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Chicago: Shades of Capone

By VIRGIL W. PETERSON

ABSTRACT: In the late 1800's, an alliance was formed between First Ward political leaders in Chicago and gamblers and brothel owners. The underworld became organized, and eventually the infamous Capone gang was spawned. Headed successively by Big Jim Colosimo, Johnny Torrio, Al Capone, Frank Nitti, and Tony Accardo, the syndicate is still active in gambling and vice—always sources of underworld wealth. Capone gangsters have maintained a vital interest in the beer industry from Prohibition to the present time. They have corrupted labor unions and exerted influence over trade associations. They have invaded the field of finance, food business, automobile sales, and the coin-machine industry. Running through the diversified activities of the Capone organization is a pattern of ruthless discipline imposed by violence. Of fifteen gang killings in the Chicago area in 1961, eight of the victims had connections with Capone-syndicate gambling establishments and five were dealing with loan sharks. A union president who opposed the misappropriation of union funds by a Capone hoodlum was ambushed and slain by two gunmen imported from Detroit. During the Roaring Twenties, the gang leader was ostentatious and flashy. Today, although he has outward refinements, he has not basically changed. His methods of operation remain much the same as they were in years gone by.

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ORGANIZED crime in Chicago, as in most large American cities, is a problem that has plagued the community for over a century. In order to understand the present situation, it is necessary to examine briefly its genesis and evolution. The pattern which emerged in Chicago is one that is commonplace in American social, economic, and political history.

Almost from the very beginning, the gambling and liquor interests which were largely in the hands of the underworld were allied with local politics. In the mayoralty election of 1873, Mike McDonald, the gambling boss of Chicago, demonstrated that under effective leadership the gamblers, liquor interests, and brothel keepers could be welded into a formidable political power. In the years that followed, Mike McDonald created the city's first real political machine, and crime became organized as never before.

Late in the 1800's, there began the half-century reign of Bathhouse John Coughlin and Michael "Hinky Dink" Kenna over Chicago's First Ward. Coughlin, a voluble and uncouth person who had operated a bathhouse patronized by gamblers and race-track men, was elected Alderman of the City Council in 1892. Among the gambling parlors then operating in the First Ward was one owned by Kenna above his saloon. As a result of destructive police raids, probably motivated by politics, Kenna and Coughlin formed an organization in 1893 which assured protection to gambling-house and brothel proprietors who paid off. Two lawyers, one of whom later became a judge, were placed on a retainer-fee basis to defend members of the organization who were arrested. Strongly organized, the gamblers, procurers, and thugs of the First Ward were enabled to operate with complete immunity. The formation of the syndicate was a

stroke of genius for the political fortunes of Kenna and Coughlin and eventually spawned the infamous criminal organization which became known throughout the world as the Capone gang.

DEVELOPMENT OF CAPONE ORGANIZATION

Early in the 1900's, "Big Jim" Colosimo, a prosperous brothel operator in the First Ward, became extremely influential in the political organization of "Hinky Dink" Kenna and Bathhouse John Coughlin. On May 11, 1920, Colosimo was the victim of a gang killing, and his lavish funeral set the pace for similar affairs for many years to come. Honorary pallbearers included three judges, an assistant state's attorney, a congressman, a state representative, and numerous aldermen. Upon the demise of Colosimo, the leadership of his underworld organization was taken over by Johnny Torrio whom "Big Jim" had imported from New York as his aide. Torrio's headquarters was a four-story building known as the Four Deuces located at 2222 South Wabash Avenue in Chicago. The first floor housed a saloon and Torrio's office, the second and third floors were used for gambling, and the fourth floor was a brothel. Torrio installed as his principal lieutenant another New York import, Al Capone. The syndicate became more powerful than ever throughout Cook County. In 1925 Torrio abdicated his Chicago underworld throne and returned to New York City. Al Capone took over, and the infamous organization he headed became known throughout the world as the Capone gang. In 1931 Capone was convicted of income-tax evasion in Chicago and landed in Alcatraz. Frank "The Enforcer" Nitti then ruled over the Capone organization, until he committed suicide on March 18, 1943. On

that date, a federal grand jury in New York City indicted Nitti and several other Capone gang leaders for violation of the federal antiracketeering act. Several years earlier, the Capone syndicate succeeded in having its designated representative, George E. Browne, elected president of the International Alliance of Theatrical Stage Employees and Motion Picture Operators. The members of this union, numbering 125,000, thus fell under the domination of Capone-gang bigwigs who then extorted millions of dollars from the motion-picture industry. In the early 1940's, federal trials in New York City proved the conspiracy of Louis Campagna, Paul Ricca, Phil D'Andrea, Charles Gioe, Frank Maritote, John Rosselli, Louis Kaufman, Willie Bioff, George Browne, and Nick Circella, and they were sentenced to prison. During their incarceration in federal prison, Tony Accardo became head of Chicago's most powerful underworld organization, a position which he has held to the present time.

During the Kefauver Committee investigation of organized crime about a decade ago, Capone's bodyguard and confidant, Phil D'Andrea, as well as other underworld characters, were subpoenaed as witnesses. In their testimony they admitted that, during the heyday of Al Capone, he had an organization over which he ruled firmly and, in his headquarters at the old Lexington Hotel in Chicago, among his frequent visitors were Jack Guzik, Louis Campagna, Paul Ricca, Phil D'Andrea, Frank Nitti, Charles Fischetti, Tony Accardo, Murray Humphreys, Robert Larry McCullough, John and Ralph Capone, Edward Vogel, Alex Louis Greenberg, and political leaders including City Sealer Daniel A. Serritella, who later became a state senator, Chicago Alderman William V. Pacelli, John Patton, mayor of Burn-

ham, Illinois, and state Representative Albert J. Prignano, who was slain in front of his home in the "Bloody Twentieth" Ward on December 29, 1935. A number of these individuals, notably Murray Humphreys, Edward Vogel, and Tony Accardo, are still active today, and several others were influential in underworld activities until their deaths in recent years.

BEER—PROHIBITION ERA TO PRESENT

Among the various breweries operating in Chicago during the early days of Prohibition was one using the name of the Malt-Maid Company. Alex Louis Greenberg testified before a congressional committee investigating the federal parole scandal involving Capone gangsters Paul Ricca, Louis Campagna, Phil D'Andrea, and Charlies Gioe that his connection with this brewery dated back to 1922 when he owned 25 per cent of its stock.¹ In 1924 federal injunction proceedings were initiated against the Malt-Maid Company in Chicago on the grounds that this company was violating the National Prohibition Act. Affidavits filed during the proceedings alleged that one of several gangsters operating the Malt-Maid Company was Johnny Torrio, then head of the Capone syndicate. In 1925 the name of the Malt-Maid Company was changed to the Fort Dearborn Products Company, Incorporated. In April 1933, following the repeal of Prohibition, the name was again changed to the Manhattan Brewing Company and in 1947 to the Canadian Ace Brewing Company, its present designation.

¹ U. S., Congress, House, Subcommittee of the Committee on Expenditures in the Executive Departments, *Hearings, Investigation as to the Manner in Which the United States Board of Parole Is Operating and as to Whether There Is a Necessity for a Change in Either the Procedure or Basic Law*, 80th Cong., 2d Sess., 1948, p. 811.

Throughout this long history, until he was ambushed and slain on December 8, 1955, Alex Louis Greenberg was a principal in the brewery's operation.

Following Frank Nitti's suicide in 1943, Greenberg admitted that he had borrowed \$110,000 from the gang leader which he repaid to the estate.² Subsequently, however, Nitti's widow, Annette, filed a suit against the Greenberg estate on February 15, 1957 alleging that, for over twenty-five years, "Alex Louis Greenberg handled all investments and financial matters of every type, nature and description for and on behalf of Frank Nitti." She asserted that Frank Nitti had delivered money and securities exceeding \$2 million in value to Greenberg and had a substantial beneficial interest in the Canadian Ace Brewery.

A few months before Greenberg was killed in gangland fashion, he had an important role in bringing about the merger on June 30, 1955 of the Fox Head Brewing Company of Waukesha, Wisconsin and the Fox DeLuxe Beer Sales of Chicago. Among the stockholders in the Fox Head Brewing Company was Capone-gang elder statesman Murray Humphreys, who owned about 2,200 shares of stock. Jack Cerone, a principal aide of Tony Accardo, had similar holdings in the company and was on its payroll at a salary of \$25,000 a year. In December 1955 the Premium Beer Sales, Incorporated of Chicago was designated the sole distributor of Fox Head beer in Cook County, Illinois and, a few months later, became the national distributor.

On April 14, 1956 a meeting was held in the Armory Lounge and Restaurant operated by Accardo's friend Carmen Fanelli in Forest Park, Illinois. Present at the meeting were Tony Accardo, his aide, Jack Cerone, Murray Humphreys, Eugene Bernstein, who

² *Ibid.*, p. 817.

was the lawyer and tax expert for Accardo and other Capone gangsters, as well as officials of the Fox Head Brewing Company, Fox DeLuxe Beer Sales, and the Premium Beer Sales, Incorporated. As a result of this meeting, Tony Accardo was placed on the payroll of the Premium Beer Sales Company at a salary of \$65,000 a year, all of which was paid by the Fox Head Brewing Company.

From 1940 through 1955, Accardo had reported on his federal tax returns income totaling \$1,155,524.17 or an average of \$72,220 a year. Forty-three per cent of this income was listed as coming from one gambling establishment, the Owl Club in Calumet City, Illinois, and from sources identified only as "miscellaneous." In October 1955 the Internal Revenue Service ordered Accardo to specify on future returns the amount of his income, the various sources, and their addresses, as well as the dates it was received.

The federal government insisted that the arrangement which placed Accardo on the payroll as a beer salesman was merely a clever device to avoid showing the true sources of his income. In 1960 he was indicted for filing false income-tax returns for the years 1956, 1957, and 1958. During a long trial, the government conclusively proved that Accardo performed no duties whatever for the \$65,000 a year he received from the beer company, and he was found guilty by a federal jury in Chicago on November 11, 1960. Subsequently, the United States Circuit Court of Appeals in a 2-to-1 decision held that prejudicial error had occurred during the trial, and, when he was retried in 1962, he was acquitted.

Regardless of the exact role he played in the affairs of the beer company that paid him \$65,000 a year, it is obvious that Accardo as well as Humphreys and other Capone bigwigs have had a

vital interest in the beer industry from Prohibition days to the present time.

LABOR RACKETEERING

On August 12, 1935, Accardo's close associate, Joseph Aiuppa, applied for a charter for a bartenders' union with headquarters in Cicero, Illinois.³ A charter was granted to Aiuppa for Local 450, Bartenders, Waiters, Waitresses and Miscellaneous Workers Union, and for many years it was under the domination of Claude Maddox until his death on June 21, 1958. The association of Accardo and other Capone gangsters with Maddox began in the early 1920's. During a congressional committee investigation a few years ago, Representative Clare Hoffman of Michigan charged that the interest of Maddox in controlling Local 450 of the bartenders union was to push Capone beer in the various taverns under its jurisdiction.

For many years to the present time, Joseph Aiuppa has been an influential figure in syndicate gambling operations in Cicero, Illinois, long a stronghold for the Capone gang. Joseph Aiuppa, Claude Maddox, and Robert J. Ansoni were partners in Taylor and Company, a firm engaged in the manufacture of gambling-casino equipment in Cicero. Gambling paraphernalia, including marked cards, was shipped throughout the nation. On January 26, 1956 Maddox, Aiuppa, Ansoni, and two other partners of Taylor and Company were convicted in federal court in Chicago for shipping gambling equipment in interstate commerce in violation of the Johnson Act. Each defendant received a prison sentence of one year and one

day as well as a fine of \$1,000. Following the death of Maddox, the Cicero manufacturing plant was closed and customers were referred to an address in Chicago.

The tremendous growth in recent years of union health-and-welfare funds has afforded added opportunities for wealth to Capone hoodlums. For a number of years, Accardo's associate, Angelo Inciso, was president of Local 286, United Industrial Workers of America. Inciso, who has a criminal record dating back to 1930, also became chairman of the board of the American Continental Insurance Company, which carried the welfare insurance on the union's 3,500 members. Following an investigation by a United States Senate subcommittee, Inciso was indicted by a federal grand jury in Chicago for violation of the Taft-Hartley labor law. It was charged that he forced the members of his union to contribute \$420,276.76 to the health-and-welfare fund but that a substantial portion of this sum was spent by Inciso for the benefit of himself and friends. Following conviction, Inciso was sentenced on June 23, 1960 in federal court in Chicago to serve ten years in prison and to pay fines totaling \$22,000. On December 14, 1961 Inciso was taken to the federal penitentiary in Leavenworth, Kansas for incarceration.

In the meantime, John A. Kilpatrick had succeeded Inciso as president of the union. Under Kilpatrick's leadership, civil suits were filed against Inciso to recover misappropriated union assets. In April 1961, while Kilpatrick was standing in a courtroom corridor on the eighth floor of the County Building in Chicago, Inciso approached him and threatened that he would have him killed. The threat was reported to the police. On October 20, 1961 Kilpatrick was ambushed and slain near his home in Chicago. Two gunmen, William

³ U. S., Congress, Senate, Select Committee in Improper Activities in the Labor or Management Field, *Hearings, Investigation of Improper Activities in the Labor or Management Field*, pursuant to Senate Resolutions 74 and 221, 85th Congress, Part 33, p. 12856.

Triplett and Dana Nash, were imported from Detroit for the job. Triplett subsequently made a detailed confession which was completely corroborated by other evidence, including the gun used in the murder. Triplett stated that he and Nash were hired to come to Chicago by Inciso's right-hand man, Ralph Polk. On October 9, 1962 Nash was sentenced to serve a minimum of ninety-nine years and a maximum of 150 years in the Illinois State Penitentiary for the murder of Kilpatrick; Triplett, who pleaded guilty and testified for the state, received a sentence on September 14, 1962 of fourteen years.

Among Accardo's intimate associates who have wielded tremendous power in labor organizations in the Chicago area are John F. Duff, business representative of Local 162, Retail Liquor Union; Alfred Pilotto, President of Local 5, Hod Carriers Union; Joseph Glimco, President of Local 777, Taxicab Drivers Union in Chicago; and John Lardino, an official for two decades of Local 593, Hotel and Apartment Employees and Miscellaneous Restaurant Workers Union, until the McClellan United States Senate Rackets Committee investigation in 1958 forced his removal.

TRADE ASSOCIATIONS

Throughout Lardino's reign of influence, Local 593 maintained a cordial working relationship with the Chicago Restaurant Association. During a period of labor violence in 1939, the Chicago Restaurant Association expeditiously retained as its labor-relations counsel, at a salary of \$125,000 a year, the former attorney of Al Capone, Abraham Teitelbaum. Peace was restored until 1953, when Teitelbaum fell into disfavor with officials of Local 593 of the Restaurant Workers Union. At this point, Teitelbaum was succeeded by

attorney Anthony V. Champagne, a friend of Accardo who had represented important Capone hoodlums. In private practice, Champagne's annual income was \$9,000. As labor-relations counsel for the Chicago Restaurant Association, his salary skyrocketed to \$125,000 a year. As his assistant labor-relations counsel, Champagne hired an Accardo associate, Sam English, whose only training for the job was the operation of a syndicate gambling joint in Cicero, Illinois. In the summer of 1954, Accardo and Champagne quarreled violently over Champagne's manner of reporting his restaurant association income in his tax returns, and, having incurred Accardo's displeasure, Champagne promptly resigned his lucrative post with the restaurant association.⁴ The incident clearly demonstrated the discipline that is maintained by syndicate boss Tony Accardo and the influence he then exerted over the restaurant association and Local 593 of the Restaurant Workers Union.

The restaurant association was only one of several trade associations in which Capone gangsters have exerted influence in recent years. A few years ago, hoodlums Paul Labriola and James Weinberg organized the Cook County Licensed Beverage Dealers Association. In 1954 Joseph Nicoletti, an Accardo associate who operates a tavern in Chicago, was named president of the association, which was reportedly formed to shake down liquor establishments. Labriola and Weinberg were killed in gangland fashion, and their bodies were found on March 15, 1954 stuffed in the trunk of a car. At Accardo's income-tax trial, Joseph Nicoletti was one of two witnesses convicted for giving perjured testimony in the gang leader's behalf and sentenced in 1962 to federal prison.

⁴ *Ibid*, pp. 12797, 12799, 12802.

FINANCE—CAPONE STYLE

The basic industry of organized crime everywhere is gambling, and much of the money invested by gang leaders in legitimate business was derived originally from that source. Gambling enterprises also give rise to related ventures, such as loan sharking. Inveterate gamblers who patronize gambling establishments frequently become hopelessly in debt and desperately in need of money. Loan sharks affiliated with gambling-house proprietors loan money at exorbitant rates of interest. For example, within recent months a small businessman of Cicero, Illinois became indebted in the amount of \$1,600 to a bookmaking establishment under the control of Sam "Mooney" Giancana and other Capone-syndicate hoodlums. The money was made available by loan sharks connected with the establishment. However, they extracted an agreement from him to liquidate the indebtedness of \$1,600 by making weekly payments of \$200 for twenty weeks, or a total of \$4,000. When he was unable to meet these payments, he was threatened with death unless he could produce the money by a specified date. The victim, trembling with fear, reported the matter to the Cook County State's Attorney, and his life was saved.

In 1961 there were fifteen gangland-type killings in the Chicago area. At least eight of the victims had direct or indirect connections with Capone-syndicate gambling establishments in Cicero, and a minimum of five had been dealing with syndicate loan sharks or were making collections for them.

In addition to illicit loan-shark operations, important members of the organized underworld have invaded the field of legitimate finance. On August 11, 1961 the nearly nude body of William "Action" Jackson was found stuffed in the trunk of his Cadillac, which had

been abandoned on the lower level of Wacker Drive in Chicago. He had been tortured and beaten to death. Jackson had served as a collector for a vicious ex-convict, Sam De Stefano, an associate of Tony Accardo and other Capone bigwigs. De Stefano was engaged in loaning money at usurious rates of interest. It was also developed that Jackson had borrowed money from the Parr Finance Company located in Oak Park, Illinois. The office manager of the Parr company was an ex-bootlegger, Sammy Lewis, who had hired Jackson to bring in new customers to the Parr company as well as to round up bad debts.

Following the gang killing of ex-convict Ralph Del Genio, whose battered body was found in an automobile abandoned on South Wells Street in Chicago on June 20, 1961, it was determined that he had lost heavily in Cicero syndicate gambling establishments and was deeply in debt. Among various firms from which Del Genio had borrowed money was the Frontier Finance Corporation, 5131 West Madison Street in Chicago. The vice-president of the Frontier firm was Frank Buccieri, a brother of Fiore "Fifi" Buccieri, an important Capone mobster who also exerted influence in the affairs of the Frontier firm. Associated with Frank Buccieri in the Frontier Finance Corporation were influential politicians, including a former postmaster of Chicago, the former Republican Cook County Chairman, a retired Chicago police captain, and a former Cook County deputy sheriff. The Buccieri brothers had their fingers in several finance company operations. Frank was president of the Post Finance Corporation, and Fiore was the secretary of the B & B Finance Company located on Milwaukee Avenue in Chicago. Following an investigation by the director of Financial Institutions for the State

of Illinois, Frank Buccieri sold his stock in the Frontier Finance Corporation and relinquished his state license for the Post Finance Corporation.

FOOD BUSINESS

In the early 1950's, Fiore "Fifi" Buccieri was one of several Capone hoodlums sought for questioning in a horse-meat scandal that rocked the Chicago area. His attorney at the time was Anthony V. Champagne, who has represented many Capone gangsters. Among those convicted as a result of the horse-meat investigation was Joseph Siciliano who was sentenced on June 5, 1953 in Waukegan, Illinois to serve a prison term of two to five years for bribing a state food inspector. In 1961 it was determined that the Frontier Finance Corporation had loaned several thousand dollars to Joseph Siciliano to engage in the wholesale meat business. Frank Buccieri admitted that arrangements for the loan were made by his brother Fiore. Siciliano appropriately named his venture the Frontier Meat Specialties, Incorporated, with offices on West Randolph Street in Chicago.

A number of important syndicate hoodlums have become engaged in the food industry. In 1957 Meyer Ditlove, an ex-convict who also served a prison term for involvement in the horse-meat scandal, launched the Twin Food Products Company in Chicago. This firm operated a rendering plant and engaged in the sale of shortening to hotels and restaurants. Ditlove's son-in-law, Lawrence Rosenberg, was secretary and treasurer of the company, and ex-convict Leo Rugendorf served as president until 1961. Stockholders in the company included Marshall Caifano, Sam "Teets" Battaglia, Albert "Obie" Frabotta, and Philip "Milwaukee Phil" Alderisio, four of the most notorious and powerful members of the Capone organization.

During public hearings in 1961, the chief sanitary officer of the Chicago Health Department testified that inspections of the Twin Food plant revealed numerous violations of the health laws, and the rendering operations of the company were ordered halted. City sanitation inspectors also examined Twin Food trucks containing products owned by sister companies known as the Twin Distributing Company, Incorporated and the P and S By-Products Company. The truck floors were described as dirty and in March 1961 city health inspectors condemned 1,000 pounds of meat and other products. Sam Battaglia, a salesman for the Twin Food Products Company, was also a buyer for the P and S By-Products Company, which was engaged in the purchase of meat by-products used in the manufacture of commercial shortening. In May 1961 the Twin Food Products Company was found guilty in the Municipal Court of Chicago for operating without a rendering license, and in August fines were imposed.

AUTOMOBILE SALES

In the midst of court proceedings involving the Twin Food Products Company, two officers of this firm were prominently mentioned in connection with the weird and tangled affairs of the Sterling-Harris Ford Agency in Chicago. An involuntary petition in bankruptcy was filed against the automobile agency, and on March 5, 1961, 300 automobiles were suddenly removed from the agency's lot and showroom. Also missing were the records of the agency, which were subsequently located in the basement of a waste company owned in part by Lawrence Rosenberg, secretary and treasurer of the Twin Food Products Company. Witnesses at the bankruptcy proceedings contended that the 300 automobiles that disappeared from the Ford agency on

March 5, 1961 were driven away by a platoon of car hikers under the direction of Leo Rugendorf, the former president of the Twin Food Products Company. The hearings also highlighted the interest of Capone-syndicate hoodlums in the affairs of the Ford agency. On the day after the cars disappeared, Philip "Milwaukee Phil" Alderisio and several other Chicagoans met with a Wisconsin automobile dealer in Milwaukee and offered to sell him fifty automobiles for \$50,000. The Wisconsin dealer rejected the deal when the vendors refused to furnish certificates of origin for the cars. Alderisio thereupon threatened the dealer, and the Sheriff of Marathon County, Wisconsin placed a guard around his home to protect him. Early in May 1961, it was discovered that the titles for twenty-eight automobiles obtained from the Sterling-Ford Agency had cleared through the office of the Secretary of State in violation of a Chicago Federal District Court order. Many of the cars were found registered in the names of friends and associates of Capone-gang leaders. Several of these cars were driven by guests attending the wedding reception given for Tony Accardo's daughter on April 27, 1961.

COIN MACHINES

The Capone syndicate has been particularly interested in almost all phases of the coin-machine business. Following the enactment of federal legislation prohibiting the interstate shipment of slot machines, the underworld began concentrating on the operation of the multiple-play pinball machines equipped with devices to record the number of free games won by the players. The location owner makes cash payments to the winners of free games, and the recording device enables the underworld operator to know exactly how much money has been paid in winnings when

he makes regular settlements on a percentage basis with the location owner. These pinball machines are merely subterfuges for the old one-arm-bandit type of slot machine and are actually more lucrative.

Although pinball machines have been banned in the city of Chicago for many years, the surrounding territory in Cook County as well as adjacent counties has been a fertile field for pinball-machine operations. And Capone gangsters have monopolized this business.

Edward Vogel, a member of the inner circle of syndicate leaders since the days of Al Capone in the 1920's, is a dominant figure in the pinball, jukebox, and cigarette vending-machine business in the Chicago area. Vogel, once known as the slot-machine king of Cook County, heads a firm called Apex Amusement, Incorporated, located at 4246 North Lincoln Avenue in Chicago. Another company having the same address and telephone number is called the DeLuxe Cigarette Service, a cigarette vending-machine operation.

Early in 1961 among the cigarette vending-machine firms operating in the Chicago area was the Paramount Vending Company with offices in Evanston, Illinois. Heading the Paramount firm was ex-convict Morris Litberg. One of Litberg's employees was an associate of Philip "Milwaukee Phil" Alderisio, and it was apparently through him that Alderisio became affiliated with the company. Whenever Alderisio felt the need for money, he helped himself to sums ranging from \$1,000 to \$3,000 from the petty-cash fund. The Paramount Vending Company began to lose many of its stops, and its business deteriorated. At this point, Litberg retained ex-convict John Arthur Powers, whom he had met in the Illinois State Penitentiary, to help him protect his interests in the Paramount Vending Company. Powers in turn brought Edward McNally, his

friend, into the picture. Powers and McNally frequented syndicate gambling establishments in Cicero, Illinois and became heavily indebted. McNally had also made loans from the Parr Finance Company in Oak Park and from the Frontier Finance Company in Chicago. On January 9, 1961 Litberg was given a severe beating in a syndicate establishment and fled the Chicago area. Later, John Powers was ambushed and slain in gangland style on March 30, 1961, and Edward McNally was killed in similar fashion on May 15, 1961.

MUSIC

The jukebox industry in the Chicago area has been under the domination of the Capone organization for several decades. Although jukebox manufacturing is in the hands of reputable firms, the boxes are sold to distributorships which are often mob owned or controlled. A few years ago, the largest distributorship in the Middle West was owned in part by Tony Accardo and Jack Guzik's son-in-law. The distributor sells the boxes to operators who place them on location. The principal operators' associations in the area have been dominated by Edward Vogel and other members of the Capone organization, who have maintained close working relationships with officials of the electrical workers union. Threats of picketing from union officials keep the location owner in line and enable Capone hoodlums to monopolize choice territories.

Even the distribution of phonograph records to jukebox operators has been taken over in part by members of the Capone organization. In recent years, a Chicago record firm known as the Lormar Distributing Company has been operated by Accardo's associate, Charles "Chuck" English, who was formerly in partnership with his brother Sam Eng-

lish in a Cicero gambling establishment. The proprietor of a jukebox record service testified before the McClellan Senate Committee that, after the Lormar firm entered the field, he was approached by Edward Vogel of the Apex Amusement Company who stated that "a friend of theirs had gone in the record business and hereafter they would have to switch all of their business to them."⁵ Customers of the witness were informed that, unless they quit trading with him and gave their business to the Lormar Distributing Company, the electrical workers' union would throw their machines in the street. The Lormar company also engaged in the counterfeiting of record labels, and in September 1958 George Hilger, an associate of Charles English, was found guilty of this charge in the Cook County Criminal Court. In some instances, recording artists have been managed by men with syndicate connections. Jukebox operators testified that they were approached by Joseph Glimco and instructed to place the records of such artists on the number one spot on their phonographs.⁶

In the Roaring Twenties, the gang leader was a distinguishable type. He wore a white hat, expensive and flashy clothes. He was arrogant and ostentatious. His relations with influential politicians were open and notorious. Today he differs little in appearance from the legitimate businessman, and his relationships with politicians are usually more covert. Basically, however, the gang leader has changed very little. His underworld organization runs on the same principles as it did in more colorful days. Discipline is still imposed at the point of a gun. And the gang leader, for all his outward refinements, still knows only one law—the law of the jungle.

⁵ *Ibid.*, Part 47, p. 17029.

⁶ *Ibid.*, Part 47, p. 17015, 17038.