew" consisted of James "Turk" Torello, Angelo LaPietra, James LaPietra, John "Johnny Apes" Monteleone, and John Fecarotta. Moreover, the Outfit placed Anthony Spilotro in Las Vegas because the Outfit "predated" the other "families" in Las Vegas, and the Outfit therefore wanted to have a "made" member (Spilotro) there. Spilotro at the time was working under Felix "Milwaukee Phil" Alderisio.

[REDACTED]
[REDACTED] was involved in the 1960's and 1970's with several individuals in different Chicago Outfit crews. [REDACTED] was a participant in numerous crimes during those years.

For example, [REDACTED] committed thefts and burglaries with both John Mendell and Ronald Jarrett. In addition, Jarrett ran a theft crew that included several others, including [REDACTED] and Frank Saladino (who he also knew as "Gumba"). John Mendell and Frank Saladino knew each other through Jarrett.

Jarrett was involved in collecting and giving out juice loans from 1969 through 1979 and

locked door separating the rooms Allan Dorfman, Kansas City organized crime boss Nicholas Civella, Saul Schwartz, and Joseph Lombardo engaging in a conversation lasting approximately four hours. During the conversation Lombardo and Civella, in Dorfman's presence, discuss ways to oust a "reform" group then running the Teamsters Union Central States Pension and Welfare Fund. Lombardo, for example, is overheard saying "[w]e got a lot of work to do. We got to get the fund back . . . Got moves to make, lot of scheming to do." "[w]e have to get things running smooth again like they used to be."

██████████ will testify that he provided ██████████ for Michael Cagnoni and Cagnoni's large-scale produce hauling business, Cooperative Shippers, from ██████████ until Cagnoni's murder in June of 1981. Cagnoni's business involved in part the transportation of produce locally after it had been brought to the Chicago area from regional produce markets. Cagnoni often complained about having to pay cash tribute to the Outfit on a per/truck basis, which amounted to several thousands of dollars every couple of weeks. Cagnoni initially agreed to the payments to ensure he would have no trouble with the Teamsters. Cagnoni monthly used hundreds of Flash Trucking trucks or Flash controlled companies to deliver produce interstate.

██████████ often accompanied Cagnoni to Flash Trucking in Cicero to pay the tax and observed Cagnoni meet with Rocky Infelise and ██████████ and ██████████. Flash was the historical headquarters of then Outfit in Cicero, from Turk Torello, through Rocky Infelise, through ██████████ and ██████████. Once or twice, ██████████ delivered the money himself to ██████████.

On four to six occasions, ██████████ drove Cagnoni to the Hyatt in Rosemont. On two of the

occasions he saw Cagnoni meet with Joseph Auippa and Dominic Senese. Senese was the Secretary-Treasurer of Teamsters Local 703 (produce drivers), who himself was the victim of an attempted homicide in 1988 when he was shotgunned outside his home. Cagnoni went to all the Hyatt meetings with a briefcase of money. On each occasion, the briefcase was empty after the meeting. [REDACTED] did not see the money passed to Senese and Auippa.

In the months leading up to his death, Cagnoni complained that he wanted to stop paying the amount in cash, and wanted to come up with another way to pay as the gathering of the cash was cumbersome and time-consuming. He told [REDACTED] the disagreement he had would not cause Cagnoni trouble because Flash was getting so much money legitimately for the produce deliveries.

Flash/Infelise wiretaps

In 1986, the government conducted court-authorized electronic surveillance on telephones at Flash Trucking in Cicero and Rocco Infelise's home phone. On June 9, 1986, Rocco Infelise called the Marcello residence from his home and left a message for Marcello to return the call. Between June 9, 1986, and June 13, 1986, Joseph Ferriola, James Marcello, and Infelise exchanged phone messages and phone calls, to set up a meeting between Sam Carlisi and Ferriola at a McDonald's in Oak Brook at noon on the 13th. The FBI surveilled Carlisi, Ferriola, Infelise, and Marcello meeting around noon at a McDonald's in Oak Brook on June 13. The evidence will show that Anthony and Michael Spilotro were murdered on June 14.

Nicholas Calabrese will testify that Carlisi, Ferriola, Marcello, Infelise, himself, and several others participated in the murders. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Frank Calabrese, Jr.

On August 2, 1995, a federal grand jury returned an eleven count indictment charging Frank Calabrese, Sr., Frank Calabrese, Jr., Nicholas Calabrese and six other defendants, all members of the Calabrese Crew of the Chicago Outfit, with racketeering conspiracy, extortion, mail fraud and tax violations stemming from a criminal loan-sharking business (95 CR 443). The Calabrese Crew was alleged to have been one of many street crews within the Chicago Outfit. Frank Calabrese, Jr. was alleged to have performed criminal activities on behalf of the crew, working primarily at the direction of Calabrese, Sr.

Frank Calabrese, Sr., the leader of the crew, Nicholas Calabrese and Frank Calabrese, Jr. pled guilty to all of the charges in which they were charged. All three admitted in their plea agreements their belonging to the Calabrese street crew, which was part of the Chicago Outfit.

United States v. Fiore, 178 F3d 917 (7th Cir. 1999).

Frank Calabrese, Jr. will testify that, in addition to the matters to which he plead guilty, he also was involved on behalf of the Chicago Outfit in collecting "street tax" from certain victims, collecting "juice loans" (during times other than those alleged in the 1995 indictment), operating of an illegal sports bookmaking business. In his acting on behalf of the Chicago Outfit, Frank Calabrese, Jr. also learned of criminal conduct for the benefit of the Chicago Outfit, committed by both his father, Frank Calabrese, Sr., and his uncle, Nicholas Calabrese. While they were both imprisoned, Calabrese, Sr. and Calabrese, Jr. discussed Calabrese, Jr.'s

continuing criminal conduct for the Chicago Outfit upon Calabrese, Jr.'s release. In fact, Calabrese, Sr., directed Calabrese, Jr., upon his release to collect street tax from [REDACTED] and to determine if [REDACTED] were still in business. While on the street, Calabrese, Jr., received messages from [REDACTED], both recorded and unrecorded by Calabrese, Jr. These messages, often in code, sometimes involved handwritten notes from Calabrese, Sr., provided by [REDACTED] to Calabrese, Jr. Instructions from [REDACTED] sometimes accompanied these notes. Calabrese, Jr., also had conversations with [REDACTED] which were meant to be passed on to Calabrese, Sr., concerning the collection and disposition of street tax monies Calabrese, Sr., expected Calabrese, Jr. to pick up. [REDACTED] passed some of these messages on to Calabrese, Sr., over the monitored prison phone, and these messages are again often coded.

Calabrese, Sr., for a period of time was grooming Calabrese, Jr., to get further involved of the illegal business of the street crew, even at one point commenting about making Frank Calabrese, Jr., a "partner." At various points, in furtherance of the Chicago Outfit's interest, Calabrese, Sr., and/or Nicholas Calabrese discussed with Calabrese, Jr., among several other matters:

- a) the Chicago Outfit hierarchy, the Chicago Outfit's various roles and its personnel makeup;
- b) the friction between the different Chicago Outfit crews and the mediation of disputes;
- c) passing messages to other Chicago Outfit members and associates concerning matters of interest to the Chicago Outfit;
- d) the murder of John Fecoratta;
- e) the harm that could come to members and associates of the Chicago Outfit if the individual freelanced, i.e. acted without permission;
- f) the collection of "juice" loans and "street tax" as well as the operation of an illegal sports bookmaking business;
- g) the murders of Anthony Spilotro and Michael Spilotro;
- h) the murder of William Benham;

- l) the installation of Calabrese, Sr., as a "made" member of the Chicago Outfit;
- j) the murder of William and Charlotte Dauber;
- k) the murder of Richard Ortiz and Arthur Morawski;
- l) the activities of the Calabrese street crew and its personnel;
- m) the murder of Michael Albergo;
- n) the explosion of a blasting cap in the hand of Calabrese, Sr., (relating to the murder of Michael Cagnoni);
- o) the murder of William "Butch" Petrocelli;
- p) the murder of Nicholas D'Andrea;
- q) the use of nicknames and code words;
- r) the use of "work cars," garages, documents, fake IDs, and tools of the trade (weapons, etc);
- s) the murder of Emil Vaci;
- t) having Anthony Doyle get rid of evidence of the Fecarotta murder had Doyle had the chance;
- u) instructions Calabrese, Sr., gave to Doyle and Michael Ricci regarding crew business, such as getting messages to James Marcello and Ronald Jarrett.

Defendant James Marcello's argument that these conversations are not in furtherance of the conspiracy artificially narrows what the conspiracy in existence involves. The indictment delineates the operation of a criminal organization at various levels, each giving the enterprise the ability to protect itself and prosper. Conversations between Calabrese, Sr., and Calabrese, Jr., concern in large part father instructing son as to who can be trusted within the enterprise, and who cannot, e.g., Nicholas Calabrese. Calabrese, Sr., advises his son as to who is in trouble if Nicholas Calabrese is in fact an informant, and keeps his son advised as to his own and others efforts to warn James Marcello that Marcello could be at risk because of Nicholas' potential status as an informant. A conspirator providing such warnings need not be a participant in the actual criminal activity about which the fellow conspirator faces exposure from an informant; keeping conspirators advised of potential law enforcement interference with their overall criminal efforts is classic "in furtherance" material.

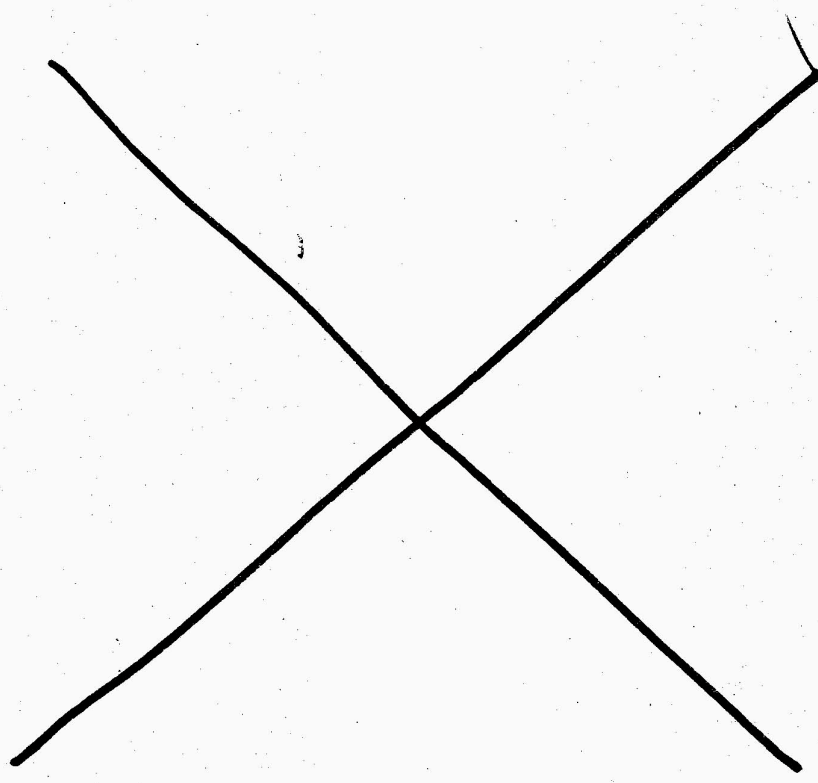
Calabrese, Sr., does not have to be a member of a specific homicide conspiracy before

statements made by him to other conspirators regarding informants involved in those activities can be admissible pursuant to Rule 801(d)(2)(E). The government believes the evidence at trial will be quite strong as to Calabrese, Sr.'s participation in homicides to further the charged enterprise; he committed many of them with his brother. Calabrese, Sr., also attempted to murder another individual with Marcello. Calabrese, Sr., was also actively grooming his son to carry on the enterprise's goals by enlisting him to collect street tax and engage in sports bookmaking, as soon as his son got out of jail. Bringing his son "up to speed" on the organization's activities, and advising him of efforts to warn Marcello of "treachery" within the ranks is certainly in furtherance of the charged enterprise's objectives.

Video Gambling Business

Testimony and documentary evidence will be presented to show that for several years, operating first under the name of Buff Amusements and then M & M Amusements, video gambling devices (VGDs) were provided to numerous bars, restaurants and social clubs throughout Cicero and Berwyn, along with a few other locations. At virtually every location, the machines were used illegally, i.e. the location paid to known customers who won points on the machines, the money generally coming out of a kitty separate from the business till. This activity generated thousands of dollars a week from the illegal gambling. The business was operated by its president, Michael Marcello.

The business had in excess of fifty VGD stops. Thomas Johnson, Joseph Venezia, Dennis Johnson and, over the years, several others assisted in the installation of and collections from the machines at the various businesses where they were placed.



On Monday, November 17, 2003, special agents of the FBI and the IRS executed search warrants on M&M Amusement, Inc., the persons of Thomas Johnson and Joseph Venezia, and the vehicle of Thomas Johnson, for evidence relating to the Marcellos' illegal VGD operation.

Pursuant to these warrants, the FBI recovered a total of \$18,160 in cash from inside of Thomas Johnson's vehicle, which vehicle was used by Thomas Johnson and Venezia earlier that day to make the collections from Marcello's VGD stops. A total of \$3,912 in cash was recovered from Venezia's pants pocket.

In addition, numerous collection report booklets were seized. One was recovered from Johnson's person, one was recovered from Johnson's vehicle and numerous were obtained in the search of M&M Amusements, Inc.

For the date November 17, 2003, there were ten small yellow collection report receipts,

which each listed the name and address of the VGD stop and the amount collected from the stop on that date. There were three dollar amounts, the top number being the claimed total amount collected from the stop and the second two numbers the claimed fifty/fifty split.

These documents understate the true collections. The written receipts for the day of November 17, 2003, showed a total of \$7,450 to be split between the business where the VGD was located and Marcello's business. The actual cash collected from the VGDs apparently was the \$22,072 in cash which was seized from Johnson and Venezia.

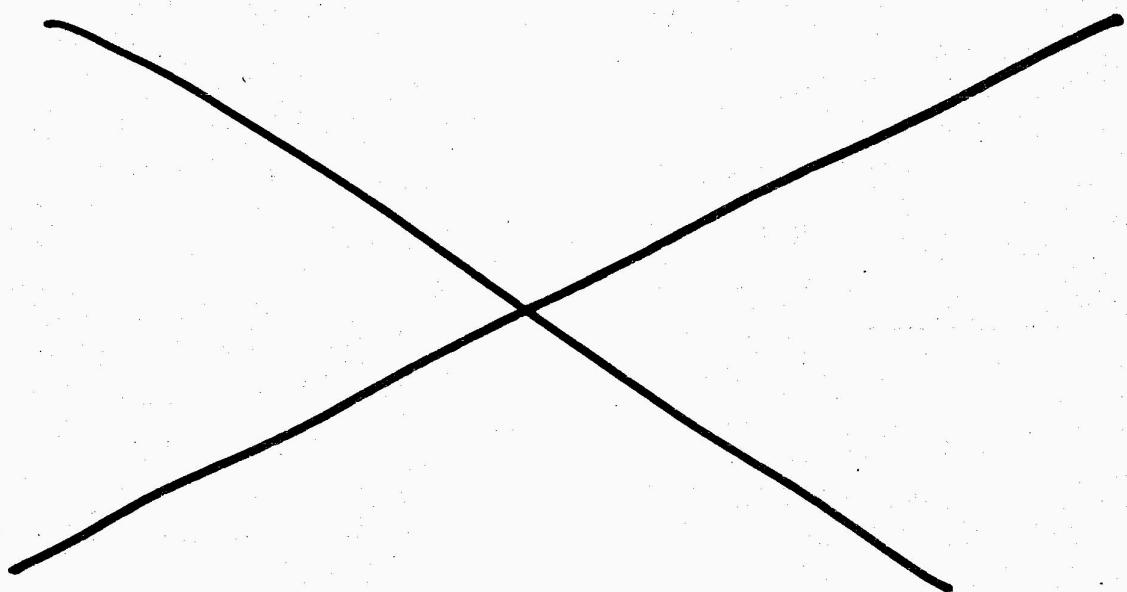
Most owners of the VGD stops have acknowledged and will testify that they and their employees knew that the machines were supposed to only be used for amusement purposes and that to pay customers for winning points on the machines was in violation of the gambling laws of Illinois; nevertheless, they operated the VGDs for illegal gambling purposes.

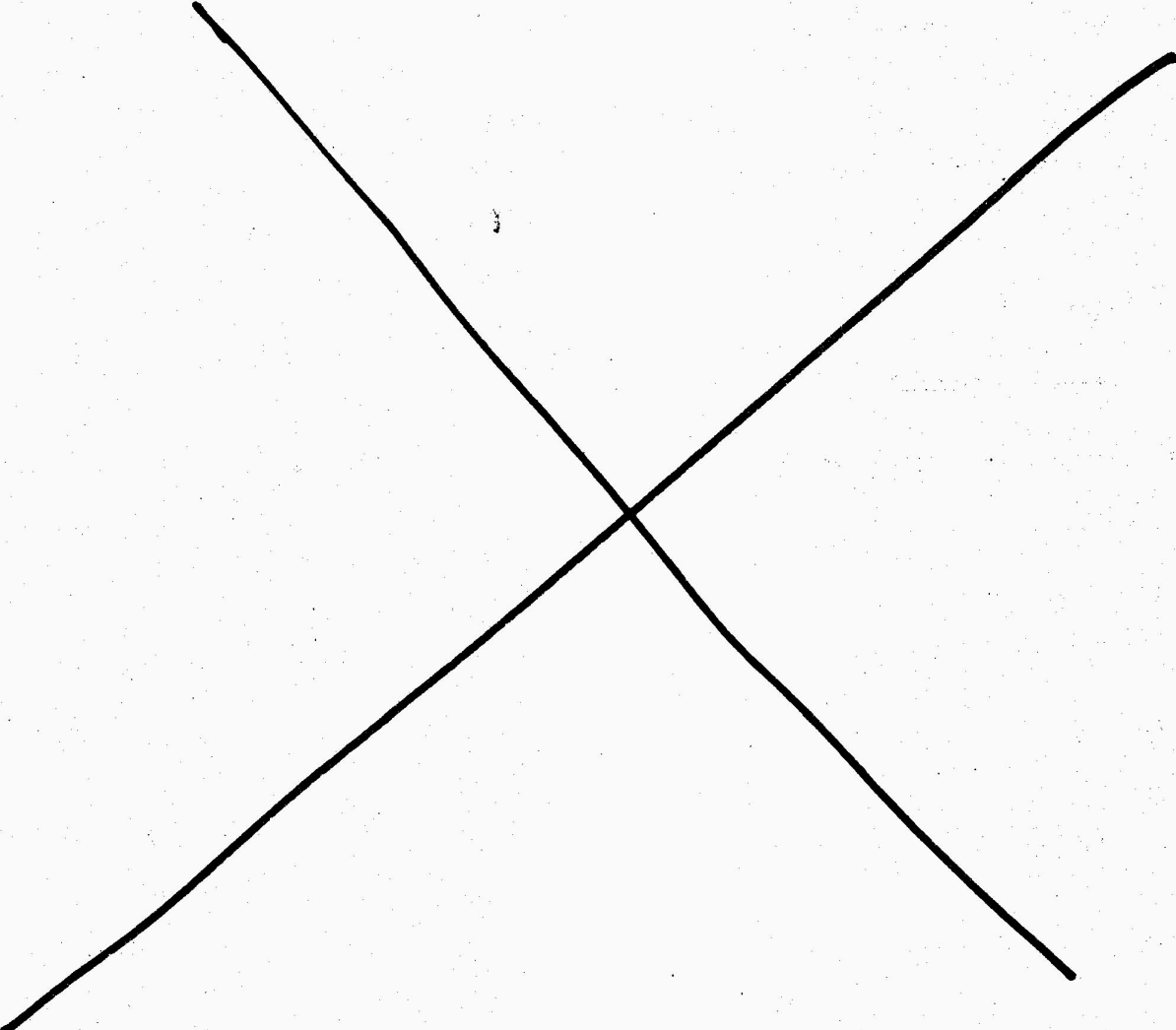
The bars, restaurants and social clubs split the proceeds 50/50 with M & M Amusements. Few of the operators dealt directly to any extent with Michael Marcello but virtually all had numerous dealings with Thomas Johnson, Venezia and Dennis Johnson. Some of the operators dealt with Thomas Johnson since the 1980s.

Thomas Johnson and Dennis Johnson would stop at most of the locations several times a week, clear out the machines of money and give the money to the operators to replenish the kitty to pay the future bettors. Then, once a week, Thomas Johnson and Venezia would stop to settle up. They would divide the take 50% for M&M and 50% for the operator. Virtually all of this money was gambling proceeds. The operator would be given a weekly yellow receipt on the settlement date.

This weekly yellow receipt comported with the amount for which the operators received a

Form 1099 at the end of the year. However, many of the operators knew and/or suspected that this Form 1099 amount was substantially less than the full amount that they were actually receiving from M&M Amusements. Several of the operators will testify that on a weekly basis, they in fact received several hundreds of dollars more than that listed on the receipts (this amount would vary depending on the strength of play for the week) and that M&M received the same extra amount, which likewise was not reflected in the paperwork. Others strongly suspected that more money was being generated than reflected on the weekly yellow receipt as Thomas Johnson, Joseph Venezia and Dennis Johnson would count the gambling money from the machines out of the sight of the operators and thus had to rely entirely on the honesty of the Johnsons and Venezia. Still others would receive money in excess of that reflected on the receipts, either a specific extra dollar amount per week or all of the money generated by non-gambling machines (darts, pool, golf, etc). Some of the operators, however, refused to admit that there was any money beyond the written receipt amounts. Thousands of dollars were generated weekly from the machines that were not reflected in M&M's books.





Collection of street tax from [REDACTED]

[REDACTED] will testify that Frank Calabrese, Sr., caused a \$100,000 street tax be paid to Calabrese, Sr. This was broken up into various installments. After that amount was paid, he was required to pay an amount of money every month. He paid this money for years because of fear for himself, his family and his business. Calabrese, Sr., collected this money as did others on his behalf, including Nicholas Ferriola.

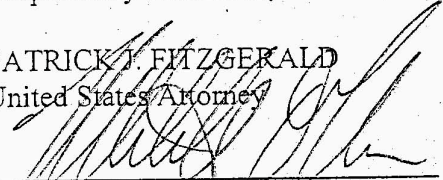
WHEREFORE, the government herein respectfully submits this *Santiago* proffer under

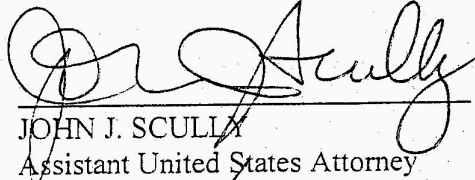
seal.


Respectfully submitted,

PATRICK J. FITZGERALD
United States Attorney

BY:


MITCHELL A. MARS
Assistant United States Attorney


JOHN J. SCULLY
Assistant United States Attorney


T. MARKUS FUNK
Assistant United States Attorney

CERTIFICATE OF SERVICE

The undersigned Assistant United States Attorneys hereby certify that in accordance with FED. R. CRIM. P. 49, FED. R. CIV. P. 5, LR5.5, and the General Order on Electronic Case Filing (ECF), the following document:

GOVERNMENT'S SANTIAGO PROFFER

was served on April 19, 2007, pursuant to the district court's system as to ECF filers, if any, and was also sent by first-class mail, to the following non-ECF filer:

Arthur N. Nasser, Esq.
110 East Delaware Place, Suite 1802
Chicago, IL 60611

s/ Mitchell A. Mars

MITCHELL A. MARS
Assistant United States Attorney
219 South Dearborn Street
Chicago, Illinois
(312) 353-9353