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For a distinguished example of reporting on national affairs, Five thousand dollars (\$5,000).

Awarded to *The Wall Street Journal* staff for its coverage of the struggle against AIDS in all of its aspects, the human, the scientific and the business, in light of promising treatments for the disease.

Also nominated as finalists in this category were: Ronald Brownstein of the *Los Angeles Times* for his comprehensive political coverage during the presidential election year, and Bill Moushey of the *Pittsburgh Post-Gazette* for his resourceful reporting on the federal Witness Protection Program illustrating how the program's secrecy and lack of oversight has led to abuses and risks to the public.

Deals with the devil

Cloaked in secrecy, the witness protection program loses its innocence

By Bill Moushey
Post-Gazette Staff Writer

Even in prison, Salvatore Gravano was every bit the braggart he was on the streets of New York City. He crowed to fellow inmates that he had killed 19 people — give or take a few — during his career.

He regaled them with stories about his adventures in the Mafia.

He confided to all who would listen that it was his testimony that brought down the feared John Gotti of New York's Gambino crime family.

And Gravano had something else to brag about. Because he gave prosecutors information that helped convict Gotti, Gravano's own life of murderous racketeering only cost him 3½ years in prison.

About three months per body.

Using the federal Witness Security Program, commonly called the witness protection program, federal officials traded a token prison sentence for his testimony.

And, Gravano boasted again, he got to keep \$8 million in illegally gained assets and government rewards through his investment in crime.

Now free and rich, Gravano is living under an assumed name where unwitting neighbors know nothing about his past.

He has joined a long list of multiple killers, powerful drug distributors and other major criminals whose deals with the government are raising new questions about a program originally designed to trade smaller criminals for larger ones or to protect innocent citizens who risk their lives in order to bring criminals to justice.

Government officials say Gravano's deal was worth it, since he helped convict more than 50 other mob figures, making him one of the most significant Mafia defectors ever.

But while his testimony temporarily crippled leadership of the New York mob, its five crime families still exist, still thrive. In fact, John Gotti's son has now taken control of the Gambino family.

Some say it's the witness protection program that is out of control.

A yearlong investigation by the Pittsburgh Post-Gazette has revealed that the

PROTECTED WITNESS

◆ **TODAY:** The federal witness protection program begins to fray

▷ **TOMORROW:** It frees criminals who sometimes commit more crimes

▷ **TUESDAY:** It provides money or gives it back to witnesses who leave rich

▷ **WEDNESDAY:** It shelters some and abandons others

▷ **THURSDAY:** It is abused by liars who corrupt justice and go free

▷ **FRIDAY:** It is virtually uncontrolled; Congress hasn't investigated for 14 years

Witness Security Program has evolved in ways that were never intended by its creators and which, at times, threaten public safety rather than ensure it. These are among the findings:

- Criminals who have been released from prison as part of their deal with the Witness Security Program have gone on to commit scores of violent crimes, including at least 20 murders. Because the identities of the protected witnesses were often kept secret by the government, neither their neighbors nor the local police had any idea about their violent pasts.

- Some protected witnesses leave prison wealthy — if they even go to prison — since the program pays to relocate them and returns large sums of money they accumulated during their lives of crime, as well as adding lucrative government rewards. In one case, the government moved a powerful drug dealer and his entire extended family — including the baby sitter — from Panama and settled them in the United States.

- Two systems of justice have developed under the Witness Security Program. High-profile criminals whose cooperation

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makes headlines often get big-money deals from the government, which handles every detail in setting up their new, secret lives, and protects them at every turn.

Then there are the others, the bulk of the 6,000 men and women in the program, who are small-time thugs. Among them are those who give up their previous lives, homes, and identities with little or no help even though the government had promised it. One who testified for the government at some risk was told he'd be protected. But when his prison term was up, he was dropped off at the end of the prison driveway and told to take a cab to the airport. The only money he was given to start his new life was \$16 short of the fare.

• It is a program where snitching always has been the currency for freedom. But increasingly the truth has little to do with anything. Seasoned convicts have learned that while snitching once has kept them out of the death chamber, snitching again and again can win freedom, even if the information they are selling isn't true. One prosecutor fell victim to these scams in some of the most notorious street gang cases in America.

• The program is hidden so carefully under the veil of national security that even the U.S. Congress, charged with oversight of the program, hasn't held a hearing on the program in 14 years, despite substantial questions raised about it in audits, news reports and civil complaints.

During the last hearing in 1982, which was called after a protected witness killed at least six people in four states, federal officials apologetically told Congress they were going to pull in the program's reins.

Its budget has grown by at least 80 percent since.

How it began

The Witness Security Program gained its first public attention in 1964 when Joseph Valachi, the first La Cosa Nostra member to publicly confirm that the organized crime group existed, appeared before a congressional committee.

Valachi was facing the death penalty after numerous convictions, including the beating death of an inmate at the U.S. Penitentiary at Atlanta.

Then federal agents made him a deal. If he would tell them what he

knew about the Mafia, he would be freed and taken out of the country for his protection.

But unlike Gravano or other modern-day organized crime figures who got freedom and millions, Valachi got nothing more than solitary confinement for protection and \$15 a month in prison pay. Bewildered by the broken promises, Valachi tried to commit suicide.

From this meager beginning, the program began to grow. In the early 1970s, it was estimated that "between 25 and 50 witnesses would be protected each year at a cost of less than \$1 million," according to a 1983 audit of the program by the controller general of the United States.

By 1974, the government spent \$3.1 million on 647 people admitted to the program that year.

By 1982, when the program took in 324 new witnesses, the total budget was \$28.4 million. At the time, the Justice Department insisted the continued and longstanding involvement from witnesses previously enrolled in the program caused costs to soar.

Between 1989 and 1992, the program spent \$138.2 million.

And for last year alone, the figure was \$53 million.

The program gradually changed as it grew. Instead of solitary confinement for safety purposes, protected witnesses who followed Valachi were kept locked up in remote, highly secured sections of federal prisons or in remote county jails, safe houses and hotel rooms.

That changed again when high-profile Mafia members like Angelo Lonardo of Cleveland joined the program. Lonardo and other prize witnesses were kept in out-of-the-way mountain retreats or beach houses guarded by deputy U.S. marshals during their cooperation and confinement because the government decided such accommodations were safer than any prison could be.

Then in the early 1980s, the managers of the program, the Justice Department's Office of Enforcement Operations, institutionalized it by building the first of five special prison units in Otisville, N.Y., Sandstone, Minn., Phoenix, Allenwood, Pa., and Fairton, N.J.

Once out of prison, the witnesses usually get new names, new Social Security cards and trips to their new homes. And unless they strike

lucrative deals like Gravano's, they'll get monthly stipends of as much as \$2,000 for 18 months or until the government decides their lives are stabilized. They might get small grants to start businesses. They might get money for second-hand cars. But within two years, most of them are severed from the program and fade into the relative comfort of anonymity.

But some can't seem to stay there. They find it easier to change their identities, their homes, their jobs and even their families, than they do their bad habits. It's violence and havoc no matter where they live.

Murderers released

The 1983 audit of the Witness Security Program concluded that protected witnesses have been involved in numerous crimes after they were freed.

"Auditors identified seven witnesses who have been convicted of murder, one who is currently charged with murder, and indications that four others were charged with murders. Other serious crimes committed by witnesses include arson, robbery and assorted drug violations," the audit says.

A second audit done in 1992 repeated those findings and added figures for 1989. One-fifth of all witnesses admitted to the program that year committed crimes while they were in the program. But the audit also observed that witness program officials refused to provide sufficient information for the study to be complete.

According to research done by the Post-Gazette, at least 20 murders have been committed by protected witnesses, including those by Marion Pruett.

Pruett was a drug addict and twice-convicted bank robber who was imprisoned in the penitentiary in Atlanta. In 1978 he told officials there that he witnessed the murder of his cellmate, then testified against the supposed killer. For his testimony, he gained freedom and admission to the witness protection program.

Years later, he told police officers in New Mexico his story was a lie; that he actually did the killing, then pinned it on someone else in an elaborate plan to get into the program.

By that time, Pruett had been relocated to Albuquerque with his common-law wife. Sometime in the next two years, he beat her to death with a hammer, chopped her body in pieces, then took it to a remote desert where he doused it with gasoline and burned it.

Then he went on a cross-country rampage, robbing banks in Bridgeville, Pa., and several other cities. He also killed at least five more people before he was caught in 1981.

One of the outgrowths of Pruett's crimes was a hearing before a subcommittee of the U.S. House Judiciary Committee where several congressmen called for the end of the witness program.

Then Associate Attorney General Rudolph Giuliani, who used the program later while he was U.S. attorney for the southern district of New York, said he was considering a "strict quota system" to only use the program in "one or two really major cases" a year.

And he vowed to improve the program so that the Pruett experience would not be repeated.

But a decade later, the program allowed James Red Dog to leave prison and move to a neighborhood in Wilmington, Del.

Red Dog had been convicted of four killings before he snitched on two other prisoners who he said helped him murder another inmate at the U.S. Penitentiary at Marion, Ill.

Red Dog told authorities that through his wife, he had smuggled poison into the prison to kill a thieving inmate who snorted the substance, thinking it was cocaine.

He named two inmates who, he said, helped him in the murder.

For his testimony, Red Dog's wife was admitted into the witness program, and he followed her to Delaware shortly after his release from a protected witness prison.

Four years later, in 1991, Red Dog attacked a Wilmington resident, nearly beheading him with a hunting knife during a violent rage. Then he abducted his victim's mother and raped her repeatedly until she escaped.

In 1993, Red Dog was executed in Delaware.

The grief Red Dog caused was a high price to pay for what the federal prosecutors got: The two inmates Red Dog testified against to gain his release from prison

were both acquitted of the crime.

Keeping the money

In order to do combat in the war on drugs, the federal government often seizes the money and property of drug dealers. But if the drug dealers snitch on others and enter the Witness Security Program, they often get their freedom and keep their millions.

When the U.S. government was preparing its racketeering case against former Panamanian president Manuel Noriega, it offered witness protection to some of the biggest drug dealers in the world.

In exchange for their testimony against Noriega, at least 20 members of drug cartels around the world received drastically reduced or token prison sentences and were released, along with their drug money.

One is Max Mermelstein, a Miami dealer who told prosecutors Noriega had taken payoffs from the Medellin cartel in exchange for allowing smugglers to use his country as a way-station for drug shipments. He served less than two years despite admitting to smuggling 56 tons of cocaine worth \$12.5 billion into this country. He is now free and living under an assumed name with his massive wealth.

Floyd Carlton Canceres, a former Noriega pilot and Panamanian military official, admitted to smuggling 1,000 kilograms of cocaine worth \$25 million and faced a sentence of life plus 145 years in prison until he helped prosecutors with Noriega. He was released after only two years in a protected witness unit, followed by three years of parole. The government paid \$211,681 for Carlton's living expenses, which included the purchase of a car. His deal included relocation of more than 20 members of his family, including a baby sitter.

Carlton was not required to forfeit any of his wealth or property he owns in Panama.

Even while protected witnesses are still in prison, they lead lives considerably more comfortable than do other prisoners. In fact, the witness units are unlike any other prisons in the world.

In ordinary prisons, telephone calls are usually limited to a few a week, and collect calls are the only ones allowed.

But in the protected witness units, the prisoners get free use of federal telephones and can call anywhere in the world at taxpayers' expense. Protected witnesses in favor with prosecutors get unlimited ac-

cess to the phones.

In addition, they are permitted to use their own money to buy food, appliances, jewelry, athletic equipment, and just about anything from any place that will deliver.

"I ate lobster, crab meat, we even roasted a pig once," said George E. Taylor Jr., who spent almost six years in the protected witness units.

Each inmate is provided with a color television with cable that includes pay-per-view so they can watch programming ranging from prize fights to pornographic movies.

In addition, all of the protected witnesses interviewed for these reports say illegal drugs or prescribed mind-altering drugs are easy to get in the unit.

Two systems of justice

Once outside of prison, protected witnesses seem to fall into two categories: The powerful, who are given what they were promised — a new name, a new home, a new life. And the low-level snitches, whose relationship with the witness program ends abruptly after they've given up what they know. Big shots and high-fliers while they're telling their secrets, they find themselves suddenly out there alone, without a net.

Among this group are those who complain that they've been lied to by the same deal-makers who have turned them into snitches.

George Taylor is one who felt abandoned. A former drug dealer, armed robber and massage parlor operator, he actually did more time in prison because he snitched than if he would have kept his mouth shut and simply served out his robbery sentence. After setting up several drug dealers, he was transferred into the witness protection program, a move which caused him to miss so many parole hearings that he served almost two years more than his minimum sentence.

For his cooperation, Taylor said, he was to get a new identity, relocated and given seed money to forge a new life. But on his release date at the Federal Correctional Institution at Phoenix, the government changed the plans.

Instead of being set up with an anonymous life in a new home, Taylor was handed a plane ticket and \$30 and shown the prison door.

He said the change of heart occurred

when officials learned that he planned to publicly discuss the program.

He has since been repeatedly threatened with revocation of his parole. Recently, he was ordered back to Missouri by parole officials, despite the government's own assessment that more than 40 people want to harm him.

Since he was freed last June, his home was burglarized by someone who seemed to be only interested in records and he was held by two deputy U.S. marshals for about six hours. He has taped conversations with his Missouri parole agent who said federal officials have been in constant contact with her about his status.

The government actions have increased his resolve.

"I would never, ever, rat again."

In conversations with his parole officer, federal officials depict Taylor as a vengeful liar. During the time they were using his information, however, Taylor passed repeated government-administered polygraph tests and the information he provided stood up.

But he and nearly everyone interviewed about the program say it has become a bastion of liars who fabricate stories to trade for their freedom.

Liars

William Koopman, an associate of the mob in Buffalo, N.Y., admitted to being involved in seven murders but volunteered to testify against many of his friends in exchange for a five-year prison sentence.

In one gangland murder case early in 1990, Koopman named another mobster as the man who put a bullet into the head of a small-time crook. The man was convicted of murder and Koopman was freed, as promised.

But in 1995, seven months after he was freed, Koopman was called to testify in a post-trial hearing on the murder case. This time, he said he was the shooter.

"You pulled the trigger?" the attorney asked.

"Yes."

"You lied about that at trial, didn't you?"

"In trial, yeah," Koopman said.

That startling revelation has fueled appeals in at least 10 cases that Koopman testified in.

But what dumbfounded the defense lawyers is that after Koopman revealed he

lied, several local, state and federal officials admitted they had known or suspected for years that Koopman was the actual shooter in that case.

Nevertheless, prosecutors on state and federal levels still used Koopman's testimony repeatedly during that time. And despite clear language in his agreement with the witness program that if he was caught lying he could be prosecuted, Koopman has not been charged with murder, perjury or anything else.

Today, after five years in a protected witness prison, Koopman is free.

Federal officials haven't commented, but Frank Clark, assistant district attorney in Buffalo, said there are no plans to charge Koopman.

According to protected witnesses who were interviewed for this story, Koopman's story is not unusual. The witness protection system is littered with liars, they say, who know that damaging testimony — true or not — can be their ticket to freedom.

Secrecy

Because the backbone of the Witness Security Program is its promise to protect witnesses by keeping their whereabouts secret, the \$53-million-a-year program operates without much public scrutiny.

Only three complete audits have been conducted in more than 20 years. The congressional committee charged with oversight of the program had its last public hearing in 1982.

Witnesses in the program who are unhappy with the results say their criticism is often muzzled by the government.

In 1991, James Cardinali, a New York City mobster who testified under the program, stood in front of the U.S. District Courthouse in Albuquerque with a lunch-board adorned with a bull's eye around his neck.

He said the government had abandoned him, marking him for death after he was used as a witness.

Like other witnesses who have made brief forays into the public eye while they are in the program, Cardinali disappeared only a few days later, after he was jailed on a parole violation for leaving his assigned state without permission to go to Washington, D.C., to appear on Larry King's CNN talk show. His whereabouts and his fate are unknown.

Hunted down, then protected

Once, Carlos Lehder Rivas was atop the most wanted list;
but there was someone else the U.S. wanted more

By Bill Moushey
Post-Gazette Staff Writer

For a while, Carlos Lehder Rivas was America's public enemy No. 1.

With business skills as strong as his taste for violence, Lehder had turned Colombia's chaotic cocaine trade into the Medellin Cartel, an efficient and murderous operation responsible for 80 percent of the cocaine that came into this country a decade ago.

So when Lehder was finally captured in a Colombian jungle in 1987 after almost four years in hiding, then-U.S. Attorney General Edwin Meese hailed it as a major victory in the war on drugs. Lehder would be extradited, officials announced, and become the first foreign drug lord to face the full force of American justice.

Not mentioned in the burst of publicity surrounding the arrest was one curious fact: Lehder had already begun cutting a deal from his remote hideaway, a deal that would eventually land him in the federal witness protection program.

How could the man who ran the world's biggest drug operation, a man wanted for years by the American government, wind up as a federally protected witness?

Because the Justice Department desperately wanted Panamanian President Manuel Noriega, a smaller player in the drug trade but a bigger political fish.

In exchange for his testimony against Noriega in 1992, the U.S. government cut Lehder's sentence from life plus 135 years to 55 years. Lehder now claims he had an additional deal that would have further reduced his sentence and made him eligible for deportation and freedom. This deal, he complains, the government renege on.

The Lehder case illustrates how far the federal government's use of the witness protection program has moved from its original intent of protecting innocent victims or informants who testify against major crime figures. Lehder was rewarded for turning in someone who was in effect an underling in his operation.

For his testimony, he got special treatment in prison, a drastically reduced sentence, and protection in this country for his family. And, only a small fraction of his \$2.5 billion cocaine-built fortune was seized.

The man originally in charge of Lehder's prosecution believes the deal between the government and Lehder was a travesty.

Robert Merkle contends that Noriega would have been convicted without Lehder.

"First of all, Lehder's testimony was entirely gratuitous and unnecessary for a conviction of Noriega. Secondly, they gave a deal to the guy who was directing the bad activities to convict someone who was following directions."

Merkle, U.S. attorney in Tampa

at the time, is appalled by the Lehder case. "I never contemplated any kind of deal with Carlos Lehder," he said. "It never entered my head to even think about it."

But Merkle was overruled by his Justice Department bosses in Washington intent on putting away Noriega.

Protecting a menace

A look at Lehder's life raises the question about why the government would even consider a deal with him.

Born in the United States of a German father and Colombian mother, Lehder began his life of crime as a low-level drug dealer in Michigan. After doing time for a drug-related car theft, Lehder decided to seek his fortune in Colombia.

Barely eking out a living as a car dealer, Lehder decided to cash in on the burgeoning demand for cocaine in the United States in the early 1980s. Using an efficient, high-tech approach to cocaine smuggling that facilitated shipment of the drug in mass quantities, Lehder was soon a rising star. He found a remote landing strip at the southern tip of the Bahamas, Norman Cay, which he secured by bribing Bahamian officials and running off its inhabitants. Jets loaded with cocaine would travel to Norman Cay. The drugs would be reloaded onto smaller planes and dispatched to northern Florida, Georgia and the Carolinas. These unexpected destinations made evasion easier because U.S. authorities were watching only the country's southern borders.

The smuggling operation was an overnight success. Court papers show the first load Lehder shipped in 1982 reaped a \$1 million profit for two days of work.

Shortly thereafter, Lehder talked other drug lords into forming a cooperative that became a cartel based in the northwestern industrial city of Medellin.

At the peak of the cartel's power,

every hour of every day a jet loaded with as much as 300 kilograms would roll into the Bahamian air strip.

Court papers say Lehder earned \$250 to \$300 million a year in the early 1980s. He owned 15 cars and trucks, three airplanes, a helicopter, 12 haciendas, an apartment building and nine other properties, including a huge Bavarian-style tourist complex in Colombia's Armenia City, as well as assets throughout the world.

By 1987, his net worth was estimated at more than \$2.5 billion.

Violence was as crucial to the cartel's success as were Lehder's shrewd ideas for transporting cocaine. Although the United States charged Lehder with drug dealing and money laundering and not murder, acts of violence carried out on his behalf were documented in a federal detention order drawn up in 1987.

In it, the U.S. government says Lehder and others were responsible for assassinating Colombia's justice minister in 1984; for the 1985 armed attack on Colombia's Supreme Court building that killed 11 justices and 84 other people; for assassinating two newspaper editors in Colombia and 26 other journalists; for shooting the Colombian ambassador to Hungary in 1987; and for a long list of murders of police officers, informants and other government officials.

Lehder once threatened to kill one federal judge a week if he was caught, prompting U.S. officials to put narcotics agents, their families and other officials on worldwide alert after his arrest.

During his trial in 1988, U.S. marshals were parked outside the homes of prosecutors and other agents involved in the matter. But none of this dissuaded the government from making a deal.

Unjust deserts

Lehder had been named in drug-related racketeering indictments in Florida in 1984. But it took the United States three years to persuade

the Colombian government to live up to an extradition treaty and turn Lehder over.

That happened in 1987. Lehder got special handling from the start. Instead of being held in Florida where he would be tried, Lehder was housed in a two-cell unit at the U.S. Penitentiary in Marion, Ill., and given a telephone.

There he made contact with aides to Vice President George Bush, who had run the Central Intelligence Agency during the early years of the cartel. Over the next 18 months, senior officials from the FBI, CIA and other investigatory agencies interviewed Lehder.

Merkle, the man who prosecuted Lehder, knew none of this. Lehder's seven-month trial proceeded normally and ended in 1988 with a conviction on drug distribution and related crimes. He got life in prison plus 135 years. Merkle felt justice was served.

Only later would he find out that Lehder was scheduled to testify against Noriega for a reduced sentence.

In April 1992, Noriega became the first leader of a sovereign nation to be convicted in the United States. He and 17 associates were found guilty on two counts of racketeering, conspiracy to import cocaine and a variety of other related crimes.

In his testimony, Lehder admitted he had no direct contact with Noriega, but said the Medellin Cartel paid millions to the Panamanian president. But he was not an impressive witness. Much of his testimony, laced with rambling tirades about American imperialism, was so incoherent the judge considered ordering a psychiatric examination.

Merkle, who had prepared a Noriega indictment in Tampa, was mystified by the decision to deal with Lehder. He believes to this day that his case was "very strong" without Lehder.

Lehder, he says, "got a very

large quid for a very small quo. He would have done the United States a lot more good if he had forked over millions and millions of dollars he made selling coke."

Lehder, for his part, is not satisfied. He contends he's the victim of a double cross. Last fall he wrote a letter to U.S. District Judge William Hoeverler of Miami, the man who presided over the Noriega case. Lehder asked to recant his testimony because he said the government reneged on a deal that would have cut his sentence to 30 years. That sentence reduction would have made him eligible for extradition to Germany or Colombia. Hoeverler has yet to rule on Lehder's motion.

Ernst D. Mueller, a former federal prosecutor who tried the Lehder case with Merkle, said Lehder has already got more than he deserved.

"He has gotten everything we promised, and then some. There were no other deals that I'm aware of," Mueller said.

Mueller said a case could be made that Lehder didn't hold up his end of the deal. While Lehder professed to have large amounts of information about corrupt governments throughout Central and South America and in the Caribbean, he has testified only in the Noriega matter.

When Mueller made that point to Lehder, the Colombian offered nothing more.

Three years later, Lehder wrote his letter of complaint to the judge.

Within weeks of sending that letter last fall, Lehder was whisked away into the night, several protected witnesses at the Mesa Unit in Arizona say. No one has heard from him since.

Court papers do not show any further sentence reductions. German and Colombian officials say they know nothing about his whereabouts and Justice Department officials refuse to acknowledge that Lehder is even in the witness program.

About this story: Peeling away layers of secrecy

Because the federal Witness Security Program has grown for 25 years behind a veil of secrecy, the public record of its activities is virtually nonexistent.

So when several protected witnesses complained to a Post-Gazette reporter that the program had run amok, ordinary research techniques did not suffice.

Nine written requests for information about the program were made to the U.S. Justice Department, citing the Federal Freedom of Information Act which gives the public access to records of government activity.

Sixteen months later, none of the documents has been released other than a copy of one audit done by the U.S. General Accounting Office. Almost half of that was blanked out for "national security" reasons.

In addition, the protected witnesses who were talking to the reporter would not give their names, saying they feared retaliation from officials who did not want information made public. Eventually the reporter found George E. Taylor Jr., a protected witness in prison who had become so angered by the program that he sent letters to Congressmen and other federal officials asking for an investigation.

Taylor said his letters were forwarded, in turn, to Witness Security officials who threatened to banish him from the program if he didn't stop talking.

Taylor continued to talk. In trying to set up an interview with the Post-Gazette reporter, Taylor relied on a confidential Memorandum of Understanding every protected witness signs before going into the program.

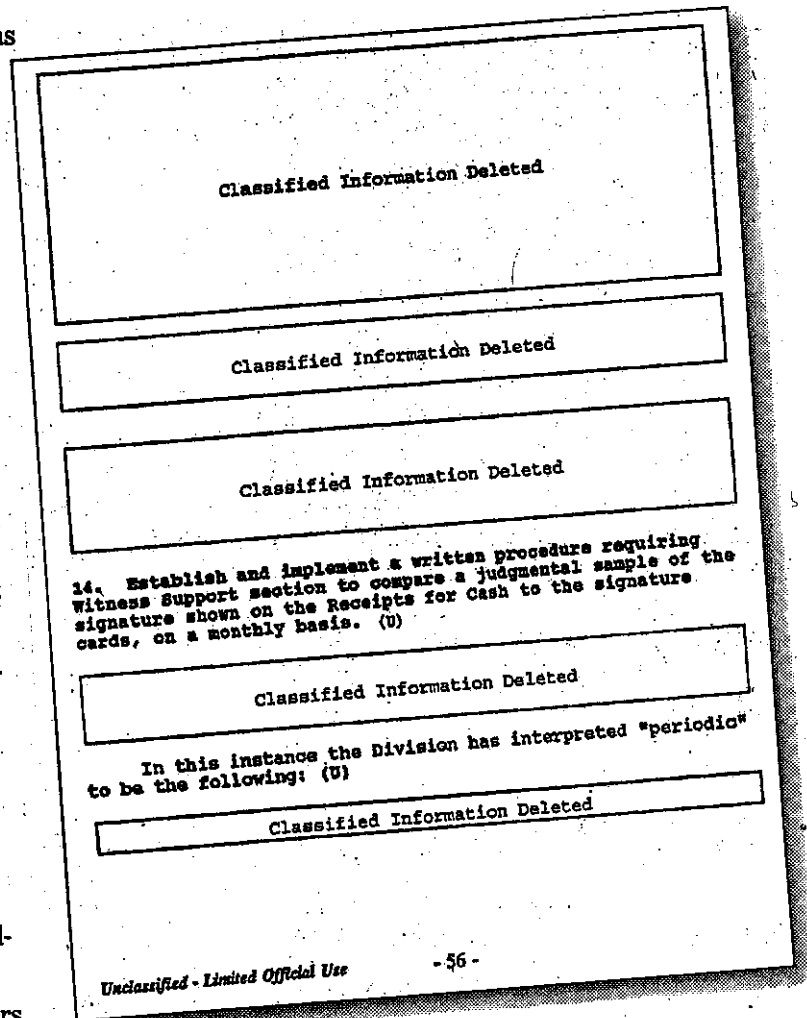
It states that members of the program have the right to "correspond with members of the news media in accordance with Bureau rules and institution guidelines."

After Taylor agreed to be interviewed, the reporter followed regular U.S. Bureau of Prison procedures and made his interview request in a letter to Taylor.

It was four months before that letter and several others made their way to Taylor.

Then after several more months of inactivity, the Office of Enforcement Operations, the Justice Department entity that runs the witness program, met with Taylor and restricted what he would be allowed to discuss with the Post-Gazette.

"I couldn't talk about anything, including the weather because they said that might give someone an idea of where I



A mostly censored page from the only document sent to the Post-Gazette after nine written requests for scores of official documents.

was at. I was told what I could say and what I couldn't say and threatened that if I said anything else, they were going to stop the interview and put me into the hole [disciplinary

custody),” Taylor said.

Even so, the meeting didn’t occur while he was imprisoned. The two finally met in June 1995 when Taylor was paroled and removed from the program.

While he was waiting for Taylor’s release, the reporter searched data bases and court records and interviewed scores of federal and state prosecutors throughout America in efforts to interview as many members of the program as possible.

Eventually, he sent more than 2,000 letters to protected witnesses, their families, friends, prison staff members, lawyers, prosecutors and others who had contact with the protected witnesses.

The letters explained his investigation of the witness program and requested anyone with evidence about it to come forward.

To ensure no breach of security would occur, the reporter sent most of the letters to a Justice Department “mail drop” in Washington. Under the rules of the program’s contract with witnesses, the mail drop was set up “to ensure the confidentiality of your location and identity as a protected witness.”

While almost every one of the protected witnesses had not only been identified in court records, but typically were cross-examined publicly on the witness stand about their cooperation deals, the Justice Department refused to confirm they were in the program.

Further, about 100 letters sent directly to protected witnesses were intercepted by the Justice Department since “Forwarding your letters would be an implicit confirmation of the individual’s participation, and might further suggest to the individuals who receive your letter that there has been a breach of security,” a Justice Department letter said.

At the same time, the reporter sent letters to individuals with the same last names of protected witnesses in their home communities. He also contacted victims of their crimes.

The combined efforts resulted in interviews with 24 protected witnesses and dozens of prison staff, parole authorities, lawyers, victims and others in 12 states.

Because most of the protected witnesses refused to talk for the record, the reporter relied on court records and multiple interviews with people involved in the program to confirm the information in these reports.

— *Bill Moushey*



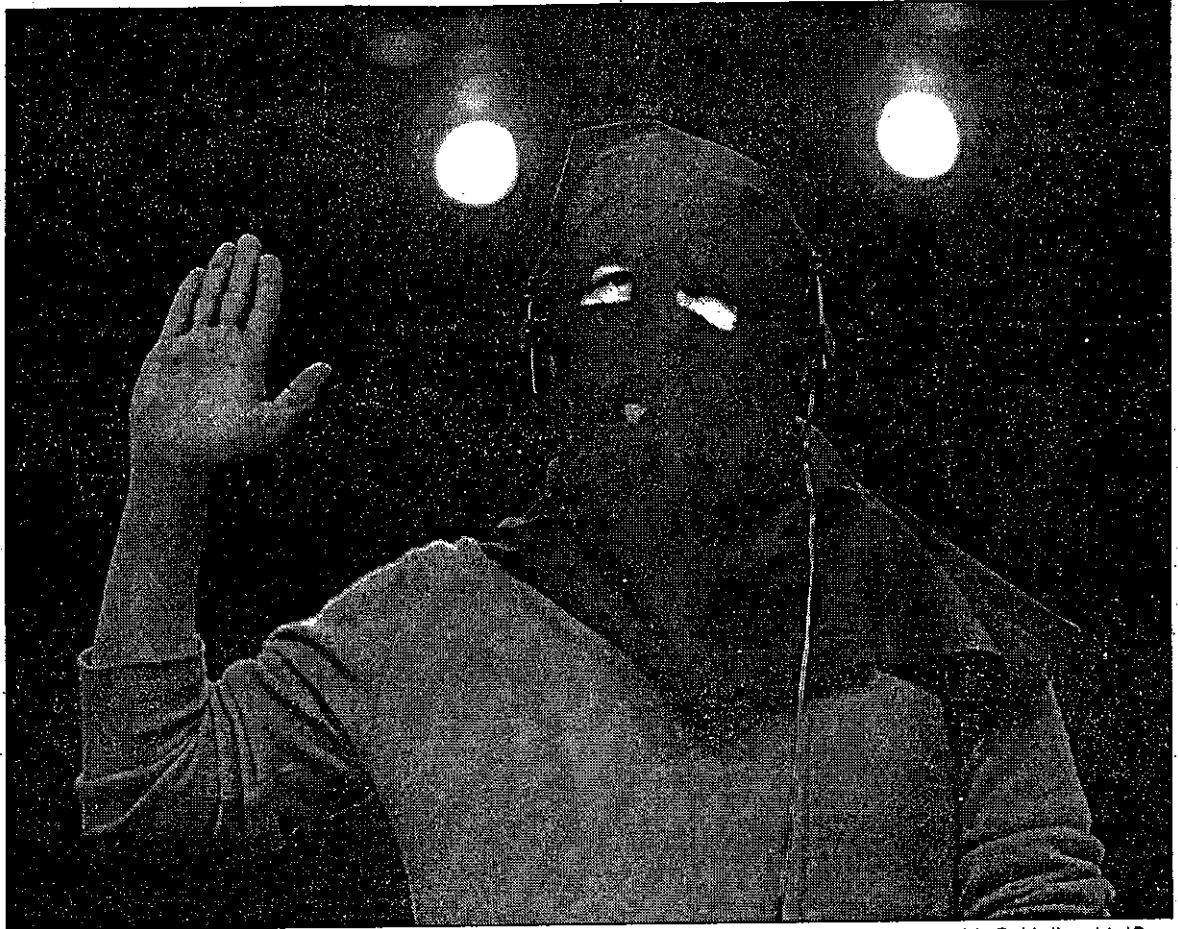
About the author

Bill Moushey, 42, has been an investigative reporter for the Post-Gazette since 1985. His stories included uncovering corruption on the Supreme Court of Pennsylvania and revealing dreadful health care conditions in the state prison system.

A native of Canton, Ohio, Moushey is a 1972 journalism graduate of Kent State University. Before joining the PG, he was an investigative reporter at WPXI-TV and editor of Pittsburgher Magazine.

His Post-Gazette reports have won numerous national and local awards, including honorable mention in the Newspaper Guild’s Heywood Brown award for reporting on society’s underprivileged.

He lives in Shaler with his wife and two children.

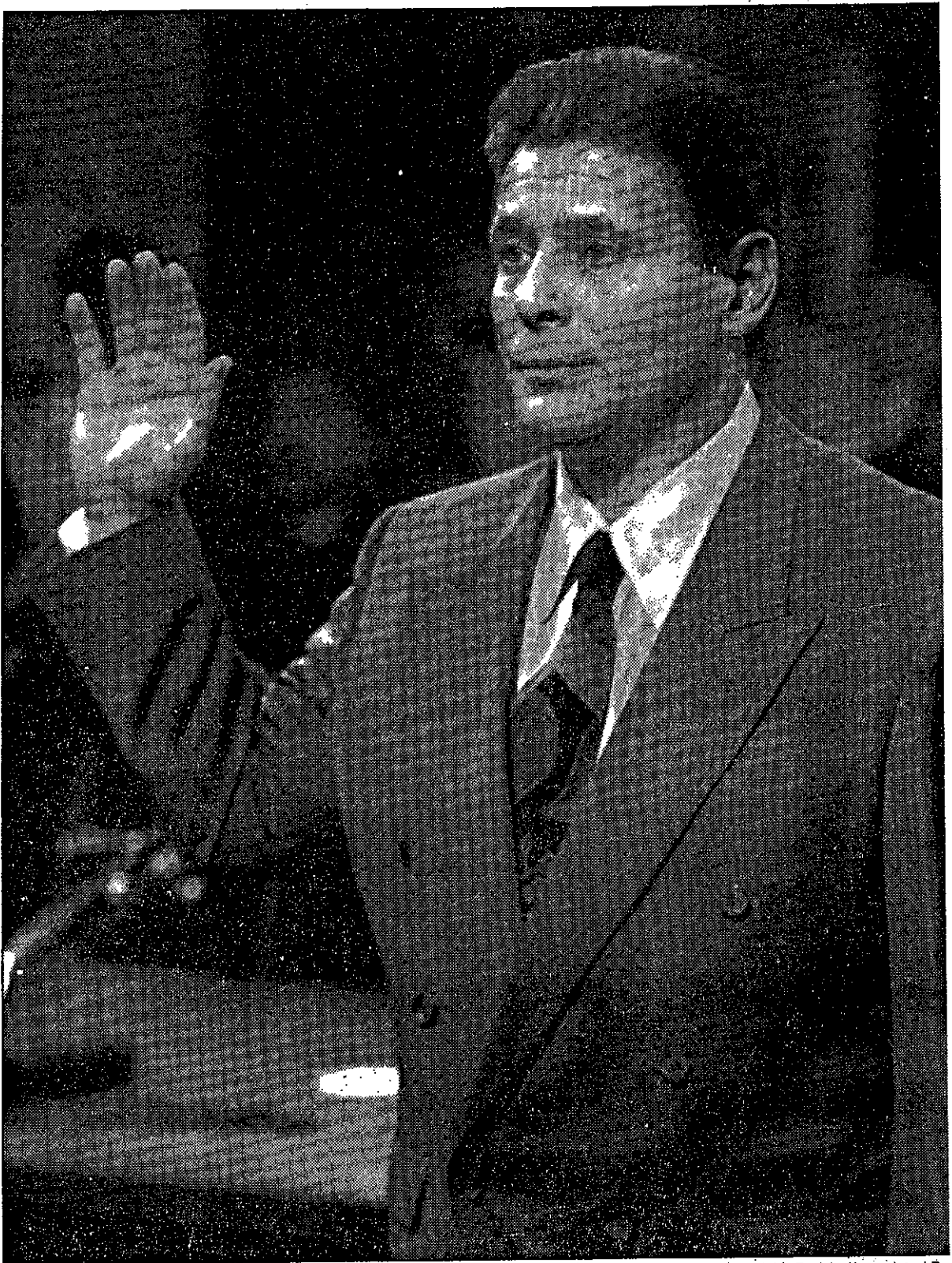


John Duricka/Associated Press

In order to get their testimony against others, the U.S. Justice Department grants protection — and sometimes freedom — to lifelong criminals. Floyd Carlton Caceres flew \$25 million worth of cocaine into the United States. For his testimony against Panama's Manuel Noriega, he won freedom after serving only two years.

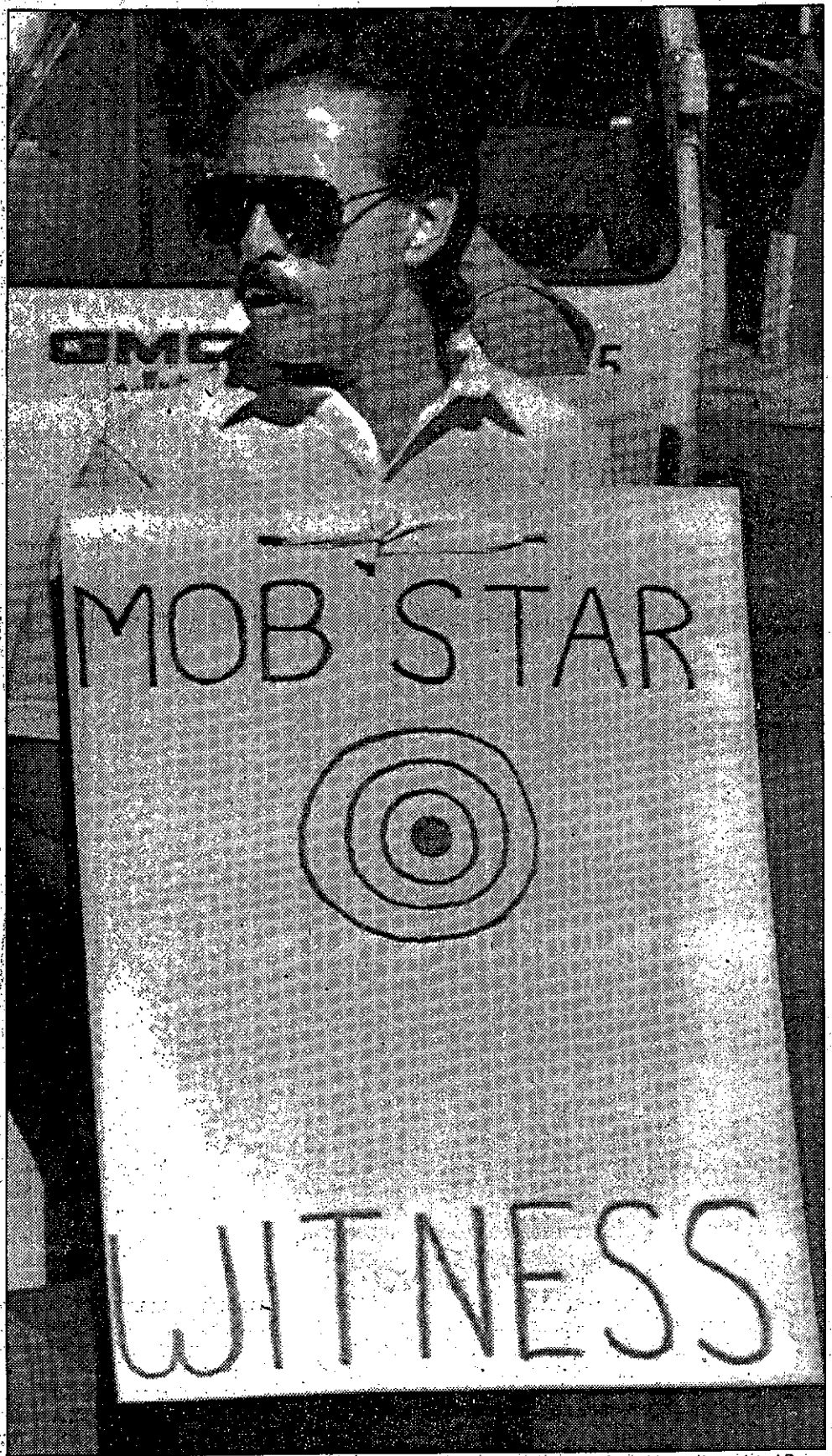


Joe Valachi
Got nothing in early days of program



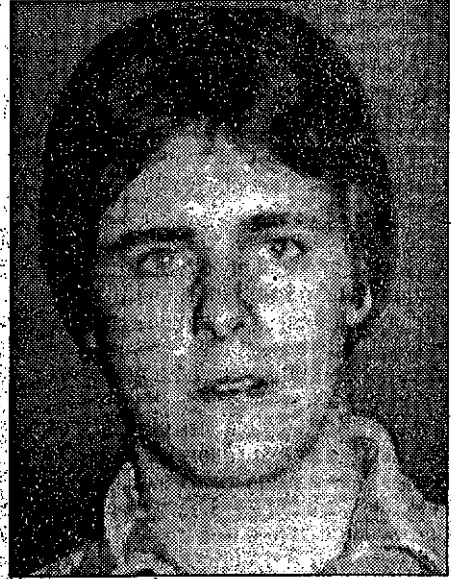
John Duricka/Associated Press

Salvatore Gravano says he killed 19, but after testifying against the mob, he spent only 3½ years in prison and left with millions of dollars.



Steve Young/Associated Press.

James Cardinali felt betrayed by the witness protection program and wore a target in protest. He had testified against New York mob boss John Gotti.



After being freed through the Witness Security Program, convicted bank robber and drug addict Marion Pruett, left, went on a killing rampage that left six dead, including Anthony Taitt, a student at Colorado State University.



Associated Press

Carlos Lehder Rivas, at the controls of his jet during the height of his drug-trafficking days, made a deal to testify against Manuel Noriega.

VICTIMS OF WITNESS PROTECTION: "What the program has gained has too often not been worth the price we have to pay," says Frank Balderson, whose son was murdered by a government witness.

New name, new town, old habits

Witness program protects some who can't stop committing crimes

By Bill Moushey
Post-Gazette Staff Writer

Fifteen years later, the pain of burying a murdered son still sharp, Frank Balderson listened to another story of murder at the hands of a convict released from prison by the federal witness protection program.

He winced.

"I knew it would happen again, I knew it," said the gentlemanly lawyer at home in Alliance, Neb., a windswept town of 3,600.

He agonizingly reached back to 1981 when police called to tell him his 24-year-old son, James — Eagle Scout, college student, and joy of his life — was shot to death while he worked in a 7-Eleven in Fort Collins, Colo. The killer netted \$33, some beer and a few candy bars.

While no one from the federal government told him anything, Balderson learned later through newspaper accounts that his son's killer, Marion Pruett, was a participant in the federal Witness Security Program.

Pruett, a twice convicted bank robber, had lied his way out of a prison sentence by implicating another man in a jailhouse murder he later admitted doing himself.

At least five others were killed at Pruett's hands after his release from prison during a drug-fueled, cross-country rampage.

Frank Balderson had never heard of James Red Dog's 1991 crimes, but he quivered as he listened to the story of another

government witness who was released from prison and killed again. It was eerily similar to the one that changed his life forever.



James Balderson

"What the program has gained has too often not been worth the price we have to pay," Balderson said.

A yearlong investigation by the Pittsburgh Post-Gazette

suggests the stories of Pruett and Red Dog are just two illustrations of a program that inadvertently unleashes crime even while it is trying to contain it. The witness protection program's pattern of trading prison time for information sometimes leaves in its wake innocent, unsuspecting victims.

Although officials of the witness protection program won't release a count, the Post-Gazette found 20 killings by protected witnesses, by tracking court cases, interviewing protected witnesses and surveying law enforcement officers and old government reports.

The horribly violent pasts of some of these protected witnesses raises questions about

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whom the government is willing to do business with and if it should ever grant freedom to heinous murderers, even if they have useful information to trade.

"The government gives these people opportunity to kill," Balderson said.

A 1983 audit of the program by the Controller General of the United States — one of only three audits done on the performance of the program — concludes that the rate of criminal behavior by protected witnesses who are released is about the same as ordinary parolees, if not less.

But, critics say, some protected witnesses would never have been ordinary parolees had the government not allowed them to cut a deal.

Thwarting local police

After months of murder and mayhem, Pruett and Red Dog were finally caught again and justice this time was unflinching. Pruett is now on death row. Red Dog was executed.

But their capture was delayed by the same program that had released them. The witness program often protects its witnesses even from local law enforcement. And it continues to cloak them in secrecy after they become suspects in crime.

In 1978, Gennaro Ferrara was sheriff of the county that includes Rio Rancho, a small New Mexico town where the federal government relocated Pruett — by then known as Charles "Sonny" Pearson — and his common-law wife, Michelle.

The "Pearsons" were given a monthly government stipend of \$800 and enough start-up money for him to purchase a dump truck to haul aggregate and for her to open a small cafe.

From the start, Pruett, a heavy drug abuser in the past, was involved in drugs and other petty crimes that raised suspicions of police, but didn't result in charges.

The local police thought this cocky man with a North Carolina drawl was just one more two-bit criminal. But Ferrara, a former New York City cop who was watching from a distance, was wary.

Then, two years after settling in Rio Rancho, Pruett reported his wife missing.

Ferrara suspected "Pearson" of having something to do with the disappearance of his wife because his story didn't jibe. He jailed him for three days as a material witness. But Ferrara had no body and no witnesses at the time. He was scrambling for evidence to hold him.

The sheriff contacted the FBI, requesting any available criminal records through the National Crime Information Center, a repository of criminal records in Washington. Nothing.

But Ferrara didn't believe this man had no record. "Pearson" talked in prison jargon and was heavily tattooed with common prison images. And he constantly bragged that he had some connection to the government.

Ferrara cut Pruett loose after three days when a judge ruled he didn't have enough evidence to file charges or hold him as a witness.

Then pieces of the body of "Pearson's" wife were found. Armed with this evidence, Ferrara continued to badger federal officials for information. Finally, officials in the U.S. Marshals Service, which arranges new lives for protected witnesses, revealed who "Pearson" really was.

Ferrara also found Pruett's accomplice in the murder, who described how Pruett beat his wife with a ball peen hammer, cut her body up, and burned the pieces.

But by the time Ferrara learned this, Pruett had disappeared.

Over the next six months, while he was on the run, he robbed banks in six states and murdered at least five more people.

Three of them were convenience store clerks who apparently didn't

even challenge Pruett before they were killed.

First there was Bobbie Jean Robertson, 30, of Fort Smith, Ark., in October, 1981.

Then came James Balderson, 24, who was working the overnight shift at a 7-Eleven when Pruett stormed into the store, robbed him, then shot him in the head.

Less than an hour later, he murdered Anthony Taitt, 21, a Colorado State University sophomore clerk at another convenience store in Loveland, Colo., just down the road.

Pruett has never given a reason for any of the killings.

He got life sentences in Colorado and Mississippi, then the death penalty in Arkansas, but 15 years later he continues to fight his execution with appeals.

In response to a recent letter, Pruett, who said he has become a born-again Christian, refused an interview, saying he is under an exclusive book contract with an author.

In his letter, though, he wrote: "There is nothing I could say or do to right the wrongs I've done."

That provides little solace to Balderson.

"To find out later that he lied his way out of jail ... then when the sheriff in New Mexico was investigating his wife's death, they should have made every effort to cooperate with him and put Pruett behind bars at that time," Balderson said.

"If either one of those policies would have been fulfilled, Pruett would never have been out. Our son would still be alive. There were two missed chances, but because of the bureaucracy in Washington, he got a chance to go on his killing spree."

Ferrara agrees. To this day he believes that if he had been able to learn Pruett's background when he had him in custody during the investigation of his wife's disappearance, he could have found a way to hold him, preventing the next five deaths.

Justice Department officials of

the witness protection program would not comment on the case for this story, but during a congressional hearing that followed the murders, they called it an "aberration" and promised to take steps to see it wouldn't happen again.

But over the next decade, it happened again and again and again.

Red Dog's story

The young prosecutor who finally ended James Red Dog's reign of terror in 1993 remains dumbfounded that officials of the witness protection program would have ever made a deal with him.

Red Dog's entire adult life was filled with violence and treachery and, until the end, amazing good luck.

He was convicted in 1973 after he shot to death a pizza store manager during a robbery. But instead of being sentenced to life, he got only 15 years because the judge decided the prosecution had mistakenly charged him with involuntary manslaughter instead of first-degree murder. A jury convicted him only of armed robbery.

Seven years later, he and another inmate escaped from prison and killed two men who befriended them at a bar. The men had allowed Red Dog and his partner to stay at their apartment. They thanked them by stabbing them repeatedly in their sleep.

For those crimes, a California judge gave Red Dog two concurrent nine-year sentences and returned him to a federal prison where he also had nine more years to do on his original sentence. That meant that Red Dog murdered two more people without additional penalties.

In prison again, he caused so much trouble he was bounced from penitentiary to penitentiary, until he landed at Marion, Ill., at the time the toughest prison in America.

When another inmate there stole some of Red Dog's things, Red Dog asked his wife to smuggle poison into the prison so he could give it to the thief, who would think it was cocaine. The thief bit, and died. It may have been Red Dog's luckiest move yet. When he volunteered to testify against the two inmates who helped him in the murder, he was invited into the federal witness protection program.

It meant that in exchange for testifying against the other inmates, Red Dog was not charged in that murder and was released from prison within a year, the earliest possible parole date for his original sentence. His wife wasn't charged either, was put in the witness protection program and relocated to Wilmington, Del.

Upon his release from prison in 1990, Red Dog was denied further protection from the program because he flunked the psychological tests it requires. But he was free to join his wife and her new life in Wilmington.

The federal officials who set him free decided he was too unstable to stay in their protection.

They were perceptive. He pointed a gun at a cop in Montana shortly after his release and went back to prison for a year.

Back in Delaware six months after his release, he went to the home of his wife's best friend, encountered her son, Hugh Pennington, and for reasons never known, hog-tied him, carried him to the basement and slit his throat so violently Pennington was nearly decapitated.

Then he returned to his apartment where he found his victim's mother, visiting his wife. He told her that her son was hurt and he'd take her to him. Instead, he abducted and

"I wanted to make sure justice, which Red Dog had evaded for so long, was served in this matter. Red Dog was going nowhere but the death chamber."

**Steven Wood,
Delaware prosecutor**

repeatedly raped the woman over the next two days. She managed to escape.

When police went after him, Red Dog ran into the woods, but was captured and charged with the crimes.

Prosecutor Steven Wood was outraged by the case, especially because it was several weeks after Red Dog's capture before officials of the witness protection program acknowledged their relationship with him. And this was only after Wood had already learned it by accident — officials of the federal Bureau of Prisons mistakenly sent him documents showing Red Dog was under protected status.

Wood said federal officials seemed to want Red Dog turned back over to them for prosecution. After all that he had seen, Wood and the state of Delaware declined.

"I wanted to make sure justice, which Red Dog had evaded for so long, was served in this matter. Red Dog was going nowhere but the death chamber," he said.

In 1993, Red Dog was executed. His luck had run out.

Since then, a federal law was passed ordering the government to alert local law enforcement about the placement of protected witnesses anywhere in their jurisdiction.

A grieving father tries to shut down witness program

By Bill Moushey
Post-Gazette Staff Writer

After a protected witness murdered his son, Frank Balderson waged war on the federal program that he blames for his loss.

First from his phone in his home in Nebraska, then in offices lining the halls of Congress and then from the massive oak table in front of a congressional subcommittee, Balderson told his story again and again, arguing for an end to the federal Witness Security Program.

An attorney himself, Balderson believes a system that offers criminals their freedom in exchange for their testimony is worthless.

"I know the probative value of purchased testimony is nil. If I pay you enough, you'll testify about anything I ask you. If I get you on the witness stand and ask you to swear that the moon is made of green cheese, you will."

He told the congressional committee that the program "is flawed from the very inception."

Balderson believes that no convicted felons should win release for their testimony before they serve their entire sentence.

"Innocent people, fine. I can see innocent witnesses being placed in the program, but when you're asking one criminal to testify against another, forget it."

Government audits show that more than 97 percent of the protected witnesses are criminals.

Even if you accept the premise of the program, its follow-through is abysmal, he says.

"Protected witnesses get virtually no supervision once their identities are changed and they've moved to new locations. The government does almost nothing to make sure the former cons don't return to crime."

Balderson's testimony and continuous lobbying of congressional leaders resulted in a few changes, including the establishment of a fund in 1984 for the victims of protected witnesses.

Before the fund was set up, victims received nothing. In the case of the six murders committed by Marion Pruett, including that of Balderson's son, the federal government declared sovereign immunity and refused to allow the victims' families to sue.

The fund now pays victims or their families \$25,000.

"Pretty cheap, huh?" Balderson says.

Balderson believes his victories were meager and he knows he has lost the war.

"They made a few overtures, but when you're weighted down with bureaucracy, it is so ponderous that to get anything done is very difficult, if not impossible," he said.

The Baldersons' personal war will never be over, however. The death of their son will always be with them.

"We don't cry as often as we used to, but we cry occasionally. We think how he could have been. He was never married, we always wondered if he would. Maybe we'd have grandchildren from him," he said.

His wife, Betty, added:

"There is a continuing hurt, an empty place at the table, an empty place in your heart."

Providing the opportunity to commit more crimes

By Bill Moushey
Post-Gazette Staff Writer

The witness protection program, created as another weapon against crime, sometimes becomes an enabler:

It provides freedom and a cover for those criminals who continue on their life of crime.

Here are five of their stories.

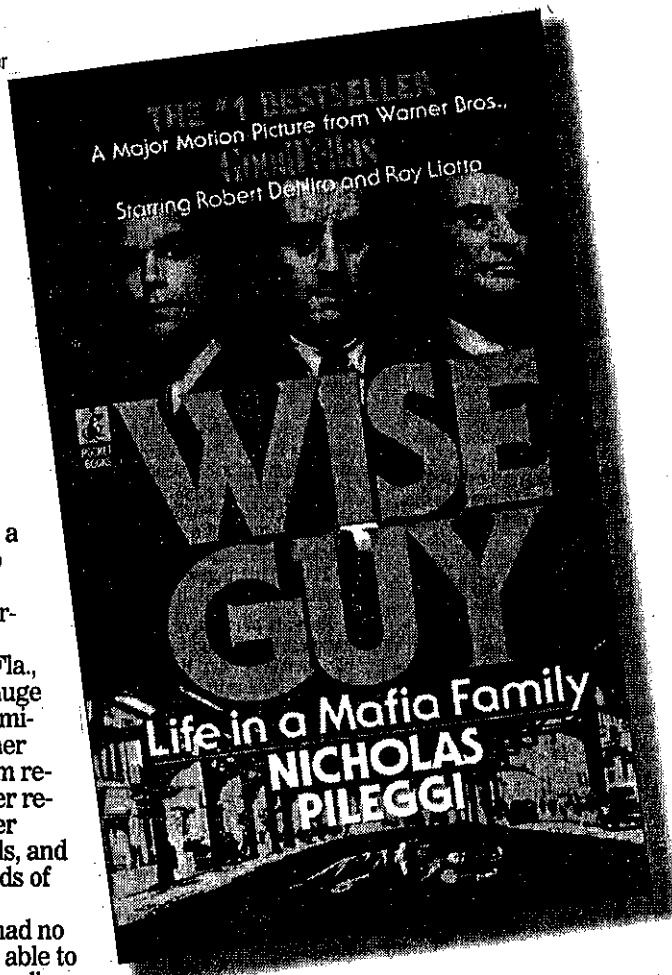
The secret agent James D. Kristian, a private detective who called himself James Bond for business purposes, loved guns.

In his Hollywood, Fla., condo he had a .12-gauge shotgun, an AR-15 semi-automatic rifle, another rifle, two .357 Magnum revolvers, two .38-caliber revolvers, two .22-caliber Derringer-style pistols, and more than 1,000 rounds of ammunition.

Because Kristian had no police record, he was able to acquire his arsenal legally, buying as many weapons as he wanted and could afford.

He used some of those weapons the day in 1994 when he went out on his balcony and began firing at police who were called to the scene. He got off more than 150 rounds before a police sharpshooter killed him on the spot.

It might have been the end of a sad story of an upstanding citizen who, for reasons never known, cracked.



Henry Hill, a protected witness, was the main character in Nicholas Pileggi's best-seller "Wise Guy." Hill went on to commit crimes enough to fill a sequel.

But police eventually learned that the man at the other end of the barrel was not really James D. Kristian. He was Walter Billings, a convicted felon, psychiatric patient and long-time protected witness.

The witness protection program had given him a new address and a new name, making it impossible for anyone to check the criminal record

which would have prevented him from buying the weapons he used on police.

The swindler

In 1986, Lawrence Iorizzo was applauded as a key player in bringing convictions against New York's Columbo crime family and putting an end to a multi-million-dollar fuel tax swindle.

Iorizzo himself had orchestrated the scam that made more than \$200 million for the mob. But he pledged to go straight once he traded his testimony for freedom and protection under the Federal Witness Security Program.

Within three years, however, federal officials charged him, his two sons and a daughter with operating the same scam again.

This time, Iorizzo had illegally transferred more than \$5.8 million from a fuel business he had set up in Texas to the Cayman Islands, thereby bankrupting the business and leaving its creditors high and dry. When creditors went after the assets, they found he had not paid more than \$1.3 million in fuel excise taxes to the government.

The fraud was the same as before. The difference this time was that his name was Harrison, the new identity given to him by the witness protection program.

The Gambler

He resembles Kenny Rogers and his talk is as sweet, but New Jersey mobster Kenneth O'Donnell is known as "the rat."

In the late 1980s, O'Donnell helped law enforcement infiltrate several powerful organized crime families in exchange for his freedom. He ratted on those he had spent years with doing armed robberies and truck hijacking.

When the witness protection program set him up with a new name in

a new town, he vowed he was through with organized crime.

The tune he sang was true. Instead of organized crime, he began to free-lance under his new name. Within a year, he had begun a series of armed robberies: two in New Jersey, two in New York. And he escaped from local jails twice.

O'Donnell's government-provided secret identity was finally blown after he was featured on the TV show, "America's Most Wanted." In 1994, he was sentenced to 100 years in prison.

The wiseguy

Henry Hill, a gangster and government informant, became famous as the lead character in the best-selling book, "Wiseguy," about life in New York City's mob. But he didn't live up to his name after he entered the federal Witness Security Program.

When he was arrested for selling drugs in 1979, Hill made a deal with prosecutors: He would trade information on several crimes, including point-shaving in the Boston College basketball program in the 1970s, for a token sentence and protection.

He was released after testifying once, received a new identity, was relocated and started his new life.

But soon his new life began to look like his old life.

By 1987, he had again committed numerous crimes, including selling cocaine. In a dramatic touch worthy of his literary fame, Hill was snagged on the drug charge by two men who snitched on the snitcher.

Now the "Wiseguy" is back out making waves again as a public persona. Last month, he told a national radio audience on the Howard Stern show, that he recently completed a drug and alcohol rehabilitation program. But, he said, he still has a lot of trouble staying away from crime.

Perhaps a sequel.

The broker

John Bennett — or whoever he really is — seems to have flourished by duping everyone, including officials of the witness protection program.

For becoming an informant, he was given the alias, "John Bennett," and set up in a new town by the program.

Then, according to the Houston Chronicle, which interviewed Bennett on the condition that his real name not be revealed, he began an elaborate financial fraud:

He opened an account at one bank, then obtained \$200,000 in certificates of deposit by sending wire orders to a money broker while posing as a bank official. The banks didn't catch up with him immediately because such transactions at the time took more than 30 days to clear.

Using the certificates as seed money, he opened additional accounts in two other cities and began purchasing what were supposed to be money market mutual funds in California, again using bogus checks drawn on the account that only appeared to have anything in it.

He wrote checks on the money market mutual fund and deposited the proceeds in a Houston bank. And then he withdrew the money, wiring as much as \$2 million a year through all of his accounts.

By the time he was caught and indicted on wire fraud, check kiting and overvaluing a security, he had passed 140 bad checks worth \$82.9 million.

The court records of his trial were sealed because he was a protected witness, but it is known that in 1982 he pleaded guilty only to a misdemeanor charge and was fined \$1,000 and granted immunity from federal prosecution for fraud and tax evasion.

Meanwhile, none of the nearly \$83 million was recovered.

Bennett told the Chronicle that things couldn't have worked out better. For him.

FREE TO KILL

Officials of the federal Witness Security Program have not released the number of convicts who committed murders after they were freed from prison through the program. But the Post-Gazette was able to identify the following 15 convicts who killed or are accused of killing 20 victims after being released as protected witnesses. Information came from court records, old government documents and numerous interviews with law enforcement officers and other protected witnesses.

Frank Bova

Bova entered witness protection in 1976 after he testified against two South Florida dope dealers and was freed from prison. Only a year and a half later in New Albany, Ind., he murdered Leslie Nellis, 22, and Charles Murphy, 20, who had committed a burglary at Bova's urging and planned to testify against him. Officials of the witness program would not give local police any information and by the time they were ready to charge Bova, he had disappeared. He finally resurfaced in Florida and was arrested. He was convicted of the murders in 1978.

Jerry Fiori and Raymond Jesco

In 1979, Fiori and Jesco, both relocated witnesses, along with Anthony Marone Jr., the son of another protected witness, were convicted in the slaying of Steven Bovan, 36, a suspected cocaine dealer, outside a Newport Beach, Calif., restaurant.

Christopher M. Jackson

Jackson entered witness protection in 1990 after testifying in a drug investigation on the East Coast and was relocated to California. Within a year, he murdered John DeHart, an armored car guard, during a robbery attempt. During the murder investigation, federal officials blocked any information about Jackson's past and local police could find

nothing in the national computer records about their prime suspect. Eventually Jackson was caught and is now serving a 25-year to life sentence.

Arthur Katz

In 1987, police thought that a disgruntled investor who stormed into a Miami stockbroker's office with a gun was Arthur Kane. He shot his stockbroker, causing permanent paralysis, then murdered Jose Argilagos, manager of the firm, then killed himself, over \$4 million in losses. Kane, it turned out, was Arthur Katz, a former Missouri attorney who had testified against other lawyers involved with him in an auto insurance swindle in exchange for his own freedom.

Joseph Lee

After Lee was convicted of armed robbery and car theft, he was admitted to the witness protection program as part of a deal the government cut with his lover, Vito Arena. Arena traded information about several mob murders for six years in prison and agreement by the government that they would move Lee into the witness protection unit, next to Arena's cell. Shortly after Lee's release, he killed a man in a fight in Houston.

Marcus Love

Love became a protected witness in 1980 when he testified against drug dealers in exchange for immunity and witness protec-

tion. He was relocated to Muskogee, Okla. In 1981, he got into an argument with Brian Casey, 27, a factory worker. Love pulled a pistol from his wife's purse and shot Casey four times, killing him.

Herman G. Martin

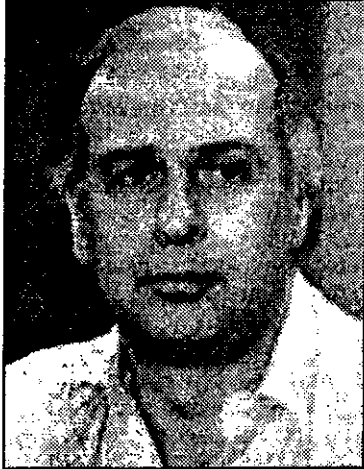
Martin entered the program in the mid-1970s after helping the federal government investigate mob control of New York City's garment district. In 1981, Martin, then 60, a former insurance executive and protected witness, was convicted in the La Jolla, Calif., murder of Richard B. Crake, a lawyer who was found dead in his mountain home. A deputy U.S. marshal had provided Crake's address to Martin, who told the marshal he needed it in order to serve legal papers.

Nicholas Mitola Jr.

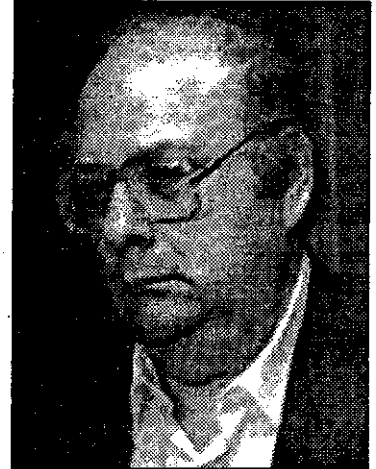
Mitola was convicted in 1991 for the stabbing death of Iraj Vedadi, during a drug scam in Spokane, Wash., where Mitola had been relocated by the government after he testified in a New Jersey racketeering trial. He is now serving a five-year sentence for involuntary manslaughter. Vedadi's family has sued the government for failing to supervise Mitola in the witness program.

Michael Orlando

Before joining the Federal Witness Security Program, Orlando was a truck hijacker, drug dealer,



While in the federal witness protection program, convicted racketeer Nicholas Mitola Jr., left, killed Iraj Vedadi in Spokane, Wash., where the government had relocated him.



Michael Raymond

KILLERS FROM PAGE A-6

burglar, robber and arsonist. He testified against the mob and former U.S. Secretary of Labor Raymond J. Donovan, who was acquitted in 1986 of charges he defrauded the New York government on a subway tunnel project. After joining the program, Orlando murdered Salvatore Frascone, a reputed New York Bonanno crime family member, and later plotted in prison to kill the police officers and prosecutors investigating him on other crimes.

Marlon Pruett

Only two years after his release from prison in exchange for

snitching against another inmate in a prison murder he later admitted to, Pruett murdered his common-law wife, and five others across the country. Officials of the witness protection program withheld information about Pruett's past from local police until he had fled. Pruett is now awaiting execution for killing Bobbie Robertson of Fort Smith, Ark. His other victims were James R. Balderson of Alliance, Neb.; Peggy Lowe of Jackson, Miss.; Anthony Taitt of Lakewood, Colo.; William Zambito of Miami, and Michelle Lynn, his common-law wife.

Michael Raymond

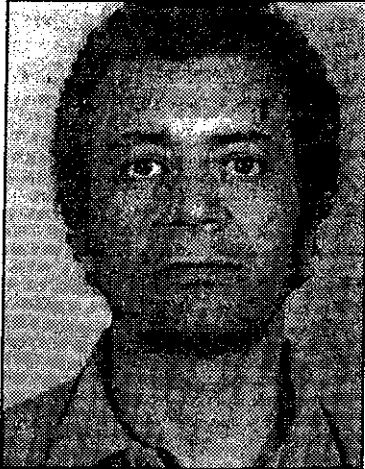
Raymond entered the witness

protection program in the 1970s when he was given \$50,000 and the new last name "Burnett" for providing information to federal officials. His snitching was pivotal in government corruption cases in Chicago and New York City, among others.

In 1995, he was charged with orchestrating the murder of Valerie Vassel of Staten Island to stop her from testifying about a counterfeit check scam he was running — one of many illegal activities he continued while he was snitching.

James Red Dog

A four-time killer, he still



Benjamin Rosado, left, became a protected witness by agreeing to testify against the murderer of a dope dealer. He was freed and relocated to St. Charles, Mo., where he killed police officer William Bergmann, right.



Gerald "Snookie" Walls

gained freedom through the witness program by snitching in a murder conspiracy at the Marion, Ill., penitentiary. Red Dog followed his wife to Wilmington, Del., where he hog-tied and nearly decapitated Hugh Pennington, an innocent acquaintance, and raped the man's mother repeatedly. The state prosecutor learned by accident that Red Dog had been a protected witness more than two weeks after his capture. In 1993, Red Dog was executed in Delaware.

Benjamin Rosado

After a 20-year career as a

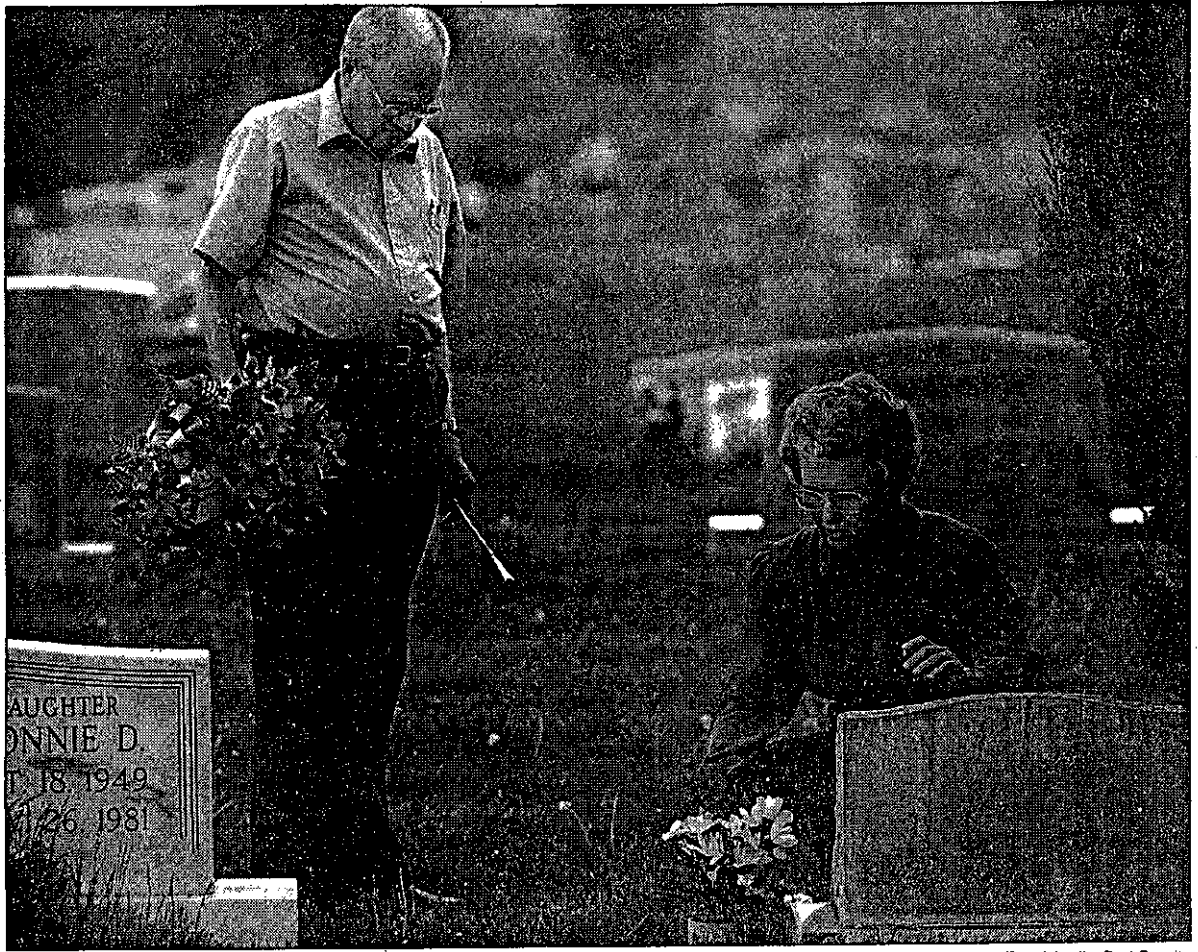
criminal, Rosado was charged with rape and sodomy in 1976, and became a protected witness by agreeing to testify against the murderer of a dope dealer. He was freed.

Renamed and relocated to Missouri, he became a suspect in a burglary. But when St. Charles, Mo., police officer William Bergmann checked his fingerprints on a national computer, he found nothing, since under the witness program, such records are sealed.

Several weeks later, Bergmann confronted Rosado during a burglary. Rosado shot him dead.

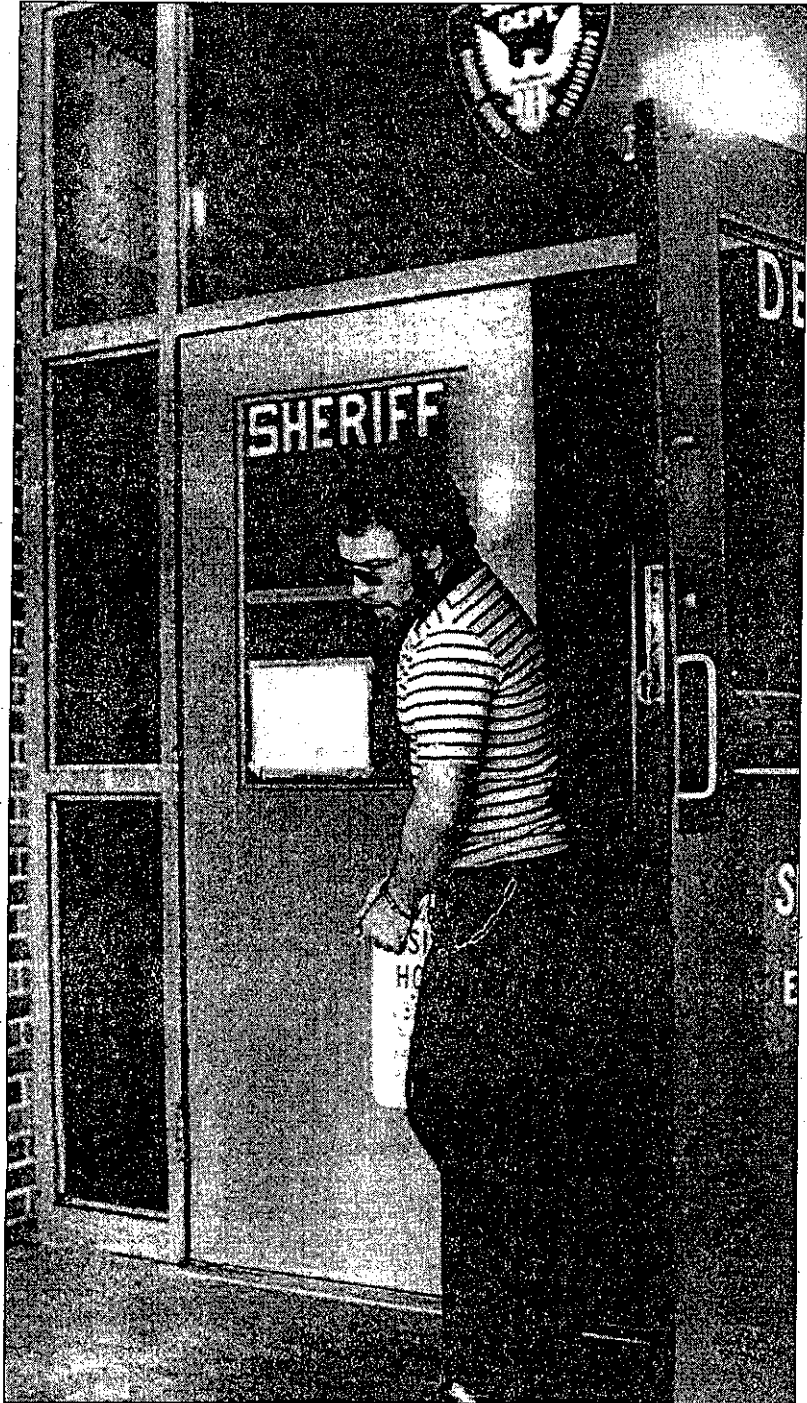
Gerald "Snookie" Walls

A Uniontown native, Walls entered the witness program in 1979 after being caught in a cocaine deal with undercover detectives. At the time, he was on parole for a 1967 murder. During testimony, he admitted involvement in a second murder and implicated several others in murders, drug smuggling and other crimes. In October, Walls was charged by state police with homicide when George Mikolowsky, 46, of Uniontown, died after a one-punch-fight with Walls outside a Fayette County convenience store. Walls is awaiting trial.



Steve Dykes/Special to the Post-Gazette

Frank and Betty Balderson tend to the grave of their son, James, in Alliance, Neb. James Balderson was one of six people murdered by Marion Pruett in 1981, when Pruett was under federal protection as a government witness.



Bob Gunter/Associated Press

Marion Pruett leaves the Harrison County Sheriff's Department in Biloxi, Miss., for a federal hearing on bank robbery charges — among many charges Pruett faced upon his arrest after killing six people while in the government witness protection program.



Wilmington (Del.) News Journal

James Red Dog's life of crime — including five murders, one of which came after entering the federal witness protection program — finally came to an end on March 3, 1993, when he was executed in Delaware.



Bob Ivins/San Diego Union-Tribune

Herman Martin became a protected witness after agreeing to testify against the New York City mob that controlled the garment district. Six years later, he murdered a California lawyer.

PROTECTED **WITNESS**

Dealing for dollars

Witness program can turn convicted criminals into liberated millionaires

By Bill Moushey
Post-Gazette Staff Writer

On the day he entered the federal witness protection program, Steven Kalish turned one of the longest drug sentences in American history into a deal that would let him walk out of prison in eight years a multimillionaire.

Some \$20 million of the money he accumulated in a decade of distributing tons of marijuana and cocaine throughout the world was his to keep, compliments of the U.S. government.

When Ronald Raiton, the self-proclaimed King of Methamphetamines, was arrested and turned informant, he cut a deal with the government that not only earned him immediate freedom, but also more than \$2 million in drug profits, to help him start his new life.

Kalish and Raiton are two of the dozens of protected witnesses who trade information to get free and stay rich.

At the same time the U.S. Justice Department is trumpeting its seizure and forfeiture policy which confiscates and keeps the assets of drug dealers; it is making deals through its Witness Security Program to give the assets back.

"When they passed the federal forfeiture law, the Justice Department ran around yelling and lobbying saying this law hits drug dealers where it hurts, in their pocketbooks and takes the profit out of crime. It seems [the witness protection program] puts the profit back into crime," said Brenda Grantland, a California lawyer and president of an organization that protests government seizures.

According to court records and confidential federal prison documents obtained by the Pittsburgh Post-Gazette, all around the country, drug dealers, mobsters and scam artists are trading information for freedom and their money.

In Philadelphia, Phil Leonetti, a member of the Scarfo crime family, who made millions from extortion, bookmaking and shaking down drug dealers, entered witness protection and kept his money.

In New York, Salvatore Gravano, a member of the Gambino crime family, left prison for a new life and an old bank account. He constantly bragged to inmates in protective custody with him that he had at least \$8 million to help him forge a new life.

In Florida, Barry and Ron Waite of Ever-

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glades City, who ran a ship-to-shore drug-shuttling network for Colombian cartels, kept millions of their drug-dealing profits.

And in Fort Lauderdale, Zaile Bernstein, a former IRS agent who smuggled drugs and laundered more than \$100 million for drug dealers, forfeited none of his assets after joining the program.

For these criminals and others in the witness protection program, crime was a lucrative investment that continues to pay off.

Swallowing the little fish

In the early days of the witness protection program, the thinking was that if federal officials promised to protect witnesses, shielding their identities and setting them up in new lives, they could entice the lower-level criminals — the underlings — to reel in the drug lords, the Godfathers, the big-timers.

But what has happened since is one reason so much illegally gained money has come into play.

Now, it's often the powerful leaders of crime syndicates — those with the big money — who are making deals to inform about subordinates.

When Steven Kalish was caught in 1984, he faced charges related to a \$50 million drug empire.

Prior to his capture, he piloted himself all over the Northern Hemisphere in a Lear jet, hobnobbing with Central and South American political officials and Colombian cocaine barons in a life that would have made James Bond jealous.

His rise was meteoric. He had started as a small-time marijuana dealer but soon joined a group which was smuggling the drug from South America by sending small boats into international waters to meet South American ships loaded with it. By the early 1980s, the group's operation was using full-sized barges and a fleet of aircraft to become one of the largest smuggling organizations in American history.

The organization became so large, Kalish testified, that he contacted Jorge Ochoa, one of the founders of the Medellin Cartel, the largest and most violent of the Colombian drug organizations, to set up an alliance.

Just before he was arrested,

"The government is letting (Kalish) keep millions of dollars, and he's snitching on the guys who off-loaded the dope."

**Charles Griffin,
attorney for Kalish underlings**

Kalish's deal: eight years in prison and a government promise not to prosecute his wife. And though he was required to forfeit some \$3 million, a Ferrari, a yacht and some jewelry, he kept at least \$20 million.

An internal federal Bureau of Prisons document secured by the Post-Gazette confirms that Kalish was "allowed to keep drug funds."

All of the subordinates were convicted and Kalish went off to a pro-Kalish had orchestrated two deals that brought more than 1 million pounds of marijuana into the United States from Colombia.

By that time, he had so much money that even with counting machines, he could not keep track of it. At one point, he testified, an entire room of his Tampa home was piled up with money.

He used his money not only to grow his drug smuggling business, but to pay off police and politicians in every country he could find willing participants.

In May 1984, Kalish flew his Lear jet to the United States for the last time. He was arrested at Tampa airport.

As his trial began, he realized if he was convicted in all of the cases against him — and the government had plenty of witnesses — he could get life in prison plus 195 years.

So he became a government informant, testifying against all of his own subordinates. He also put the finishing touches on a long-standing case against Panamanian President Manuel Noriega, although the government's case against Noriega was strong without Kalish. tected witness unit of a federal jail

to serve his time.

"Kalish was the most involved, got the most money, was the most culpable," said Mina Morgan, a Tampa lawyer who represented one of Kalish's underlings.

Another drug case that the government used Kalish for fell apart for that reason, according to Charles Griffin, a Baton Rouge attorney involved in the case. Griffin said Kalish's testimony then wasn't effective and 18 of 22 defendants were acquitted.

"They didn't accept the shark sitting there devouring the minnows. He's a guy who admits he's a top guy in the organization, the government is letting him keep millions of dollars, and he's snitching on the guys who off-loaded the dope."

Today, Kalish is free, and living an anonymous life outside of the witness program, which he quit shortly after his incarceration ended.

From drugs to retailing

Ronald Raiton earned millions by smuggling the chemical used to make the drug known as "speed" into the Philadelphia area. When he was caught, the man who called himself the Silver Fox used the same guile by trading information for his freedom and his money, under the witness protection program.

Raiton kept his part of the bargain, becoming one of the best drug witnesses in Philadelphia history.

His testimony ravaged the Philadelphia mob, sending two mob underbosses to prison. They eventually became government informants who started the process that brought down the murderous Nicodemo Scarfo.

For his work, Raiton only did 26 months in prison, then decided not to stay in the witness program. Instead, he took his \$2 million, got a new name and a new social security number from the government and went to work again.

He told a Philadelphia newspaper reporter that he used the money to open clothing stores, a foreign car repair shop and other businesses and was living a comfortable life on his drug assets.

He spent years in Northern California, where he did his only interview, then moved elsewhere.

No one has heard from him since.

Life in the witness protection unit: Free calls, drugs, shopping, lobster and the occasional bean pie

By Bill Moushey
Post-Gazette Staff Writer

Most criminals who enter the federal witness protection program voluntarily trade information — even when it puts them in danger — for freedom. Charges against them may be dropped, prison doors may be opened, or prison sentences may be drastically reduced.

Those who remain in prison after they're admitted to the program are given additional rewards.

Lifelong criminals who include murder, rape, fraud and drug dealing on their resumes, dine on gourmet food, make unlimited free long-distance phone calls, easily get booze and drugs and obtain nearly anything else money can buy, according to 23 current or former protected witness who were interviewed by the Post-Gazette. While protected witnesses are serving time, it seems, time is serving them.

Compared to normal prison units, the witness protection units may as well be the Ritz.

Bean pies? We've got 'em

Mushtaq Malik, a Pakistani informer, doing 35 years for his part in an international heroin ring, had a hunger for bean pies, a Middle Eastern delicacy.

For weeks at the protected witness unit of the Federal Correctional Institution at Sandstone, Minn., Malik and several other inmates talked about these sweet, crusty pies — the kind of food that for most prison inmates is nothing more than a dream.

But for this group of prisoners, according to Malik's testimony in a Chicago case, bean pies were real.

"Fortunately, I had some money, and said, 'Okay, I'll buy for all of you bean pies,'" Malik testified.

He simply placed an order through the prison witness unit buying club, called the Sportsman's Society there — the John Smith Society in four other witness units — just like inmates in protected custody do throughout the federal prison system.

"So I bought bean pies, about 30 pies. And it was airlifted overnight. And I paid \$177. And then distributed one to every black man over there," he testified.

While Malik bought bean pies, others in protected witness prisons throughout the country have purchased just about anything that can shipped.

Trading recipes

Like Malik, George E. Taylor Jr. of St. Louis also was jailed in protected witness units at federal penitentiaries.

He said he saw everything from live lobsters flown in from Maine, the finest beef from Nebraska, crab legs from Alaska, espresso, and even a touch of brandy to finish them off.

Meals like that were regular fare in the units as the witness protection program took off in the 90s.

"There were also pig roasts, barbecues where sides of beef were roasted on mesquite wood, lavish holiday meals fit for kings," Taylor said.

According to court records and interviews with protected witnesses including Taylor, James Basile, a Mafia associate from Chicago and

Joseph Rosa, a Pittsburgh mobster, this elaborate mail-order business was accomplished through the John Smith and Sportsman's Societies, worldwide commissary networks set up by the prisons to allow protected witnesses to buy what they want and still maintain anonymity.

"This was a way for protected witnesses to spend their money, often money that was supplied to them by the federal government [in exchange for testimony]," Taylor said.

Here's how it works:

The "societies" have a checking account at banks close to the prison. Inmates with money make deposits into the checking account, then, using anonymous checks from the account, make purchases.

The prisons originally set up the system to be used for buying necessities like gym shoes and clothes, but it quickly grew as prison officials and witness program officials turned their heads as the prisoners branched out.

"I used to watch with awe as folks bought everything from appliances, cappuccino machines, lobsters, beef, crab legs. Hell, those guys with money rarely if ever ate the bland institutional food," Taylor said.

Southwestern cuisine was de rigueur at the Phoenix Mesa Unit.

"You could barbecue anything you wanted. The government supplied us with charcoal, lighter and a big barbecue pit. You'd go out there and you might want to barbecue a pig or barbecue a side of beef, steaks, lobster, anything," he said.

If the inmates were tired of cooking, they could order fried chicken or pizza or Chinese. Take out, of course.

"They'd call in an order and ask the guards to go pick it up," Taylor said. "Inmates would hand guards a check or cash (with a big tip) and send them to the gate to get it."

And, because of their vast experience, the protected witnesses easily saw the John Smith/Sportsman's Society as the perfect opportunity for new scams.

"All of these guys were involved in crime all over the world. So naturally, if someone wanted some special blend of coffee from Seattle, they would know someone at the

cannery or coffee shop," Taylor said. While they were at it, they'd have someone can up a bag of pot or cocaine or money or anything else the inmates wanted.

"And because it would be all sealed up when it got to the units, no one would even check it," Taylor said.

Let your fingers walk when you can't

At 6 a.m. every day, cell doors in protected witness units throughout America are opened and the inmates rush to be first at a sign-up list to use the telephone.

Unlike other prisons, where inmate phone calls are limited and must be collect, these units allow unlimited calls anywhere in the world, at the expense of the government.

And with the increasing numbers of foreign nationals who find themselves in witness protection, inmates interviewed say the bills for the Federal Telephone System must be staggering.

The exact cost of the prisoner phone service isn't known since the request for that figure is one of dozens of requests the Post-Gazette has made to the U.S. Justice Department over the past 16 months that have been so far denied.

And no federal spokesman would discuss it.

But according to the inmates, who provided sign-up sheets for the phone calls, protected witnesses let their fingers do the walking between 6 a.m. and 11 p.m., seven days a week.

The liberal telephone program allows them to contact family members almost daily, conduct business — from purchasing stocks and bonds to booking numbers — and while away the boredom of incarceration on the phone.

"They called anywhere they wanted, they called all day long," Basile recounted.

From calls to sex lines at about \$3.99 a minute to criminal endeavors to lovers outside prison walls, the phones were constantly in use.

And, of course, there were phone scams.

Unlike calls from other prison units throughout America, calls from the witness units don't include

a recording alerting the recipient that the call is originating from a prison.

Taylor said the inmates, who are street-smart and knowledgeable about credit card scams, obtain stolen or phony credit card numbers, then using their witness-protection aliases, order goods.

When companies discover the fraud and come looking for payment, they get caught in the protected witness web — where officials won't acknowledge that an individual, much less an alias, exists.

According to a 1983 audit of the program by the U.S. General Accounting Office, the practice of not cooperating with creditors "adversely affected third parties and put the Department [of Justice] — the nation's chief law enforcement agency — in the ironic position of being a barrier to law enforcement."

The audit showed "during one six-month period in 1980, creditors were trying to recover about \$7.3 million from 32 witnesses (to no avail)."

Justice Department officials wouldn't say if any changes have been made to correct such policies since the audit was done.

High times

Most of the men and women who enter prison witness units, according to federal statistics, have had problems with drugs, whether selling them, using them or both.

But feeding a drug habit is not difficult in the units, according to numerous inmates who have been interviewed.

Prisoners smuggle cocaine, heroin and marijuana into the protected witness units with regularity, said Taylor; one of a few inmates who would speak on the record.

"You could do anything you want in those units. And even if you get caught, you are not going to get prosecuted. I've seen people get caught with a quarter pound of cocaine, bundles of heroin, weed, nothing happened to them, other than maybe spending a few days in the hole [disciplinary custody]," Taylor said.

And once in the hole, inmates could sit and get high all day there too, he said.

The easiest and least expensive

way to get high is by getting in the medication line where painkillers, barbiturates and other prescription drugs were routinely handed out.

Taylor and others say there was a sick call every day except Thursday in the unit. The sick call list holds 25 names, but out of about 60 people in each unit, every day there would be 45 names jammed on both sides of the paper.

"Forty-five people can't be sick every day. They're simply going up there to get drugs, that's all they're doing," he said.

Taylor said he had no mental problems prior to his incarceration, but he became hooked on Xanax, an antidepressant, while he was in the unit for almost six years.

He said his high dosage, which a Physician's Desk Reference says should only be administered for a maximum of three weeks, was prescribed to him for years.

Even now, 11 months after his release, Taylor said a doctor is gradually weaning him off the antidepressant.

That was one of the milder drugs prescribed. The narcotic painkiller Percocet was prescribed so much that many of the inmates kept them in their cells all the time.

Just before his June release, Taylor, who has designs on writing a book about the witness program, decided to see how far the doctors would go.

He went to sick call at the Mesa Unit in Phoenix and told an elderly doctor working there that he was feeling anxious about his pending release and needed something more than Motrin or Percocet to help him sleep, especially on weekends when his anxiety increased.

"The doctor didn't want to give me any drugs, so I told him, look I need something stronger, the stuff you're giving me isn't working. I told him I sincerely had a lot of concerns and worries about the government, so before I knew it the doctor prescribed one injection of the drug Nubain and Stadal, narcotic painkillers with severe addictive qualities," Taylor said.

He has receipts for the medications, which the doctor wrote for one night a week, on Friday only.

Taylor has since requested copies of all his medical records, but the federal Bureau of Prisons

has refused to provide them.

For those who would rather drink themselves into oblivion, the vintners plied their trade. Taylor and others said certain inmates in each unit routinely made wine out of almost any food item that could be acquired in the protected units.

One of the best is Ronnie Joe Chriswell, a multiple killer known as the wine king of the witness units.

"Ronnie Joe was so good he could make wine out of about anything. Ketchup, grapefruit, straw berries, anything he could get his hands on," Taylor said.

The result was that the witness unit prisoners would sit around almost every day and get drunk.

Chriswell was behind a contest the Mesa Unit to see who could drink the most wine in one month. Chriswell won, hands down, drinking nearly 100 gallons of the home brew whose qualities were often compared favorably with wood grain alcohol.

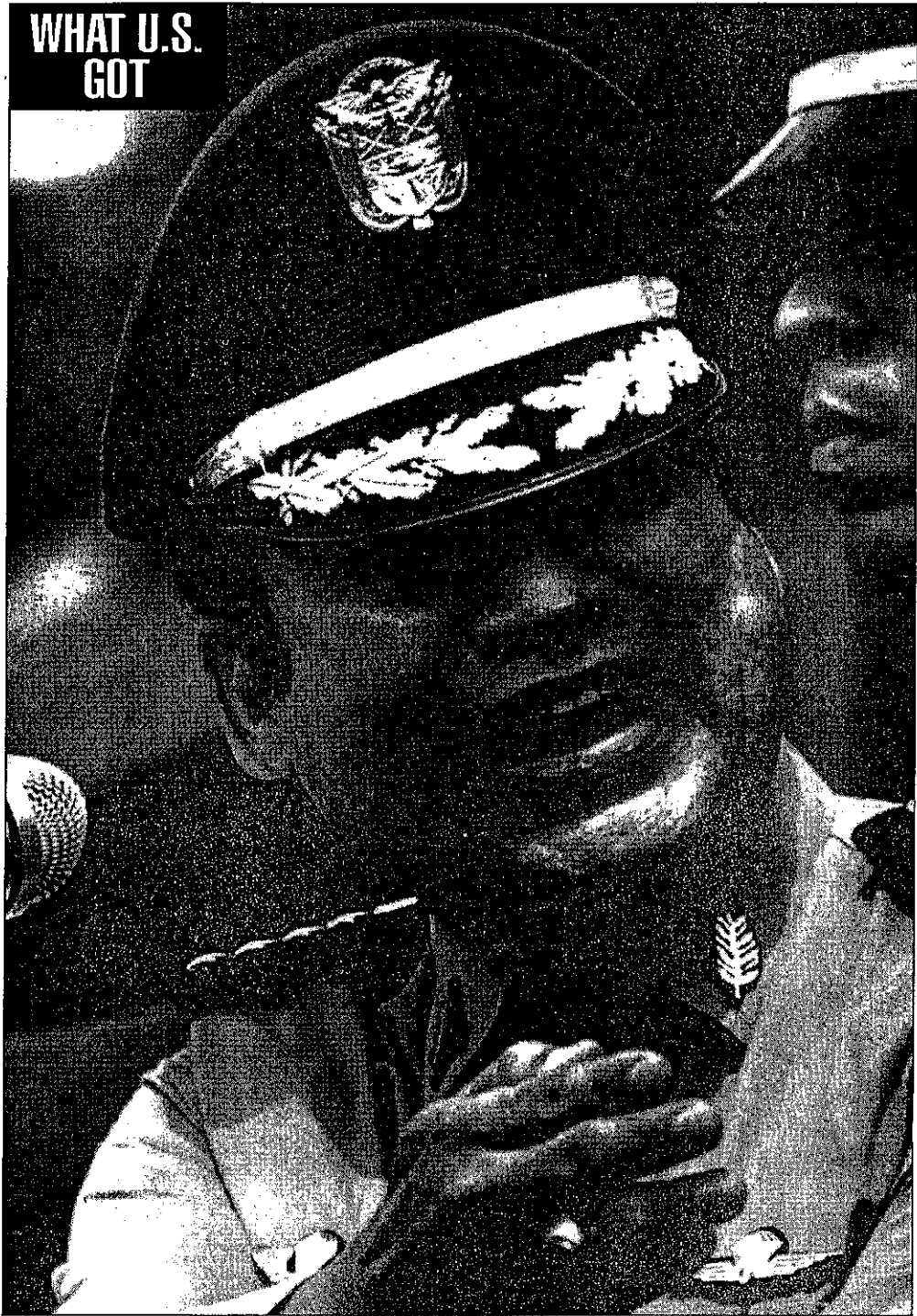
He was transferred out of the Mesa Unit in early 1995 for an unrelated incident, but he left behind gallons of Ronnie Joe's Finest.



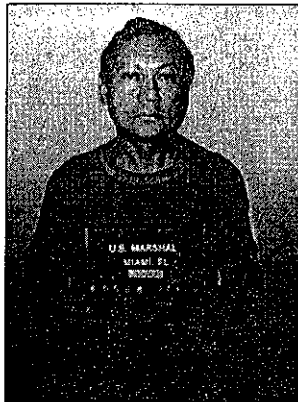
John Bard/Associated Press

A federal agent escorts convicted drug dealer and protected witness Steven Kalish, left, from federal court in Miami in 1988. Kalish turned his testimony against others into a greatly reduced sentence and a deal that let him keep \$20 million in drug money.

WHAT U.S.
GOT



Associated Press photos



WHAT PRICE NORIEGA?

The U.S. got its man, but a host of hardened criminals reaped the benefits as protected federal witnesses

PROTECTED WITNESS

WHAT U.S. GAVE UP

President George Bush proclaimed the conviction of Panamanian President Manuel Noriega on eight of 10 drug and racketeering charges "a major victory against the drug lords."

It was April 1992, a day after Noriega became the first leader of a sovereign nation ever to be brought to the United States and convicted of criminal charges. He was sentenced to 40 years in prison.

"I hope it sends a lesson to drug lords here and around the world that they will pay a price if they continue to poison the lives of our kids in this country or anywhere else," Bush said.

But the drug lords may have learned a different lesson.

To convict Noriega, the government made deals with the worst of them, giving them protected witness status, immunity from prosecution, payoffs and relocation inside the United States in exchange for their testimony, according to court records and confidential prison documents obtained by the Post-Gazette. In addition, most of them left prison rich.

Five years later, a close examination of how those deals unfolded raises questions about what the government got — and what it let loose — to imprison Noriega.

Amjad Awan

A banker for the Bank of Credit and Commerce International, Awan was a key launderer of money for Colombian drug interests, mainly the Medellin cartel. Awan originally faced 200 years in prison, but that was initially reduced to 12 years, then to freedom, after his testimony in the Noriega case and a BCCI case.



Amjad Awan
Possible 200-year sentence cut to 12, then to nothing

Ricardo Bilonick

A Noriega intimate, he was involved in the sale of 20,000 kilos of cocaine valued at \$400 million for which he faced a 60-year prison sentence. In exchange for his testimony against Noriega, he was given witness protection and a promise that he and his family could stay in the United States and keep all of his drug money. He served only four years in prison.

Jose Cabrera

A lieutenant in the Colombian Medellin drug cartel, he faced 133 years in prison. After his testimony against Noriega, he entered the witness protection program and his sentence was cut to 15 years, of which he actually served about five. He was allowed to keep his assets and received immunity from the IRS.



Jose Cabrera, left — possible 133-year sentenced cut to 15; he served about 5, and gets to keep his assets.

Floyd Carlton Canceres

Once known as "Noriega's pilot," Carlton, who also was a major in the Panamanian Air Force, owned an air charter service that — with Noriega's blessings — became one of the largest transporters of cocaine out of Colombia during the early 1980s.

Carlton admitted to distributing 1,000 kilos of cocaine valued at \$25 million and faced life with no parole plus 145 years. After he became a witness against Noriega, his sentence was reduced to a two-year term with three years' probation. He was given witness protection for himself and at least 20 members of his family, including the baby sitter. In addition, he received \$211,681 plus living expenses and exemptions from seizure of any property he owns. He is now free.

Cesar Cura

A mid-level Medellin operative, he faced 150 years to life for his involvement in the sale of 750 kilos of cocaine and 400,000 pounds of marijuana, for which he made at least \$10 million in profit. The government did force forfeiture of his assets, but he was freed after his Noriega testimony.

Brian Davidow

One of the smugglers originally charged in the first drug-dealing indictment against Noriega, he admitted to selling 1,000 kilos of cocaine valued by the government at \$25 million, and faced a 55-year sentence. But after agreeing to testify and entering the witness program, he only did two years and 9 months in prison. He was allowed to keep his assets.



Brian Davidow
Potential 55 years cut to 2 years

Luis Del Cid

One of Noriega's top aides, Del Cid had faced a 70-year sentence for delivering hundreds of thousands of dollars worth of drug proceeds to Noriega. But after testifying about his boss, he was released from prison. He had served three years. As part of his deal, he was granted immunity from foreign nations, given rent and living expenses, and guaranteed that neither he nor his family would be deported. In addition, the government promised not to seek forfeitures of any of his drug money or assets.



Luis Del Cid
Freed after testifying

Steven Kalish

One of the largest marijuana smugglers in American history before he turned to the much more profitable cocaine, he was charged with smuggling 2 million pounds of marijuana, 1,000 kilos of cocaine and accumulating a personal wealth of more than \$20 million.

A native Texan, Kalish initially faced life plus 195 years in prison. After testifying against his subordinates and Noriega, he was sentenced to eight years in prison, then freed. Kalish forfeited \$2.8 million, jewelry, a 45-foot yacht and a red Ferrari. But he was given witness protection, allowed to keep the rest of his assets, got government officials to testify on his behalf during sentencing (which resulted in his freedom) and was promised that his wife would not be prosecuted.

Max Mermelstein

This former Miami man admitted he not only smuggled 55 tons of cocaine worth \$12.5 billion into the United States, but laundered \$300 million in American currency through Colombia and Panama. When he was caught, he faced a life sentence with no parole plus 90 years in prison. In exchange for information about Noriega, however, he actually only served two years and 21 days in custody, most of it in government safe houses while waiting to testify. Sixteen members of his family in Colombia were relocated inside the United States. He also was allowed to keep all of his property and given \$670,245 in living expenses.

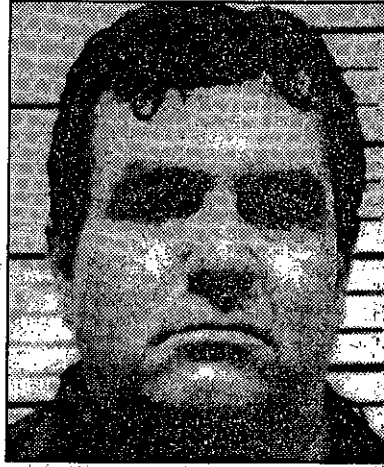
David Rodrigo Ortiz

A pilot for the Medellin cartel, he received a 14-year sentence plus a \$90 million fine in France after being caught in December 1987 with 1,000 pounds of cocaine in Guadeloupe in the Lesser Antilles, a French colony.

He faced at least 35 additional years in prison in the Noriega case until he cooperated with the American government. While he admitted he never met Noriega but dealt extensively with some of the Panamanian president's underlings, Rodrigo received witness protection and was allowed to keep his illegally gained assets which included six airplanes and property. His eight-year American sentence ran concurrently with his French imprisonment, meaning he spent no time in this country's prisons.

Eduardo Pardo

One of the Iran-Contra gun running pilots who testified before a U.S. Senate subcommittee that he returned to the United States with loads of cocaine, Pardo got five years, which eventually was reduced to 19 months, after testifying against Noriega. He also got to keep all of his illegally obtained wealth. Finally, the American government recommended that Pardo be allowed to regain his pilot's license.



Eduardo Pardo
Served 19 months, kept drug riches.

Amet Paredes

One of the two sons of Noriega's Panamanian rival, Reuben Paredes, Amet owned a boat used by Noriega and others from the Medellin cartel to transport drugs. He pleaded guilty and faced 95 years in prison. But after he testified against Noriega, he served three years and was released. He also was given immunity and a recommendation to allow him to relocate in the United States. He was not obligated to forfeit any of his drug money or assets.



Amet Paredes, left — possible 95-year sentence cut to the three years already served, and he was allowed to keep assets. Miami Herald photos

Enrique Pretelt

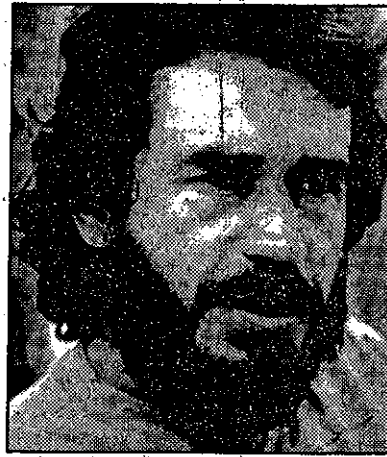
Another big-time Medellin smuggler, he testified about Noriega's money laundering operation and a variety of covertly held companies owned by Noriega. He faced 35 years in prison, which was reduced to 10 years then to an immediate parole after he completed his testimony. He served a total of two years. The federal government agreed not to deport him, and he got to keep all but \$108,000 in drug proceeds and businesses derived from drug dealing.



Enrique Pretelt, right — potential 35-year sentence cut to 15 years with immediate parole, and he got to keep \$108,000

Carlos Lehder Rivas

Captured in 1988 in a Colombian jungle, he faced life plus 135 years in prison after drug-related racketeering charges in Jacksonville, Fla. As a result of his Noriega testimony, Lehder's sentence already has been reduced to 55 years (37 years under parole guidelines) and his family has been given protection in this country. Recently, in a letter to his sentencing judge, Lehder accused the government of welsing on another deal that would reduce his sentence further, making him eligible for immediate extradition to Germany or Colombia. Lehder is estimated to have accumulated \$2.5 billion in assets; the government thus far has seized less than \$2 million.



Carlos Lehder-Rivas
Possible 135 years plus life cut to 55

Roberto Striedinger

A Medellin cartel operative, Striedinger faced 30 years for his involvement in the sale of 400 kilos of cocaine valued at \$10 million. Because of his information about Noriega, he did less than five years, receiving immunity and witness protection for himself, family and friends.

Striedinger also won an agreement from the federal government to protect him from foreign nations and to allow all family members imprisoned in other countries to be paroled to the United States. In addition, documents in his case show the federal government allowed \$500,000 of Striedinger's drug money to be used to pay his lawyer.

PROTECTED **WITNESS**

Some win, some lose

Protected witnesses never sure what they'll get: royal treatment or bum's rush

By Bill Moushey
Post-Gazette Staff Writer

The federal witness protection program is built around secrecy. Government officials will not confirm who is in it; when they imprison a witness, they cannot say where; when they establish a new identity for them, they will not explain how. Even office workers who handle the program's paperwork refer to witnesses only by their initials. In order for the program to keep witnesses safe, officials say, mystery must abound.

But dozens of witnesses in the program who spoke to the Post-Gazette on and off the record say there's another mystery about the program:

Why do some witnesses — even those with murderous pasts — get freedom, money, and exquisite protection and others who provide valuable testimony get little more than a string of broken promises?

The program, they say, is riddled with inconsistencies. Life-and-death decisions often seem to depend on the whim of a bureaucrat.

At least one attorney who defended a protected witness believes there's a geographic pattern. Federal prosecutors who are on the East Coast appear more ready to cut decent deals with witnesses to secure their testimony, he says.

Witnesses in the program believe those whose testimony can bring down high-profile organized crime figures get better deals than those whose testimony may never make headlines.

But the official explanation of how the system works is, like virtually everything else about the program, kept secret. The Justice Department has not responded to repeated efforts to obtain interviews or answered written questions submitted.

Those in the program say the result is that when you agree to testify, you're sure you'll give up your identity, your home, your friends and sometimes your family. But you're never sure what you'll get in return.

Broken promises

For 10 years, Penn Hills native Joseph Rosa has been playing the witness protection game: Break the law, get caught, become a protected witness by testifying against others, get released, break the law, and so on.

Over and over, Rosa has worked the system, parlaying more than 50 years in jail for fraud and drug crimes into freedom. All told, he has done just three years in jail.

Even Rosa admits he has abused the program.

But he says the broken promises of witness protection actually help make crime a habit.

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"When I got into this program, I thought it was going to be totally different. They paint a picture that they're going to relocate you, help you get a name and a job and a new life," he said.

Actually, what he received was a new identification (after waiting three months) and advice to go find a job by lying about his past.

"I'm looking at them, like, I thought you were supposed to go talk to these people, tell them, hey, he's with the government, help him out. But that wasn't the way they did it."

He saw that as broken promise number one.

Before he became a protected witness, officials told him the program would provide grants to start up businesses. So, when he was out, he applied for money to start a janitorial company that cleans offices and warehouses. He was turned down.

Broken promise number two.

Rosa wanted to get into the jewelry business because that's what he did in Pittsburgh, owning a store Downtown. Other than drug dealing, it was the only thing he knew.

But deputy U.S. marshals assigned to his case told him he was forbidden from re-entering that business since it might compromise his security.

But Rosa was already frustrated by promises of security. When he was first relocated, he learned his real identity was made known to the local police.

"You come into a township and the feds tell whoever is in charge of the police your real name, so there is no security."

He was especially concerned, he said, because he knew that mob associates in Pittsburgh had numerous pipelines into law enforcement information, and he assumed that was true in his new town, as well.

In addition, he started bumping into men around town that he knew from the witness protection prison unit. He was at a mall when one of them walked up and greeted him.

"I found out he lived maybe 500 feet away from me. Now, how do you have a secure program where the guy right next to you knows your whole life's story?"

He counts security as broken promise number three.

"From my standpoint, I really don't think the program works for anybody. What they are doing is just prolonging everything. When you're in the units, you get no education, so you can't do nothing.

"If you are a criminal all your life and you come out, are you going to get a job? No.

"You're going to use their money to take it easy until the money runs out, then you're going to do something criminal again."

Rosa said when he'd complain to officials about the program, they'd tell him, "You got a second chance — how can you cry, you could have been doing 30 years, you know."

And that was true. So Rosa continues to use the program for the only thing he thinks it's good for:

To keep him out of prison each time he commits another crime.

Abandoned

James Basile is tired. At age 60, he's alone, homeless and broke. Last month, the man who used to flip \$100 tips was turned down for a job flipping hamburgers at McDonald's.

Even so, it's hard to feel sorry for Basile. A Chicago mobster for decades, Basile admitted to participating in an armed robbery of a Chicago racetrack, then became a protected witness against other organized crime figures. As part of his work for the government, he secretly taped more than 150 con-

versations about gangland killings and other crimes. In the end, he provided information on 40 murders.

And while he admits his life of crime was regrettable, he also feels victimized by the witness protection program.

"I did everything, everything they asked of me. I gave them guys who are serious killers. But now they have no time for me," he said.

While he served time in the witness protection unit of the federal penitentiary at Sandstone, Minn., he heard tales of how the government uses witnesses and then abandons them. Because he was a mobster with strong information to impart, Basile believed he would get a good deal.

When he agreed to enter the witness protection program, he thought his prison time on the armed robbery would be short. Initially he got 10 years and felt snookered.

"I'm sitting there with guys who've done five, eight murders and more, and they're serving 18 months. I ain't got no bodies and look at me," he said.

Eventually, after continuing to testify for the government, his time was reduced and he was freed after less than four years.

But unlike other high-profile witnesses, he was given the minimum the program provides — no six-figure loan, none of his old assets, no special security. And not much help getting re-established.

At his age, he had difficulty finding a job. And just when he was beginning to settle into a new life, he was told he would have to pull up stakes again because there had been a security breach. Someone had gained access to a federal computer system which listed the locations of all protected witnesses, Basile said.

He was moved again and start-

ed his search for work anew.

At the urging of his government contacts, he made up stories about his past in job interviews, but interviewers saw through them.

"How many lies can you tell? A guy may want to hire you and you tell him, 'I've been away.' At this point in my life, people wonder where the hell you've been for the last 10 years."

As part of his deal with the witness protection program, Basile had expected help in landing honest work.

But, he said, the U.S. marshals assigned to his case actually hindered him, rather than helping.

On one occasion, he found a job opening and asked the marshals if they could provide a reference. "They'd say, 'Yeah, we can go there and talk to them, but we'd have to tell them all about you.' I'd say, 'Are you guys crazy?'"

Even daily life was complicated. He broke a tooth and found that in order to get his dentist paid, he had to file what amounts to a petition with the government.

As a decorated military veteran, he had benefits coming. But to this day, he said, the government still hasn't transferred his military benefits to his new identity.

All the while, he was nervous about where the government had moved him. The nearest deputy marshal was more than 150 miles away. And a man with mob connections in Chicago lived only 30 miles from him.

"He knows every flattener in the world. I figure if he ever saw me, he'd make a call. These guys don't just want to kill me, they want to work on me for a few days first," he said.

Basile called his official protectors. They told him not to worry.

But he did. And finally, in order to move someplace safer, he was forced to sign out of the program that was supposed to protect him for life.

Out of work and out of money, Basile turned back to what he knew and who he knew. He met up with some other protected witnesses in California. They were all implicated in a credit card scam, and Basile snitched again for his freedom.

Now he's on the road with his few possessions. He was interviewed at a rundown motel in the deep South.



Philadelphia Daily News

Eugene Milano
Protected witness, now free after testifying against Nicodemus Scarfo

During the interview, Basile, who was down to his last few hundred dollars, heard about the favorable terms of a deal one of his fellow protected witnesses had made.

"I guess they played me for a sucker, a sucker," he said between profanities.

Winners

A group of witnesses who seem to have gotten what they were promised from the federal government testified — or are expected to testify — against Nicodemus Scarfo, the head of a Philadelphia crime family.

The seven witnesses were long-time mob associates with a daunting list of crimes, including 42 homicides.

Still, the government made deals with them which offered protection, drastically reduced sentences, a new life and money. Six of them are now free.

The FBI alone spent more than \$1 million on their protection before they even testified, according to court records. The expenses of the other government departments charged with watching over them have not been released.

Among the seven were Phillip Leonetti and Thomas DelGiorno.

Leonetti, Scarfo's nephew and official underboss of the Philadelphia mob, admitted to 10 murders and offered dam-

aging information about organized crime figures in at least six states.

In exchange, he served only five years, five months and five days. Some of that time was actually spent in a beach house where officials thought he was better protected while he was waiting to testify.

During his testimony, Leonetti said the government promised him loans and other payments when he was freed. He said in court he expected substantial government assistance, but never revealed how much.

Eventually, he was set up with a new life and relocated at government expense several times after his true identity had been discovered.

Although earlier this year he fled the official program because he was discovered yet again, he is expected to testify in Scarfo's retrial on racketeering charges.

Thomas DelGiorno, who admitted to six killings, running a gambling syndicate, extortion and voter fraud, served only five years after he agreed to testify.

Like Leonetti, DelGiorno didn't spend all of those five years in prison. While he was waiting to testify, he lived in a government-controlled beachfront hideout. He was allowed to walk the beaches and frequent stores and bars.

According to court records, he said that in one bar where he was drinking and eating with New Jersey State police officers assigned to protect him, he met a prostitute and had sex with her.

DelGiorno testified that he was promised a loan or grant of \$200,000 or more so that he could start a business. He was also allowed to keep \$135,000 in cash and property. He was freed from prison in 1990.

Four of the other five protected witnesses against Scarfo — Nicholas Caramandi, Lawrence Merlino, Eugene Milano and Joseph Pedulla — received similarly short sentences and are now free.

Only one, Willard Moran, is still imprisoned. He was convicted of murdering a union leader in Philadelphia and was eventually sentenced to death. But because federal officials had agreed to put him in the witness protection program, he remains in federal custody and the state of Pennsylvania cannot get to him to carry out the execution.

A disgruntled witness tries to police the program

By Bill Moushey
Post-Gazette Staff Writer

Last June 23 was supposed to be the first glorious day of freedom and a new life for George E. Taylor Jr.

He had done 10 years in prison, almost six of them as part of the federal Witness Security Program.

Taylor, now 43, said he did all that time despite government assurances that he would be released in 1985 after informing on assorted bikers, mobsters, drug dealers and politicians, mostly in his home state of Missouri.

Those broken promises — which federal officials connected with the case deny — angered Taylor throughout his imprisonment. But, on this summer morning, it never occurred to him that the government would renege on the basic deal that brought him into the witness program in the first place.

Just days before his release, a program official assured him he would get a quick, covert trip to a new home, complete with a new identity and a job, he said.

Instead, on the first day of his parole from a sentence for a drug-related armed robbery, Taylor was given a ride to the prison gate, a plane ticket, no new identification, \$30, and advice on how to make a new life for himself.

"My case manager told me to make sure I don't go to Missouri or I might get killed," Taylor said.

Officials in Washington, it turned out, had determined he was in no danger on the outside — despite an earlier report that listed 40 people who wanted to kill him.

And, they said he wasn't eligible for a new life set up by the government because he had violated "the integrity of the program."

"They were throwing me out of the program because I was planning to exercise my First Amendment rights of free speech by exposing it and they knew it," he said.

On that first day of freedom, Taylor said, he felt like New York mobster James Cardinali, who in 1991 put on a sandwich board with a bull's eye and picketed a courthouse in Albuquerque because the government had turned its back on him.

"I felt like I had the bull's eye on my forehead," Taylor said.

But unlike other protected witnesses who were left unprotected after their release, Taylor struck back.

Indeed, Taylor has graduated from snitching on hoodlums to informing on the government that he said deceives many witnesses in the program.

He is writing a book about the program. And he wants to appear before Congress to explain how a "patently corrupt" program has flourished with no government oversight over the past 14 years.

"My message is the Congress should look at what is happening in this program that has spun out of control," Taylor said.

He believes it should be restructured, cut back dramatically or shut down. As for anyone thinking of becoming an informer, Taylor has this advice: "Get it in writing before you tell them a thing."

Taylor is convinced his actions have brought government retaliation. Recently, someone broke into his home and stole audiotapes made in prison, a day planner and notes from his time in the witness program, leaving valuable items behind.

"Only the government knows where I am, so it doesn't take a brain surgeon to figure out who the culprit is," he said.

And, according to his lawyer, since his release, the U.S. Justice Department's Office of Enforcement Operations, which runs the witness program, has repeatedly contacted Missouri parole officers, urging them to imprison him again for any parole violation. Taylor sees that as a tactic to destroy his credibility.

Two weeks ago, Missouri parole officers, pressured by officials in the state where Taylor now lives, ordered him back to Missouri. His parole officer admitted the order stemmed from intervention by witness program officials.

Taylor is awaiting final orders to return any day. It will be his first time in Missouri since he was led out of the State Penitentiary in Jefferson City and into the witness program at the federal penitentiary Sandstone, Minn., after he set up a prisoner on drug charges.

"As I was being led out of that joint, I got called every kind of rodent known to mankind. I was scared to death," he said.

In information obtained by the Post-Gazette, witness program officials repeatedly called Taylor a mentally unstable liar with a grudge. He denies instability, but admits he has a grudge.

He said he began a crusade to expose the program

almost from his first days at Sandstone.

While he was doing what ended up being 10 years despite promises he claims the government made of immediate freedom, he saw many high profile protected witnesses who'd admitted to major drug crimes and multiple murders being released with large sums of money from government forfeiture and reward programs.

At the same time, he said, many protected witnesses who never killed anyone — especially those like him with state sentences instead of federal terms — were doing much lengthier hitches.

"It was not just one guy or a couple of them, but a parade of really bad guys, serial killers, who got out while others who did much less just sat there," he said.

The event that triggered his decision to wage all-out war against the program occurred in 1991 after he'd sent a letter of complaint to members of Congress and the media.

Shortly after, Gerald Shur, the man who created and managed the program until his retirement in 1995, approached Taylor while he was standing with three or four other inmates.

"He cupped his hands together and told me he had me right there in his hands. Then he asked me if I knew what would happen if he dropped me and I was sent back to Missouri. I told him I knew what would happen, it would be a death sentence," Taylor said.

He said Shur told him to remember that. Taylor has obtained signed affidavits about the encounter from two witnesses present. The Post-Gazette interviewed two others who corroborated Taylor's account.

In an interview, Shur denied confronting or even knowing Taylor.

Taylor made no secret of his desire to gather as much information as possible about the program.

He read as many plea agreements as he could get his hands on. He interviewed every willing protected witness. He kept copious notes.

When he was released last June, he began a nomadic life, traveling between the homes of friends and family hoping to figure out how to live without the new identity or anything else the government was supposed to provide for him.

Taylor believes he is still a source of concern to witness program officials. In February he agreed to be interviewed by criminal lawyer F Lee Bailey about preferential treatment given to Salvatore Gravano and two other protected witnesses expected to testify about a killing in New York.

On the day Bailey revealed that Taylor would testify, the government offered his client a plea bargain.

Government officials have denied that Taylor's presence in the case had anything to do with the deal.

Days later, Taylor said, two deputy U.S. marshals stopped him near his home, handcuffed him and questioned him for almost six hours.

"They threatened to violate my parole, they wanted to know what I was doing and they told me I was in danger," he said. "I just told them to leave me alone."

Taylor said he still lives in fear he will some day face reprisals from the people he snitched on, or from the government he is ratting on.

But that has not shut him up.

He said if he can't get Congress to take a hard look at the program, he may continue to testify about the treatment he saw high-profile witnesses receive in prison.

"I'll call my service, 'Have Mouth, Will Travel.'"

They testified: now they're prisoners of their fear

On the day that Peggy and William Giglia decided to testify against fellow organized crime figures in their hometown of Buffalo, N.Y., their only alternative was a lifetime in jail.

She had admitted to driving a car in a contract killing, selling more than \$200,000 of cocaine to the pastor of a church, and participating in robberies, burglaries and other crimes.

He admitted to being part of the cocaine deals.

Trading information for freedom and protection under the witness protection program sounded like a good deal.

Five years later, however, they are prisoners of their fear.

"I live in fear every hour of the day. If I'm walking down the street and someone is yelling, even if I'm some place where no one is supposed to know me, I figure they found me, this is how I live," Peggy Giglia said.

They say that after they gave their testimony, they were freed as promised, but then officials of the federal government turned their back on them, refusing to admit them into the witness pro-

tection program, or provide them any of the benefits that typically go along with it. Officials told the Giglias that they weren't in any danger and, therefore, didn't need protection.

"Without my testimony, they would have had no cases," Peggy Giglia said of her testimony in some of the most widely celebrated series of mob/drug trials in Buffalo's history.

Frank Clark, first assistant district attorney in Erie County, agrees that "Peggy was the pivotal witness."

Because of that, the Giglias believe their lives are in danger.

"I'd tell them [federal officials] all the time, I'm in fear for my life. They say nobody will ever find out where you live, who's going to come and kill you?" she said.

After repeated arguments with federal officials, Peggy Giglia said she can rarely now even get federal officials on the telephone. The Giglias agreed to be interviewed with hopes that federal officials might review their case.

"These guys used us for bait," she added.

— Bill Moushey

Protected witness benefits plan

Here are the details of the typical government deal

Hollywood's version of the protected witness program is a shadowy swirl of intrigue and extraordinary measures by the federal government which owes a courageous witness a debt for testimony that finally sealed the fate of evildoers. That witness is set up in a new life with elaborate detail provided by the government to obscure the past and ensure an unobtrusive move to a new community.

But except for some high-profile organized crime informants whose testimony brings down infamous criminals and brings up the TV camera lights, such protection is only in the movies.

For most of the government's protected witnesses, the follow-through is much more meager. Some of the 24 witnesses who spoke on or off the record for this series go so far as to say the protection is nonexistent. They believe they were duped into testimony and left with a bull's-eye on their chests.

Officials of the program say those witnesses were living in a dream world from the start.

According to Department of Justice records, and protected witnesses, the system usually works this way once the witness is out of prison:

CASH: Protected witnesses usually get \$1,200 to \$2,000 a month for up to two years or until the U.S. Marshals Service, which manages the civilian portion of the program, decides they can support themselves. Then all subsistence allowances end.

IDENTITY: The marshals service provides each protected witness with a new name and social security card, although every witness interviewed said they had to wait up to six months after their release to get the card. Two government audits of the program confirm that. Once they have the social security card, they are instructed to acquire a driver's license and other forms of identification to further establish a new identity. Program officials are then supposed to notify local law enforcement that a protected witness is in their territory. Local police often say they were not notified until after the witness committed another crime.

EMPLOYMENT: According to more than 20 protected witnesses now on the

streets, when they entered the program, they were told the Marshals Service would help them find employment, provide background, references and other essentials in the application process. In reality, they say, the government does little. According to one witness, when he asked program officials to help him get a job, they said they would have to tell the employer about the witness's past.

SHELTER: Protected witnesses normally are housed in a prepaid motel room for up to three months while they wait for a permanent assignment to a city or town. In the new location, they usually are given a lump sum of between \$2,000 and \$5,000 to rent or purchase a home, acquire furniture and other essentials.

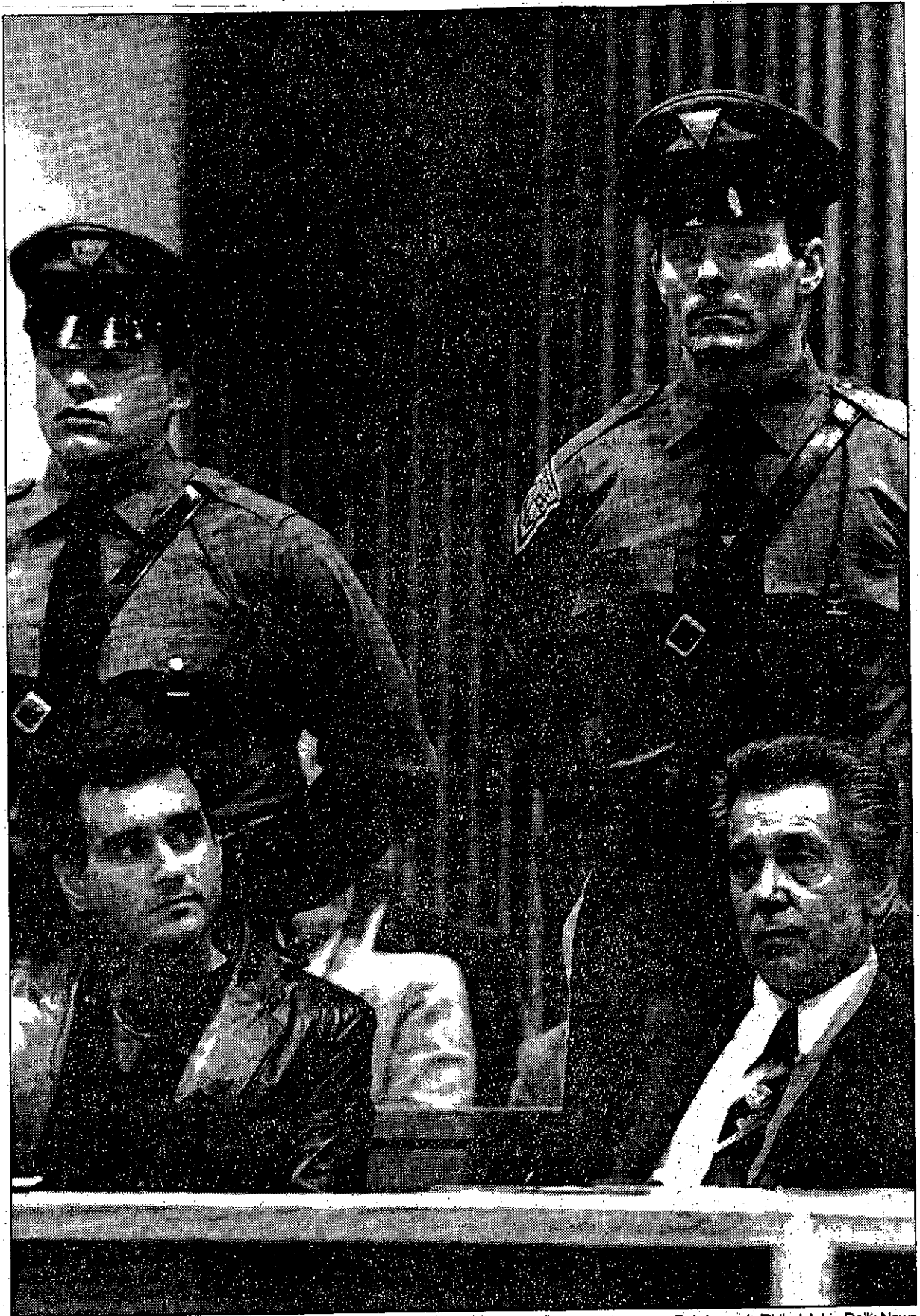
When they are relocated for security purposes, they can either move all of their belongings at the government's expense, or accept a lump sum buyout from the government, which supposedly then turns their things over to the next protected witness assigned to that location.

TRANSPORTATION: The government usually provides the witnesses with \$2,500 to \$5,000 to purchase a used car. Initial insurance payments are usually provided, then protected witnesses are obliged to cover their own costs.

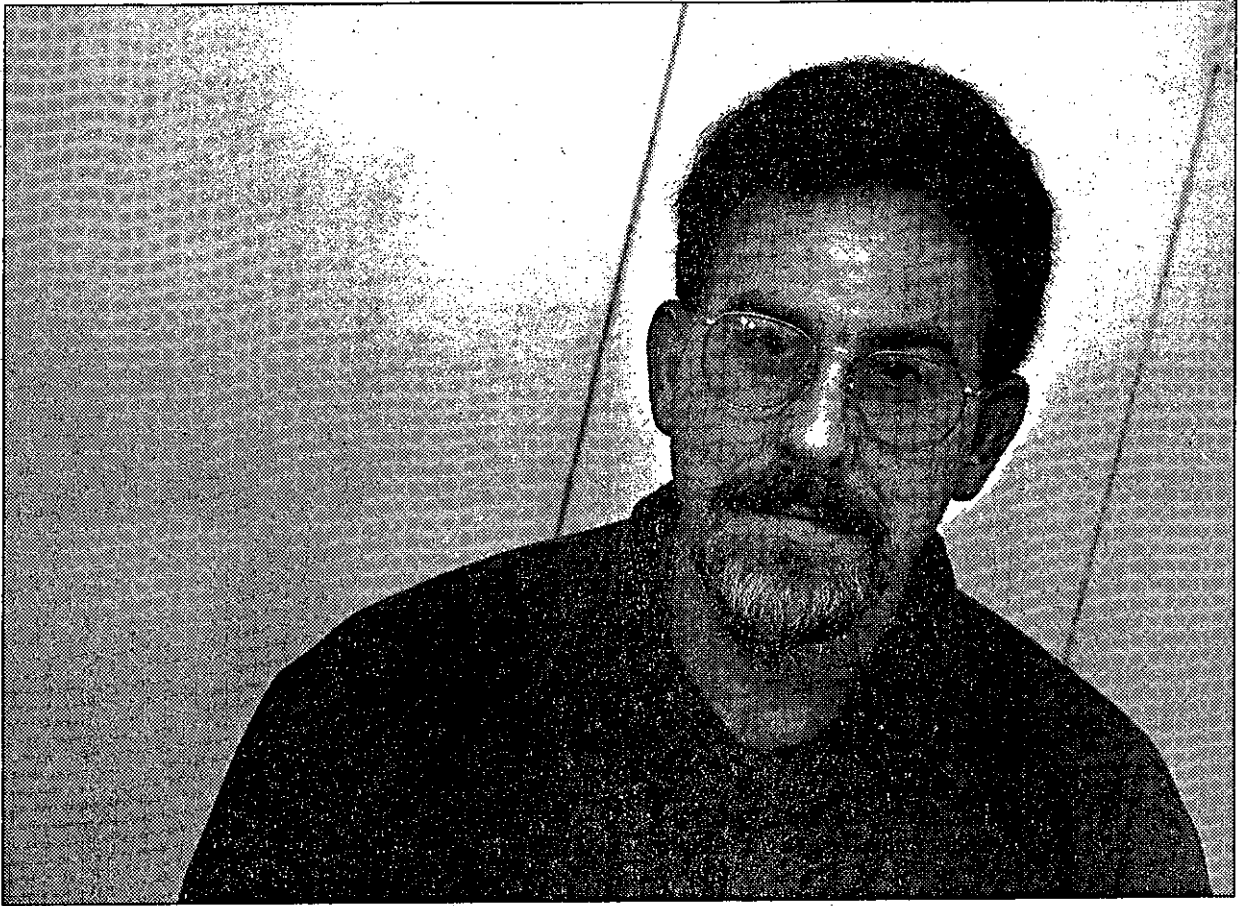
HEALTH CARE: The government pays health coverage, including dental, until protected witnesses are earning a salary. But protected witnesses sometimes complain about long delays in getting health care. They are also eligible to apply for coverage of counseling and substance abuse treatments.

OTHER ASSISTANCE: Protected witnesses can apply for loans, grants and other federal programs which provide start-up costs for businesses or for vocational training and education. These benefits range from less than \$10,000 to \$250,000, the amount given to a witness connected to a Philadelphia crime family. Protected witnesses have said that while these grants are discussed in detail when they are considering entering the program, they are extremely difficult to get.

— Bill Moushey



Bob Laramie/Philadelphia Daily News
Phil Leonetti, left, became a protected government witness to testify against his uncle, Philadelphia organized crime boss Nicodemò Scarfo, at right. In exchange for his testimony, Leonetti served 5 years, 5 months and 5 days, despite admitting to 10 murders.



Tony Tye/Post-Gazette

"Congress should look at what is happening in this program that has spun out of control," says George E. Taylor Jr., who was a protected witness for six years. He believes the government reneged on their deal because he was speaking out about the program.

PROTECTED **WITNESS**

Protecting liars

They'll say anything about anybody
to get into witness protection program

By Bill Moushey
Post-Gazette Staff Writer

The federal witness protection program depends on the unlikely combination of fear and truth.

Facing long prison terms with little hope of ever emerging, criminals will try anything to get out, including telling the truth about others they watched do dreadful deeds. To prosecutors, that truth is often worth trading protection and freedom for the teller.

But, according to documented cases around the country and dozens of protected witnesses who spoke to the Pittsburgh Post-Gazette, truth has been a casualty of desperate inmates and a federal program out of control.

In the transaction to buy freedom, lies are often the currency.

George Taylor, who spent six years in a witness protection prison unit, said inventing stories is so commonplace among the witnesses that it has become a game of pin the crime on the donkey. "That's what they do — as long as they have enough credible information to get the feds interested, they can make up the rest. It happens all the time."

The Manipulator

William Koopman was a tough guy — an enforcer — with the Buffalo mob for 15 years. With a Puerto Rican mother and an Irish father, his

heritage didn't technically qualify him for Buffalo's La Cosa Nostra. But at 6-foot-1 and 300 pounds, with a penchant for violence, dealing drugs, gambling and burglary, Koopman worked his way up to a full life of crime. He carried a .9-millimeter gun, he wore gold jewelry, and he could lie with the best of them.

When Koopman was charged with executing John Pinelli, the estranged son-in-law of his mob mentor, Luciano Spataro, his years of crime turned on a three-minute conversation with a prosecutor.

In that chat, Koopman said he had just been along for the ride when Pinelli was murdered, and agreed to testify against the triggerman, and against perpetrators of four other murders, in exchange for a short sentence and entry into the witness protection program.

In the Pinelli case, he named Carmine Spataro — Luciano's son — as the man who placed a .380 semi-automatic pistol to the back of his victim's head and blew his skull apart.

Carmine Spataro was convicted and is serving 25 years to life in prison.

Under his witness protection agreement, Koopman received a sentence of five to 15 years and served a little over four, nine months of which was in a hotel while he waited to testify in cases.

Then last year, while testifying again about what he knew of the Pinelli murder and other crimes, Koopman changed his story dramatically

MAY 30 1996

during questioning by attorney Thomas Eoannou:

"You knew the homicide was going to happen," Eoannou began, recapping Koopman's original testimony years earlier.

"Yes."

"You kind of drove along for the ride. What was your participation, sir?"

"I was the shooter."

"You did the shooting?" a startled Eoannou asked.

"Yes."

"You pulled the trigger?"

"That's correct."

"You lied about that at trial, didn't you?"

"In trial, yeah."

To Eoannou, what was even more startling than the testimony was what he learned later: Local, state and federal officials admitted in court records that they had known or suspected for years that Koopman was the man who pulled the trigger. They tried to coax the truth out of him, but when he refused to relent, they said nothing, and continued to rely on his versions of events in this case and several others.

And after his admission of lying, Koopman was not even charged with perjury.

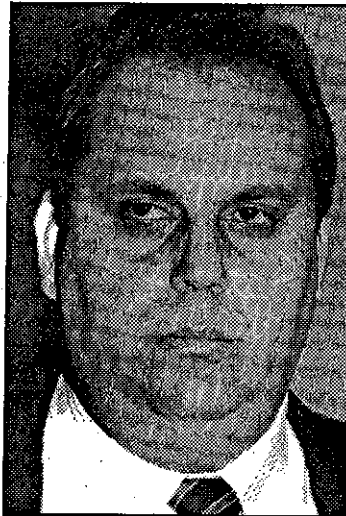
Eoannou, a former Erie County prosecutor, was outraged.

"In this case, it is quite clear that witnesses like Koopman can lie right through their teeth and get away with it," he said.

"I realize [law enforcement officials] are not going to stop using these liars, but I believe they will think twice about perjury if we attack these guys for what they are, liars looking for a way out."

Frank Clark, the assistant district attorney who first decided to use Koopman's testimony to prosecute Carmine Spataro, denies emphatically that he or anyone else connected with Koopman did anything improper.

He admits, though, that he had heard conflicting stories about who pulled the trigger. He also confirms that Koopman was never given a polygraph test to establish his credibility.



William Koopman

Buffalo News

"I agree he has lied, but like I told the jury, 'Is a liar always a liar, does he lie all the time?' I should think not."

In cases subsequent to the Pinelli murder trial in which Koopman was used, the juries seemed to answer that question posed by Clark another way. As time went on, defense lawyers were able to win acquittals in federal drug cases because Koopman's testimony wasn't credible.

Under questioning by Eoannou, Koopman said he lied about who shot Pinelli "because of embarrassment of my family."

But Peggy Giglia, a good friend who helped clean up the blood after the murder, says Koopman had another reason for lying:

"He was scared to tell them in fear they would pull back his deal."

You tell me lie, I lie

Mushtaq Malik is a Pakistani heroin dealer who has latched onto the witness protection program as his passage to freedom. His reputation as a snitch is only surpassed by his reputation as a liar.

At one time or another, Malik has bartered for freedom by offering information on drug dealing in Pakistan, the role of the Palestinian Liberation Organization in the Marine barracks bombing in Beirut, and many other sensational cases.

He got nowhere with those because his testimony was unbelievable. But he keeps trying.

During testimony in Chicago, he explained his philosophy to a judge:

"If my lawyer tells me, you lie, I am going to lie. If I am your witness, if you tell me lie, I am going to lie, because I depend on you."

In fact, Malik once testified that 30 percent of his testimony while he was a protected witness was false.

His own sponsor in the witness protection program said he would not believe anything Malik said unless it was "extensively corroborated."

But for all of that, the government has used

Malik's word in several cases, including one in which he testified about stories he heard in prison about prosecutorial misconduct.

So far, while he has been used repeatedly by federal officials, he only has been successful one time at trading information for a shortened prison term.

That was his original bargain in Massachusetts, where he later admitted lying throughout a drug smuggling trial.

Even at that, he already has bargained what could have been a life term down to 35 years which under old federal sentencing guidelines applied to his case means about 15 years. So far, he has served eight of those years.

For freedom and money?

When Ricardo Bilonick, a Panamanian who was a long-time intimate of Manuel Noriega, agreed to testify against his former president in 1992, he got a dramatic reduction of his possible 60-year prison term.

Despite his admission that he smuggled \$400 million of cocaine into the United States, the government thought his information was so important to convicting Noriega that his prison time was cut to four years. As a bonus, he was permitted to keep the drug money, and his family was allowed to stay in the United States.

But in one of Noriega's post-trial motions, Noriega's lawyers said they had information that the Cali cartel, which believed Noriega had betrayed them, paid Bilonick \$1.25 million to frame Noriega by lying about his role in several drug conspiracies.

Although that has not been proven, the judge in the case is holding off a ruling until the allegation is checked.

In the meantime, Bilonick is free and living under an assumed name in the witness protection program.

Manuel who?

When federal officials reduced the drug smuggling sentence of Carlos Lehder Rivas by more than 100 years, they believed his testimony against Noriega would be key.

But when Lehder got on the stand, he

said he never actually met Noriega and "just assumed" that money he was handing over to intermediaries was going to him.

Furthermore, he impeached even that testimony by following it with stories that the prosecutors themselves found dubious.

One was that U.S. authorities gave him a "green light" to smuggle cocaine into this country because he let them smuggle weapons to the Contras via a Bahamian island he controlled.

Despite that, top officials from the U.S. Justice Department continued to use Lehder as a witness against Noriega.

Another witness in the case, Luis Del Cid, a former close Noriega associate and military official, received a substantial sentence reduction after agreeing to testify against his former general.

Under direct examination, Del Cid spoke of delivering drug pay-off money to Noriega and implicated him in the operation of a Medellin-controlled cocaine laboratory in a remote Panamanian province. Noriega had testified that he actually authorized the raid that destroyed the lab. But Del Cid tried to impeach that version by saying the lab wasn't raided until the general left the country. And, in order to further implicate Noriega, said the raid was followed by an emergency meeting in Cuba at which Noriega and Fidel Castro discussed how to placate the Medellin cartel.

But in cross-examination, Del Cid retracted much of his testimony after defense lawyers showed that Noriega was in fact in Panama at the time of the lab raid. As for the Noriega/Castro meeting, the defense showed it didn't occur until much later, and that it had been arranged long before the raid.

Still, the government made good on its deal with Del Cid, even though his information was largely misinformation.

A new campaign

A protected witness who left the program after 20 years in order to run for mayor of Austin, Texas, has now launched a different campaign.



Miami Herald

Luis Del Cid
*Flip-flopped on Noriega testimony
that helped win his freedom*

John Tully had cut a deal with federal officials in the 1970s: He pleaded guilty to four murders and one attempted murder. In exchange for a 7½-year prison term, he testified against several members of the Campisi crime family in New Jersey.

In a separate case, Tully's brother, Ronald, had been convicted of cocaine trafficking after being implicated by another protected witness.

Now Tully is trying to prove his brother, who died in the meantime, was framed. He has publicly denounced the prosecutors, who, he said, "knowingly used lying government witnesses" against his brother.

Tully claims some special expertise in the area. He says that prosecutors in the Campisi case manipulated witnesses, including him, into lying about the extent of the family's crimes.

In 1991, Tully "came out" of his protected witness status when he revealed his past in order to run for mayor of Austin under his alias, John Johnson. He lost then and again in 1994.

Can't ask about murders

In Pittsburgh, a protected witness who traded information to avoid a possible life sentence for drug trafficking was the star witness against Lee Chagra of El Paso, and 12 other defendants accused in a large cocaine and marijuana distribution ring.

In making his deal, John King Jr. told prosecutors he had committed many violent crimes, but no murders.

Then another protected witness

caused a furor during the 1994 trial when he testified that King told him he had killed two men over drug debts.

Defense lawyers, claiming King perjured himself, wanted to cross-examine him on the murders, but a judge ruled such questioning would be too inflammatory.

While King never admitted to the two murders, he did testify that for years he had lied to judges, law enforcement authorities and others about his criminal activities to escape punishment or retaliate against his enemies. Despite that, his testimony resulted in convictions of almost every one of the defendants in the Chagra case.

King was never charged with the murders. And the government kept its end of the bargain, even though his agreement — and every protected witness agreement — is technically voided by lying. King is serving five years and three months instead of 20 years to life.

Worse than nothing

It is an axiom in legal circles that any testimony that is "bought" by money or promises has little, if any, value since its credibility is always suspect.

Yet the federal witness protection program is based on a system of "buying" such testimony with reduced sentences, money, and sometimes — for those facing the death penalty — even life itself. Some believe that when the stakes are that high, lying is encouraged.

As early as 1926, Learned Hand, renowned as one of the most astute judges ever to serve in the federal system, wrote:

"A man faced with perpetual imprisonment until he discloses his confederates will in the end find confederates to disclose."

John Irwin, a retired sociologist/criminologist from San Francisco University who has testified against use of protected witnesses in trial, said the government is relying too heavily on informants.

"When it goes down that road, the government becomes so entwined in corruption that you actually can't believe they do it. I think it's out of laziness. It seems the art of investigation has been lost. They sit back and wait for someone to phone them," he said.

"If you start believing too much in these informants, you can really get into trouble."

A web of lies snares a prosecutor and frees a gang

By Bill Moushey
Post-Gazette Staff Writer

The New York Times covered it extensively. CBS's "60 Minutes" featured it. The wires picked it up, sending it nationwide:

A member of Chicago's El Rukn gang — one of the most violent street gangs in America — had charged that the federal prosecutor who put most of the gang in prison gave him and other informants special favors in order to lure them into the witness protection program to get their testimony against the others.

As a result of this charge, many of the gang members were freed from prison and the prosecutor's career was wrecked.

The national stories painted a picture of a witness program corrupted by prosecutors anxious to win high-profile convictions at any cost.

But an investigation by the Post-Gazette has revealed a larger flaw in the witness program: It sometimes allows liars to scheme their way out of prison and make a mockery of justice.

According to five protected witnesses who were imprisoned with members of the El Rukn gang and who spoke to the Post-Gazette both on and off the record, the informant's story about the prosecutor was a lie. An elaborate scam to trick the system and win a shorter prison sentence. A trick that worked.

The scheme begins

The central figure in the plot is Henry Harris, a junkie, murderer and drug-dealer who ran afoul of El Rukn leader, Jeff Fort.

Fort founded the gang in the mid-1960s as the Blackstone Rangers and built it through a mixture of intimidation and his interpretation of the teachings of a Black

Muslim sect. Over the years, the gang, eventually renamed "El Rukn," for the black stone of Mecca, forged a reputation for violence — killing anyone who crossed it — while operating soup kitchens and more than 10 run-down tenement buildings that housed its members. By the time some of the El Rukn gang began cooperating with federal authorities, they claimed the gang had killed more than 600 people.

Harris left behind a middle-class upbringing in Milwaukee and rose quickly in the El Rukn ranks. By his early 20s, he had become a "general" in the El Rukn army.

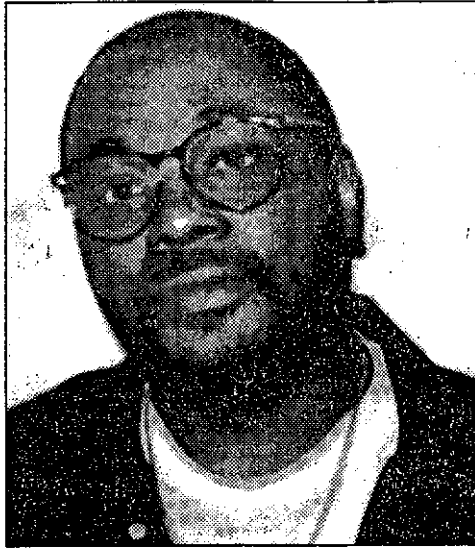
But he had a bitter falling out with Fort. The El Rukn leader was already serving a life term for a host of crimes that included murder, attempts to smuggle missiles to Libya and overseeing a worldwide drug-dealing operation. From his prison cell, he sent out the order to have Harris killed.

Learning that, Harris decided in 1988 to seek shelter in the witness protection program. The deal was set up through Assistant U.S. Attorney William Hogan Jr. Harris admitted his role in several murders and implicated other El Rukn members in killings and other crimes. For agreeing to testify, he was promised 20-years to life and was sent to the protected witness unit at Sandstone, Minn. He would have to serve 10 years before he was eligible for parole in 1998.

But it wasn't long before Harris concluded he had made a bum deal. At Sandstone, he heard about other murderers and international drug dealers who traded testimony for short prison sentences or immediate freedom.

The more he heard of these sweet deals, the more infuriated he became, say other witnesses who were housed with him.

Harris' anger was becoming obsessive. But he calmed down the day he discussed



Chicago Sun Times

Henry Harris — general in El Rukn "army" angered that deal wasn't sweet enough

his plight with fellow protected witness Philip Walsh.

The collaboration

Though only 31 at the time, Walsh knew his way around the witness protection program. In fact, he had grown up in it. When his father informed on gangsters in Detroit in the 1970s, the whole family was given protection.

Since then, Walsh had carved out a snitching career of his own. His ability to inform on others had won him a short stay at Sandstone, despite some major drug-dealing in California. It was his second stint in the program. But even short was too long for Walsh.

He was convinced he had a cure for Harris' blues and he brought in another inmate who was unhappy about his own deal — Mushtaq Malik, a Pakistani heroin smuggler doing 35 years despite informing on others in Massachusetts.

Over a six-month period in 1991, these three — with occasional help from others — devised the plan. They would testify that Hogan and dozens of local and federal law enforcement agents as well as Federal Bureau of Prisons staff allowed El Rukn informants special privileges.

These officials, they would swear, turned their heads while the inmates — who were being shuttled back and forth from Sandstone to Chicago while they were being prepared to testify — used drugs, arranged sexual encounters and engaged in other questionable activities.

Hogan and every one of the more than

100 lawmen who had contact with the El Rukn witnesses denied the accusations.

"There is no doubt that these guys were unilaterally miserable with their sentences as soon as they hit the witness units," Hogan said of Harris and six other El Rukns who had cooperated with the government.

But the allegations caught the eye of U.S. District Judge James Holderman, one of three judges who handled the El Rukn cases.

Meanwhile, the scam was no secret in Sandstone's witness protection unit. George E. Taylor Jr., a convicted armed robber from suburban St. Louis, said he got wind of the conspiracy early on. Shortly thereafter, James Basile, a Chicago racketeer informant, found out about it from Harris and Walsh.

Joseph Rosa, a Pittsburgh mob associate before becoming a protected witness at Sandstone, also knew of the scheme.

The Post-Gazette interviewed Taylor, Basile. Rosa and two other Sandstone inmates who refused to be identified for fear of retaliation. All five said they saw and heard the plot unfold, or learned about it after the fact from Walsh.

"They sat there for months, working out the scam they were going to play," Taylor said. "They told me to get into it and I'd get out of jail. I listened to them, but I didn't want nothing to do with it."

Basile said, "I knew what they were scheming, but when they told me who the victim was, I thought they were crazy. I told them I didn't want to hear anything about it."

Basile didn't realize the magnitude of the plot until he talked with Walsh out of prison. "He told me, 'Boy we wrecked that guy in Chicago,' and I said, 'What do you mean you wrecked him?' and he said, 'We went in there, got all kinds of guys off and totally screwed the prosecutor,'" Basile said.

Rosa said Walsh told him the same thing after they got out of jail.

The conspirators figured two elements would get the scheme going, according to Taylor, Basile and Rosa. One was drugs. Walsh knew that Harris, a drug addict, had been caught with traces of drugs in his urine several times in prison. They would use that to suggest that Hogan had allowed Harris and others to use drugs.

Secondly, Walsh had heard Harris say El Rukn witnesses had been allowed to have sex with their girlfriends while in custody. According to other Sandstone inmates, Walsh knew these stories were not true, but figured they would bolster the phony case.

The five Sandstone inmates interviewed by the Post-Gazette said Harris and Walsh did not believe their statements would cause reversals of the El Rukn cases. In fact, that was the last thing they wanted.

Their goal simply was to broach the subject of prosecutorial misconduct, get called into court and demand shorter sentences before they testified. Then they would make their testimony as vague as possible so as not to risk overturning the convictions of Harris' El Rukn enemies.

The story is spread

Walsh got the scam rolling by calling William Shockley, his sponsoring assistant United States attorney in San Francisco.

At Shockley's urging, Walsh wrote two letters about supposed government-endorsed drug use and other improper favors accorded the El Rukn witnesses. Shockley turned them over to the Justice Department's Office of Professional Responsibility.

"I sat right there and watched him write a letter to Bill Shockley," Taylor said. "It was all bullshit." Shockley acknowledged receiving the letters, but had no other comment.

Even the small details were fabricated, Taylor said. For example, Walsh testified that Harris made some of his accusations about Hogan while both were typing letters in Sandstone's law library.

But Basile, whose prison job was to care for the library, and Taylor say there were no working typewriters in the small room.

Walsh also said he overheard Harris make other accusations during telephone conversations. Taylor and Basile say Sandstone telephones are in separate rooms and one inmate cannot hear what another is saying.

Malik, the heroin dealer, had a history of shaky credibility — by his own admission. He would testify during the El Rukn matter that at least 30 percent of his testimony in earlier cases was false.

Judge Holderman knew that Malik had been discredited in testimony relating to his own drug smuggling cases and several other attempts to get his 35-year sentence reduced.

Then there was the curious matter of language.

According to Taylor, Walsh decided they should use the words "subterfuge and sophistry" to describe how Hogan taught Harris how to lie.

All of them used those exact words during the hearing on the issue before Judge Holderman.



Lisa Genesen/Special to the Post-Gazette
William Hogan Jr., former assistant U.S. attorney, says the rulings that freed the El Rukn members "rest on a collection of convicted liars and felons rarely assembled in one place at one time."

Taylor said he tried to warn authorities that a scam was in the works shortly after the letters were sent to Shockley. When he told the unit manager at Sandstone, he said, he was told to forget about it. According to a report secured by the Post-Gazette, another inmate whom Taylor told about the scheme reported it, again, during an interview with a federal agent.

Enter the judge

While Taylor couldn't get anyone to listen, Harris, Malik and Walsh got Judge Holderman's full attention. Holderman heard their testimony, then was presented a urine report that indicated Harris had used drugs. These reports had been inexplicably withheld by the U.S. Bureau of Prisons when defense lawyers subpoenaed them for the original El Rukn trial.

Holderman blamed Hogan for that, but Hogan pointed out he had no authority over the prison system. In fact, he said, he didn't know anything about the tests.

Once the charges became public, other witnesses inside and outside of the El Rukn case came forward, hinting that for better deals, they could provide further testimony about drug use and other improper conduct by the El Rukn witnesses in jail. None has succeeded in linking Hogan or any other member of his task force to misconduct.

But then another former assistant U.S. attorney, Lawrence Rosenthal, testified that while he was working on another case, he was given copies of the El Rukn dirty urine reports, and handed them to Hogan during a short conversation in 1989. Hogan says that never happened.

In fact, the day Rosenthal supposedly told him about the urine tests was the same day he and other prosecutors were negotiating deals with Harris and other El Rukn witnesses.

"His story is preposterous, I would never have forgotten something like that," Hogan said.

But Judge Holderman believed Rosenthal's story. He ruled that Hogan's office was aware of the drug use, made it possible, did nothing about it and did not disclose it to defense counsel. He also said the government provided money, gifts, clothing, radios, beer, cigarettes and other special favors.

As a result, Holderman and two other judges overturned every one of the El Rukn cases in 1993, freeing many of the 54 gang members serving time, including at least four murderers who accepted plea bargains for time served. Others got reduced sentences. A few were retried and convicted. Some await new trials.

"Holderman thinks the whole government is lying," Hogan said. "He thinks

there is a massive coverup, which is ridiculous."

Hogan and others involved said they were extremely careful with the El Rukn witnesses. They were fed and clothed, as most protected witnesses are, and occasionally given cigarettes. They were monitored closely not only because they were witnesses, but because they were known drug abusers and murderers. In short, they denied providing any special privileges to the El Rukn snitches.

And most of the lawmen who had contact with the El Rukn witnesses were experienced Chicago cops like Daniel Brannigan and David O'Callahan. The witnesses were also under the constant watch of deputy U.S. marshals.

Brannigan and O'Callahan have defended Hogan in and out of court. Brannigan, a leading gang investigator, said it makes no sense that the prosecution would cover up any drug use to ensure the continued cooperation of El Rukn informers. "The prosecutors and agents had nothing to gain," he said, because the plea agreements already were struck, forcing the El Rukns to either testify truthfully or face prosecution for all their crimes.

Because of Holderman's ruling, Hogan was suspended with pay in 1993 pending a Justice Department investigation. Hogan started his own probe, but it would be two years before he figured out what he believes happened in the Rosenthal situation.

He believes Rosenthal actually handed over re-

sults of the urine tests to another assistant U.S. attorney, Dean Polales, who was working with Rosenthal in a prosecution that had nothing to do with the El Rukn case. Polales, who could not be reached for comment, made a sworn statement to Justice Department investigators that bears that out.

"Rosenthal made a mistake," Hogan says. "It's as simple as that."

"Without Rosenthal to rely on, the three judicial opinions rest on a collection of convicted liars and felons rarely assembled in one place at one time."

Rosenthal would not comment on the case.

The aftermath

Nonetheless, on April 11 of this year, Hogan was fired. He has appealed but while he feels he did nothing wrong, he doesn't have much hope or enough money to believe he will prevail.

Meanwhile, Walsh got a quick release from jail, although he was rearrested on drug and fraud charges and is now in a California prison.

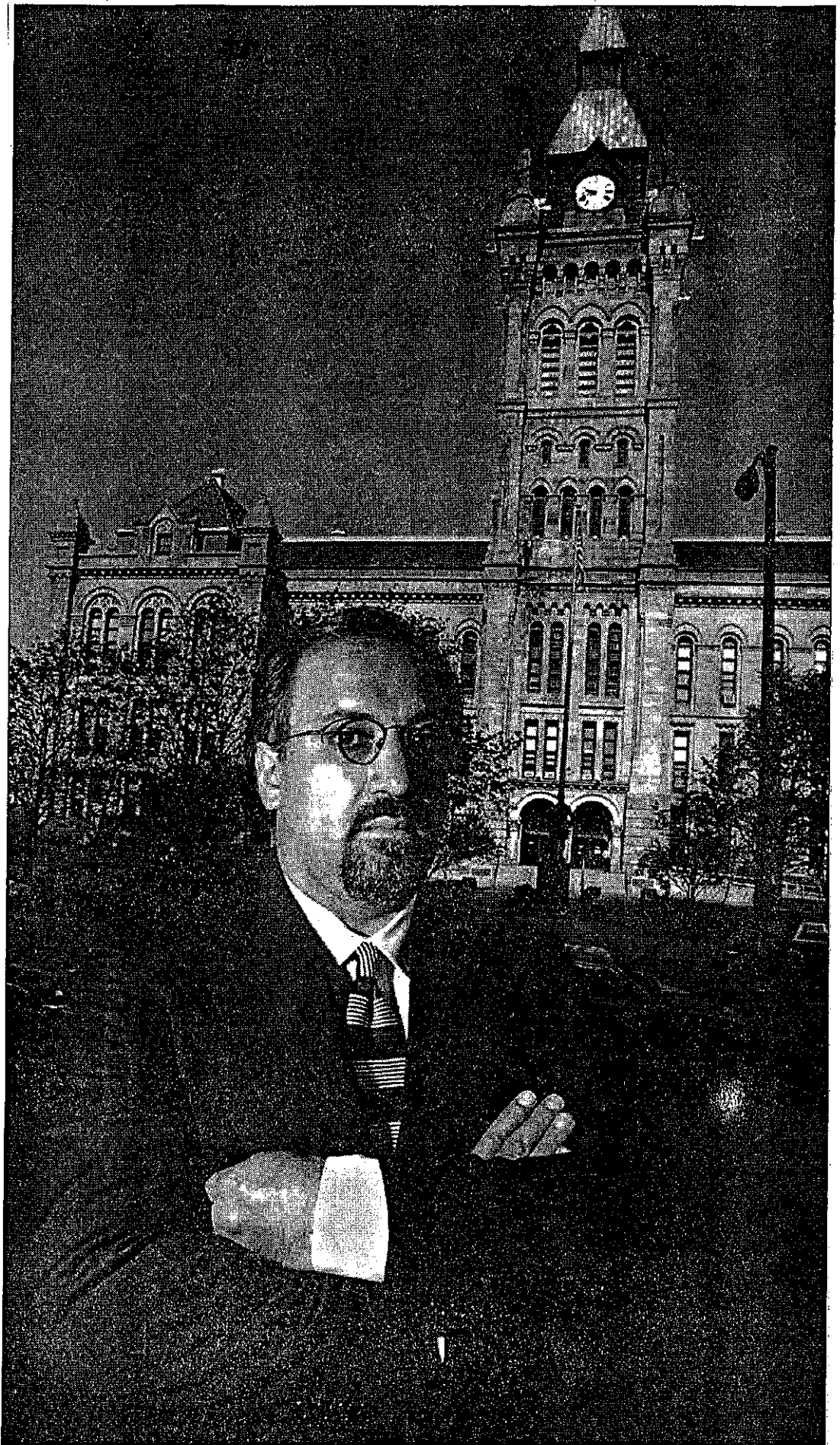
Harris did not accomplish much for himself. He was given a 30-year sentence and will be eligible for parole in 1998, the same year he would have been eligible under his original sentence.

Other El Rukn witnesses who contacted judges and prosecutors to testify about supposed misconduct after the Harris plan was made public, also received sentence reductions.

So far, Malik has received no sentence reduction as a result of his testimony.

As for Hogan, he knows that even if he is reinstated, his career would never be the same. And his view of the witness protection program is irreparably jaded.

"It's just a different twist on the same old thing," he said. "If it were another defendant, they'd do the same thing. They were just seizing the opportunity to cut a deal. In this case, the victim just happened to be me."



John Hickey/Special to the Post-Gazette
Former Erie County prosecutor Thomas Eoannou, now a lawyer in Buffalo, was startled to have protected witness William Koopman admit to lying in testimony he traded for freedom. Officials had continued to use Koopman in other cases even though they knew or suspected that he wasn't truthful.



David Kennedy/Austin (Texas) American-Statesman
Two-time Austin mayoral candidate John Johnson, standing at right in this 1991 picture, was actually John Tully, a protected government witness who now says the government manipulated him into lying about others.

Series prompts Senate investigation

By Bill Moushey
Post-Gazette Staff Writer

The powerful U.S. Senate Judiciary Committee has launched an investigation into the federal witness protection program, based on information developed in the Pittsburgh Post-Gazette's series, "Protected Witness," running this week.

The committee has scheduled a hearing on June 18 to question protected witnesses, officials of the Justice Department, which operates the witness program, and other law enforcement officers about problems with the program.

Sen. Orrin G. Hatch, R-Utah, the chairman of the committee that shares budgetary oversight of the Justice Department with a similar U.S. House committee, said he called the hearing after learning details of the Post-Gazette's yearlong investigation.

The hearing will mark the first time in history the full Senate Judiciary Committee has summoned testimony on the witness protection program which began in 1970.

"Frankly, from what I've heard ... we really ought to have done that [had hearings] before. I think we need to carefully evaluate the function of the program to make sure it's being operated properly," Hatch said.

A House subcommittee of that body's Judiciary Committee last held hearings on the topic 14 years ago after a protected witness was released from

PROTECTED **WITNESS**

-
- ⇨ **SUNDAY:** The federal witness protection program begins to fray

 - ⇨ **MONDAY:** It frees criminals who sometimes commit more crimes

 - ⇨ **TUESDAY:** It provides money or gives it back to witnesses who leave rich

 - ⇨ **WEDNESDAY:** It shelters some and abandons others

 - ⇨ **THURSDAY:** It is abused by liars who corrupt justice and go free

 - **TODAY:** It is virtually uncontrolled; Congress hasn't investigated for 14 years
-

prison and then killed six people on a cross-country rampage.

Among those who testified then were victims or families of victims of protected witnesses who had been released after testifying about other criminals and then went on to commit more crimes, including murder.

Several made emotional pleas that the protected witness program be shut down because it endangered innocent citizens.

The official Justice Department response to Congress was that the program is needed to enable lawmen to break up organized crime operations. But officials did promise to drastically scale back the program, using it only in rare instances.

Instead, the program grew in the number of witnesses protected from 324 admitted in 1982 to 553 admitted in 1992. The current number has not been released. And it also grew in expense. In 1995, the program cost the Justice Department \$53 million — 80 percent more than it cost when the hearings were held in 1982. The human cost to victims has grown with the program. The Post-Gazette was able to identify numerous victims of crime committed by protected witnesses since then.

When the Senate committee begins its hearings next month, the focus will be much the same as it was 14 years ago for the House.

Hatch said his committee will want to know if the protected witnesses are monitored properly.

"I don't think we can be in the position of protecting witnesses who prey on others. If that's the case, I want to know it. We just want to know the truth," he said.

He said balancing the rights of innocent citizens against career criminals — 97 percent of protected witnesses have criminal backgrounds — who provided damning testimony against their confederates in exchange for freedom is an admittedly difficult task.

"My understanding is that few, if any, of the witnesses are choir boys, but with reports of protected witnesses engaging in further criminal activity, I think it is mandatory for us to assess the threat to the community by these people," he said.

In addition to revealing the lax monitoring of the criminals who are released into the witness protection program, the newspaper's series also showed:

- The program has helped some protected witnesses leave prison wealthy since many are permitted to keep the money and other assets they accumulated during their lives of crime. This is a strategy contrary to the Justice Department's own balhooned system of seizing the property of drug dealers and other criminals.

- And, even while protected witnesses are still in prison, they are treated to perks that other prisoners would never get, including free phone calls anywhere in the world and a prison-sponsored anonymous bank account that allows them to purchase nearly anything that can be delivered. In addition, drug use and alcohol abuse is rampant in the witness protection prison units.

- Two systems of justice seem to have grown up under the program. High-profile criminals whose testimony garners headlines often get big-money deals and significant help in forging new lives. In contrast, small-time criminals say they are left only with broken promises after they are used as witnesses. Many of those claim the government's inaction has put them in dire danger.

Hatch said this is another area his committee will examine.

- "When some witnesses claim they haven't been treated properly by the program ... abandoned ... and not supervised and not helped, I want to get to the bottom of it," he said.

- Seasoned convicts have learned that while snitching once has kept them out of the death chamber, snitching again and again can win freedom, even if information they are selling isn't true. Those who get caught in the lies they traded for freedom are usually given their freedom anyway and are almost never prosecuted for perjury.

- Because the program is based on keeping secret the identities and whereabouts of protected witnesses, hardly anything about the program has been open to public scrutiny.

Even Hatch, who has been a member of the Senate Judiciary Committee for 20 years, said that prior to the newspaper investigation, his only information about the program had come from officials of the Justice Department who have contended that the witness program has been functioning well.

He said annual reports on the program submitted to the committee during its budgetary process have never disclosed problems.

When the Senate hearings are concluded, the committee, which includes Pennsylvania's Sen. Arlen Specter, will decide

if it should take action to alter the Justice Department's use of the program.

Hatch hopes the hearings will mark the beginning of the end to the lax oversight of the witness program.

"We have an obligation of oversight and we need to have the function of oversight," he said.

Officials of the Justice Department have not responded to numerous written and oral requests for interviews about the program. That includes a letter faxed this week requesting comment on the scheduling of the Senate hearing.

Meanwhile, another inquiry into the program, by the Justice Department's own office of inspector general, is already under way.

It's focusing on the drug use and other illegal activities at the protected witness prison units, especially the Mesa Unit at the Federal Correctional Institution at Phoenix.

That is according to Special Agent Pete Teuber, who contacted this newspaper seeking information after he spoke with George Taylor, a former convict who had been a protected witness and who was interviewed by the Post-Gazette and quoted in its stories.

Some callers who said they presently are living in the witness units say officials of the program have tightened controls over use of telephones and the witness unit buying clubs since the Post-Gazette began raising questions about the operations of the witness units.

Prison officials have refused to comment.

Series reprints available

You can obtain a reprint booklet of this entire six-part series for \$5.00 (includes tax) in the PG lobby beginning Wednesday, June 5. Or call the PG at (412) 263-1741 between 9 a.m. and 5 p.m., Monday through Friday, to order via Visa, MasterCard or Discover card. Or send a check payable to the PG to: Protected Witness, Box 476, Pittsburgh, PA 15230. Phone and mail orders will be accepted immediately. A shipping and handling charge of \$2.50 will be added to all phone and mail orders. Bulk rates are available.

Last hearings yielded few improvements

The last time Congress examined the federal Witness Security Program, several members of the U.S. House of Representatives and witness program officials pledged to reform it.

That was in 1982 when a hearing, held by a House subcommittee on Courts, Civil Liberties and the Administration of Justice, was called after Marion Pruett killed six people within two years of being released from prison into the program.

There were six witnesses during the one-day hearing, among them Frank Balderson, whose son was killed by Pruett, several protected witnesses who complained the government abandoned them after their release, and lawmen who insisted that the program was indispensable to breaking up large criminal networks.

The result of the hearing came two years later when a bill formalized the use of the program but also included measures meant to correct its problems. Called the Witness Security Reform Act, it was approved on May 21, 1984.

According to the Congressional Record of that day, then U.S. Rep. Robert W. Kastenmeier, D-Wis., chairman of the House subcommittee, noted that four major elements of the program would be changed by the law:

- The Justice Department must make acceptance into the program more difficult, in order to reduce the number of witnesses who qualify for protection.

"The attorney general must weigh the risk of harm to the community against the need for the testimony," Kastenmeier said.

Since then, however, the program has grown dramatically.

- The government must compensate victims of crimes committed by witnesses after

they were released from prison through the program, up to \$50,000 each.

Because the government declares sovereign immunity from being sued in such matters, this is the only compensation victims or their families can get.

For the murder of their son, the Baldersons received \$25,000. It is not known how much other victims have been compensated since the Justice Department has not released the numbers.

- Witnesses in the program must be made to comply with civil court judgments. Until then, most protected witnesses were able to walk away from their debts when they received their new identities.

But 14 years later, witnesses say creditors still have very little success in collecting debts by protected witnesses.

- The Justice Department must improve management accountability of the program, which involves federal agents of as many as six different divisions of the department.

Witnesses told the committee that promises of protection and help are often broken as they're handed off from an FBI, Drug Enforcement or Alcohol Tobacco and Firearms agent, to an assistant U.S. attorney, to the Prison Bureau, to the Marshals Service. Because the original deals are not always written down, they are often lost in the shuffle.

Many of the 23 protected witnesses who spoke on and off the record to the Post-Gazette this year say broken promises are still routine, some of which endanger their lives.

Since the 1982 hearings and the 1984 legislation, there has been no other congressional oversight of the program. That will change when the Senate hearings begin next month.

— Bill Moushey

*Passed from cop to U.S. attorney to Justice
Department to Prison Bureau to marshals...*

Who's in charge?

By Bill Moushey
Post-Gazette Staff Writer

A \$53 million-a-year federal program, authorized by Congress, run by the Justice Department, paid for by taxpayers and charged with placing lifelong criminals with fake names and backgrounds in unsuspecting neighborhoods, seems to be only loosely controlled, say many who are in the program or working closely with it.

In 14 years, Congress has looked once, even though it continued to approve ever-increasing spending for it.

The public can hardly look at all, either because elements of the program are secret by nature, or because the bureaucracy is so backlogged with requests for information that it is unable to provide it.

Of hundreds of public documents requested by the Post-Gazette for this series, only one was delivered in 16 months and it was censored so heavily that it was virtually useless.

Moreover, many witnesses in the program say little, if anything, about their deals as ever written down. Many months and many bureaucrats later, they say, the deals are forgotten or changed with no record to uphold them.

Peggy and William Giglia agreed to testify against members of the mob in their town, believing they had a deal to be protected. But after their testimony, they were released to their old home with no protection. The deal was made orally, Peggy Giglia says. Federal authorities deny it. There is no written record.

Hilmer Sandini, a drug dealer who agreed to work in a government sting operation and who, eventually, corrupted the federal agent assigned to work with him, had told friends and family for years that he had been in the witness protection program.

In fact, he used aliases which he told criminal compatriots had come from the federal government. A prosecutor who said he believed Sandini's boasts went looking for the written record of it. He found none. One of Sandini's official federal files, pulled five years after he died, had no

mention of any such protection.

It is still not certain if Sandini was in the program or not.

One result of such confusion is that deals are hard to nail down: Some witnesses get and keep very good deals for themselves; others are abandoned by the program.

But all are subject to the massive — and splintered — bureaucracy assigned to the program.

Getting passed around

From the moment they are arrested, criminals who have information to trade for reduced sentences and protection, begin to deal with a dizzying parade of law enforcement agents.

At the outset, the potential informant meets with a street agent from the FBI, DEA, ATF, Secret Service, IRS or local or state investigators. Usually federal agents get advice from the U.S. attorney or an assistant for the district before offering admission into the witness program.

Top officials of the U.S. Justice Department in Washington are also supposed to sign off on the arrangement.

For the duration of the witness' work with the government, the most important person is their sponsor; usually an assistant U.S. attorney, although others in the Justice Department have also served as sponsors. Janet Reno, now U.S. attorney general, sponsored protected witnesses when she was an assistant U.S. attorney in Florida.

The sponsor handles all the chores leading up to the witness' testimony, cuts the sentencing deal, questions the witness on the stand, and argues any sentence reduction pleas in court. Finally, the sponsor is ultimately responsible for ensuring that all deals are honored.

But after their testimony, protected witnesses are handed off to other bureaucrats.

If witnesses are sentenced to prison, they will be sent to one of five protected witness units in segregated areas of federal penitentiaries throughout the country that are operated by the federal Bureau of Prisons.

If they are released, two other departments take charge. The Justice Department Office of

Enforcement Operations takes responsibility for setting up their new lives by providing relocation services and establishing fake identities. The OEO also is supposed to do psychological profiles and other studies to help ex-convicts assimilate into lawful society.

Then the witnesses are turned over to the U.S. Marshals Service, which takes charge of moving them and providing continuing security.

The duties of the OEO and the marshals overlap, and the resulting confusion has been the basis of complaints dating back to an audit in 1982, which suggested the need for a clearer chain of command.

By the time the marshals get involved, the sponsors who were officially charged with making certain the details of the original deal are carried out, are rarely heard from. They are sometimes half a country away and immersed in new prosecutions or have moved on to private practice.

Disconnected

Protected witness James Basile couldn't get anyone but a deputy marshal on the telephone during his last contact with the program.

Basile, who had testified against the Chicago mob, believed his security in a remote Western state was compromised when he learned a mob associate lived near him. He was desperate to move.

For weeks, numerous witness program officials ignored his calls. Finally, he made contact with the deputy marshal. Despite Basile's original deal that promised protection, the deputy marshal told him he would have to stay where he was if he wanted to continue his involvement with the program.

When Basile, in fear for his life, said he would have to move with or without their help, three deputy marshals showed up at his doorstep with papers for him to sign out of the program.

He has been on his own since, moving constantly so that he won't be discovered by those he fingered.

Basile believes he was victimized by broken promises, bad record-keeping, and program officials who keep secrets even from each other:

"What is this?" he asks. "A comedy?"



Associated Press

Sen. Orrin Hatch, Senate Judiciary Committee chairman, says he knows that "few, if any, of the witnesses are choir boys, but with reports of protected witnesses engaging in further criminal activity, I think it is mandatory for us to assess the threat to the community by these people."



Wilmer Sandini, four years before his death in prison. Was he or wasn't he a protected witness? Jim Fetters

Senate to probe witness program's policy, problems

By Bill Moushey

Post-Gazette Staff Writer

WASHINGTON — Elisa Pennington has never talked publicly about her rage toward the federal government for freeing a killer who abducted and raped her, just hours after he had brutally murdered her son.

This morning, Pennington will tell her story for the first time before the U.S. Senate Judiciary Committee, which is conducting the first hearings in 14 years on the U.S. Justice Department's secretive Witness Security Program, better known as the witness protection program.

She is one of five witnesses expected to testify about the witness program, which was started more than 25 years ago to shield informants from criminals who might want to harm them.

The hearing has been called by Sen. Orrin G. Hatch, R-Utah, chairman of the committee, because of questions raised by the Pittsburgh Post-Gazette's series, "Protected Witness," published May 26-31.

Pennington will join Steven Wood, a Delaware prosecutor who won a conviction and death sentence

JUN 18 1996

against James Allen Red Dog, the man who raped Pennington and killed her son, Hugh.

Their testimony will focus on a major problem cited by critics of the witness protection program — the release of criminals associated with the program, who then kill or commit other crimes against an unsuspecting public.

Others expected to testify before the Senate committee today are three current and former protected witnesses — George E. Taylor Jr., of St. Louis, who said he was unceremoniously dumped from the program last year because federal officials knew he planned to criticize it; James Basile, a former Chicago mobster, who said the government has failed to keep its promises to him despite his testimony on several mob killings; and an unidentified protected witness who is apparently being provided for the hearings by the Justice Department itself.

The Justice Department, which has defended the program to Senate investigators and challenged the accuracy of the Post-Gazette's reports, will be represented at the hearings by John Keeney, an official in the department's criminal division.

Officials of the federal Bureau of Prisons, which houses protected witnesses, the U.S. Marshals Service, which transports and protects witnesses after their release, and the Office of Enforcement Operations, which oversees the witness program, also will be present should any members of the committee wish to question them.

After today's testimony, the committee, which includes Sen. Arlen Specter, R-Pa., may prepare additional questions for program officials, and then decide later whether more hearings or reports about the witness program are needed.

In addition to revealing lax monitoring of the criminals in the program, the Post-Gazette's series also showed:

- The program has helped some protected witnesses leave prison wealthy, since many are permitted to keep the money and other assets they accumulated during their lives of crime. That strategy conflicts with another Justice Department program that seizes the assets of drug dealers and other criminals.

- Even while protected witnesses

*Today's
testimony will
focus on the
release of
criminals who go
on to commit
new crimes.*

are still in prison, they are treated to perks that other prisoners would never get, including free phone calls anywhere in the world and a prison-sponsored anonymous bank account that allows them to purchase nearly anything that can be delivered.

- Two systems of justice seem to have grown up under the program. High-profile criminals whose testimony garners headlines often get big-money deals, and significant help in forging new lives. By contrast, small-time criminals say they are left only with broken promises after they are used as witnesses.

- Some convicts have learned that they can fabricate testimony against others in return for further reductions of their sentences. Those who get caught in the lies they traded for freedom are usually allowed to remain free, and are almost never prosecuted for perjury.

Because the program is based on keeping the identities and whereabouts of protected witnesses a

secret, hardly anything about the program has been open to public scrutiny.

Not only have Senate investigators found that the Justice Department has never provided specific information about the program during budgetary discussions, but the Justice Department has yet to respond to nine federal Freedom of Information Act requests submitted by the Post-Gazette.

The most emotional testimony today will probably involve the Red Dog case.

Red Dog already had been convicted of three killings before he snitched on two other prison inmates in the late 1980s, saying they had helped him murder another prisoner at the U.S. Penitentiary at Marion, Ill.

To earn his freedom, Red Dog told authorities that his wife helped him smuggle poison into the prison to kill another inmate.

In return for their testimony, Red Dog's wife was admitted into the witness program and he was absolved of responsibility for the killing.

Shortly after his parole in 1990, Red Dog followed his wife to Delaware, where she had been relocated by federal officials.

Elisa Pennington did not know anything about the Red Dogs' past when she befriended them. In 1991, a drunk, drugged Red Dog went to the Pennington home, tied up her 31-year-old artist son, dragged him into a basement and slit his throat so violently that he was nearly beheaded. Then he abducted Elisa Pennington, raping her repeatedly until she escaped almost two days later.

In 1993, Red Dog was executed in Delaware for Hugh Pennington's murder.

The grief he caused was a high price for what federal prosecutors got from him and his wife. The two inmates Red Dog implicated in the prison murder were both acquitted.

Witness protection program under fire before Senate panel

By Bill Moushey
Post-Gazette Staff Writer

WASHINGTON, D.C. — The federal witness protection program has been so secret for so long that Congress has no idea whether it is being run properly, Senate Judiciary Committee Chairman Orrin G. Hatch said yesterday.

The Utah Republican said during a 3½-hour hearing yesterday that he was determined to pierce the program's veil of secrecy so the committee can determine whether the program is being abused.

He made his remarks after the committee's first hearing ever into the 26-year-old program, which gives prisoners new identities and other special treatment in return for their testimony in major criminal cases.

Hatch scheduled the hearing after questions were raised by the Pittsburgh Post-Gazette while preparing a series, "Protected Witness," which appeared May 26-31.

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Among the revelations in the series: Protected witnesses have killed more than 20 citizens after being released from special prison units since the late 1970s; many of the most notorious criminals in the program had been allowed to keep millions of dollars in ill-gotten assets; and some protected witnesses had fabricated their testimony to get better deals.

In preliminary findings and remarks at the hearing, Hatch said the committee had been unable to get enough information from Justice Department officials to determine whether many of the criticisms of the program are true or false.

"If Congress is to make a fair evaluation of this program it must know all of the facts," Hatch said. "In particular, we must make sure that the selection and admission of witnesses into the program, many of whom have dangerous criminal histories, is carefully monitored.

"We need to know whether the testimony provided by these witnesses has made a difference in obtaining desired convictions for the government. We must also know whether protected witnesses are properly monitored once they are in the program. As it stands, these questions are all unanswered," he said.

The committee doesn't even know for sure the annual cost of the federal Witness Security Program, as it's formally called.

While program officials have said its fiscal budget for 1995 was \$53 million, Hatch said he discovered other costs that could raise that total by as much as \$20 million. He said the program was so fragmented that even its own officials were

not sure what the exact budget numbers are.

Hatch also had asked the Justice Department to provide him with details on payments made to protected witnesses, including money witnesses were allowed to keep from their criminal enterprises; but he said yesterday that the information hadn't been provided.

He said that protected witnesses who commit new crimes after entering the program, which program officials say occurs in about one in four cases out of the 6,600 men and women enrolled, was "particularly disturbing in light of the fact that most, if not all, of the protected witnesses who enter the program have prior criminal records."

He also suggested that the Justice Department had not made sure that witnesses were telling the truth when it cuts deals with them. The Post-Gazette series, he said, included "troubling allegations . . . that witnesses often lie in order to obtain reduced sentences or to receive special benefits within the program."

The committee spent much of the hearing focusing on the rape and murder case of former protected witness James Allen Red Dog.

Red Dog was released from prison in Illinois despite involvement in four murders, after he and his wife testified against two other federal prisoners in a jailhouse murder.

Red Dog had such a violent past that federal officials would not allow him to stay in the witness program after he was released from prison.

But his wife was put in the program, and Red Dog followed her to Wilmington, Del., where he met Ailsa Pennington and her son, Hugh.

In 1991, Red Dog inexplicably murdered Hugh Pennington — ty-

ing him up and slitting his throat to within an inch of decapitation — and then abducted and repeatedly raped Ailsa Pennington, she told the committee.

"It is unbelievable and unjustifiable that criminals with violent histories can get out of prison and can rejoin society for telling on other prisoners," she said.

"This man was a bomb and he exploded and he devastated our family. I strongly agree with those who want changes in the witness protection program. No organization should be so powerful, secretive and unaccountable," she said.

Her testimony was supported by Steven P. Wood, deputy attorney general in Delaware. Wood prosecuted Red Dog, who was executed in 1993.

He voiced disbelief that Red Dog, who committed three murders before admitting his guilt in the prison killing, was allowed to testify for his freedom, especially since the men he testified against already had been sentenced to life terms.

"The question we need to ask is why did the government make a deal with the devil?" Wood asked.

Sen. Joseph Biden, D-Del., who obtained changes in the witness protection law after Red Dog's crimes to force officials to alert local law enforcers about protected witnesses in their midst, said the secretive nature of the program had prevented him to this day from finding out all the details of the Red Dog case.

Two former protected witnesses testifying yesterday were James Basile, a former Chicago mobster, and George Taylor, a former St. Louis drug dealer and escort service operator. Both were interviewed for the Post-Gazette reports.

Basile said that after he cooperated with the government in mob cases in Chicago, which included information on 40 murders, he was promised a new identity and job in the program.

After his release from prison, Basile said he got subsistence payments for a little more than a year. He eventually had to sign out of the program because his security had been breached, but the government refused to relocate him.

Since then, he has been living on the road, doing odd jobs, looking for somewhere to settle down. Things have been so bad financially for Basile that he testified that McDonald's recently turned him down for a job.

"I'm not here looking for sympathy. I don't even deserve it. But I do think that when federal law enforcement people act in the name of our country, and make promises, the promises ought to be consistent, and they ought to keep their promises," he said.

Basile suggested many protected witnesses commit new crimes because the government does not support them as it had promised, and because the program lacks any type of rehabilitation training for protected witnesses while they're in jail.

Taylor said he naively thought the program was intended to help people forge new lives, but found it was riddled with problems.

"What I experienced was a system out of control — a system that allows criminals to fabricate testimony and be richly rewarded for it; a system that gives serial killers freedom and millions of dollars in exchange for dubious testimony in order to further the careers of overzealous prosecutors and Justice Department officials."

Taylor testified about several other protected witnesses he had met, including Salvatore Gravano, who parlayed admissions to 19 murders into a short prison stint because he testified against John Gotti of New York's Gambino crime family. Gravano told him he had \$8 million in ill-gained assets when he was released from jail, Taylor testified.

One witness who was brought into the hearing room with a black hood over his head testified that he thought the program worked well.

The man said he was an organized crime operative from New York, but did not identify himself nor any of the people he testified against. He said the government relocated him and helped him start a new business when he became a witness so he could avoid a murder charge.

Under questioning from Biden, the man, who was dressed in a fashionable blue suit with silk socks and Italian loafers, said he had not been sentenced for his crime.

The final panel of witnesses was a group of Justice Department officials who manage various aspects of the witness program.

Jack Keeney, assistant attorney general in charge of the criminal division, defended the program as one of the only tools available to prosecutors seeking to break up organized crime networks.

But neither he nor other officials present disputed any of the issues broached by other witnesses, or the reports by the Post Gazette. Justice Department officials have yet to discuss the program with the newspaper.

At the conclusion of the hearing, Keeney said the Justice Department would comply with every request of the Judiciary Committee.

Committee officials said a deci-

sion on future hearings, possible changes in the protected witness law, the program's administration or any other measures would be made after the Justice Department's information is studied. That is not expected to occur until the fall, at the earliest.



V.W.H. Campbell Jr./Post-Gazette photos

Former Chicago mobster James Basile — *"I'm not here looking for sympathy. I don't even deserve it. But I do think that when federal law enforcement people act in the name of our country, and make promises, the promises ought to be consistent and they ought to keep their promises"*



Allsa Pennington — *"It is unbelievable and unjustifiable that criminals with violent histories can get out of prison and can rejoin society for telling on other prisoners"*

Informing on the godfather

Protection program eludes witness despite
years of life-threatening cooperation

By Bill Moushey
Post-Gazette Staff Writer

Michael Lloyd, a convicted cattle rustler, bank robber and small-time thief, was on his way to the toughest prison in America when he met the New York Mafia godfather who would forever change his life.

During a prison airlift from Indiana in the summer of 1987, Lloyd encountered Carmine "The Snake" Persico, boss of the Colombo crime family and one of the fiercest Mafia killers ever. Their destination was the U.S. Penitentiary at Marion, Ill.

At the time, Lloyd didn't realize that he would soon become a close confidante of this short, pudgy man with eyes that could pierce steel. Nor did he imagine that he would later decide to start giving information about Persico to federal agents, making him one of the most important Mafia informants in American history.

Over the next eight years, Persico told Lloyd in graphic detail — and Lloyd passed the information along to federal agents — about bribing prison officials, ordering hits on underlings who strayed, counseling his associates on organized crime war tactics, using high-paid lawyers to deliver mob business messages, and, in one case, having a torrid sexual relationship in prison with one of his attorneys. Eventually, by warning agents ahead of

In a six-part series in May, staff writer Bill Moushey documented a host of problems in the federal witness protection program. The series spurred a continuing investigation by the U.S. Senate Judiciary Committee. Today's report shows that the problems in the program haven't gone away.

time, Lloyd said, he prevented more than a dozen murders, including those of the two federal prosecutors who caused Persico's imprisonment for 139 years. One of them, who is now in private practice, acknowledged in a recent letter that Lloyd had saved his life.

Lloyd also gave almost daily reports to federal officials on strategies being used in mob wars, as well as the details of the New York Mafia's multimillion-dollar criminal enterprises.

Lloyd even stayed in federal custody four years longer than he had to in order to remain near Persico.

In return for his unprecedented inside information, and for promising to testify in mob-related court cases, Lloyd had expected to be released from prison as early as 1992 and given a new life under the federal Witness Security Program, better known as the witness protection program.

But that didn't happen.

It has been almost two years since he was pulled out of the same prison as Per-

sico. Yet Lloyd not only has never been admitted into the witness protection program, but today is housed in solitary confinement in an East Coast federal prison, locked in a cell 23 hours a day and manacled and shackled for the one hour he is allowed outside.

The reason? Recently, the head of the Justice Department's Colombo Family squad mistakenly listed his status as a federal witness in a U.S. Bureau of Prisons computer database that other inmates can see. Solitary was the only place prison officials felt they could put Lloyd where his life wouldn't be in danger. It was the fourth breach of his security that had occurred since he completed his undercover work.

Lloyd said federal officials have not given him an explanation for why he hasn't been put in the witness protection program. While many murderers and Mafia informants have been admitted into the program almost the instant they decided to begin informing, Lloyd has now waited for years to be enrolled.

And because officials in Pennsylvania, where he committed some of his crimes, have refused to credit Lloyd for the extra time he served to work undercover for the federal government, he has not been declared eligible for parole.

BREAKING HIS SILENCE

The delays and broken promises have pushed Lloyd out of his years of self-imposed silence.

He began talking with the Post-Gazette as it prepared last May's six-day series on the witness protection program.

And he has given notice to federal officials that he wants them to release him from any further obligations to testify against Mafia defendants.

In an Oct. 10 letter to David Kelly, chief of the Justice Department's Organized Crime Strike Force in the Southern District of New York, Lloyd laid down his gauntlet.

"The people seeking revenge or prevention of my testimony have been declared by your office as the most dangerous and powerful organized crime figures in America.

"By your office's account they have collectively murdered over 100 people. They have corrupted [Bureau of Prisons] staff from a director down to a corrections officer. They have corrupted cops, U.S. marshals, and prosecutors. I would think by any standard there is a very serious risk to me and anyone close to me. This does not seem to matter to you or to the FBI," Lloyd wrote.

"Now I do not want to go into the Witness Program. The process is going to get me killed ... I actually consider it a miracle I have survived [so far]. I've had enough. If the goal was to discourage me, congratulations, you've succeeded," he wrote to Kelly.

While Lloyd has committed himself to testifying in one upcoming mob trial in New York, he said that after that, he wants to stop cooperating with the government and instead pin his hopes on getting out of jail with the help of noted Harrisburg attorney William Costopoulos.

At this point, Lloyd said, he would rather take his chances trying to survive on his own than rely on federal officials whom he no longer trusts.

A MORAL CRISIS

Lloyd, who grew up on Staten Island, N.Y., has been in and out of prison since he was a teen-ager. But most of his crimes have been thefts, and he has never physically harmed his victims.

Despite that, he ended up with a 30-year federal sentence in 1983 after he was convicted of cattle rustling in 1979, then escaped from the Snyder County Jail in central Pennsylvania, and then robbed a bank.

Partly because of his jail break and bank robbery, Lloyd was considered a serious enough risk to be put in Marion in 1987. Persico was put in a cell near his.

Within weeks, he had become the mob boss's confidante.

For some reason, Persico, who would threaten to kill other Mafiosi who broke the mob code of silence, made an exception for himself, and told Lloyd the most minute details of his past and present criminal activities.

At first, Lloyd just listened.

Persico told him about his 35-year climb through the mob to become head of the Colombo crime family and a member of New York's La Cosa Nostra commission, a board of Mafia leaders from the city's five families. Over that span, Persico told Lloyd, he was responsible for the killings of up to 25 mobsters and killed more than half of them himself.

Persico was elevated to boss of the Colombo family in 1972, after Joseph "Crazy Joe" Gallo, head of a rival faction, ordered the killing of Joseph Colombo during an Italian-American rally on Columbus Circle in Manhattan.

Within months, Persico's crew found Gallo in Umberto's Clam House on Mulberry Street in New York's Little Italy and killed him.

Persico told Lloyd about ordering the

“ Now I do not want to go into the Witness Program. The process is going to get me killed. ... I actually consider it a miracle I have survived [so far]. I've had enough. ”

— Michael Lloyd
in a letter to
David Kelly of
the Justice Department

Gallo shooting, and talked about many of his other victims, including Steve Piazza, his own son-in-law, the father of three of his grandchildren. In fact, Persico told Lloyd he knew every man he had killed, a fact that was not lost on Lloyd as he worked undercover.

But it was when Persico began to discuss his plans to kill the lawyers who prosecuted him that Lloyd became alarmed.

Persico told Lloyd he had hired investigators and others to help him in his plans to torture one of the prosecutors — Assistant U.S. Attorney Aaron Marcu of the Southern District of New York — before he had Marcu killed publicly in a way that would leave no doubt about who had arranged the hit.

Persico was incensed at Marcu's brash, condescending attitude toward him during his racketeering trial in 1986.

Persico also wanted to kill Marcu's associate, Bruce Baird.

At the time he heard these vows of vengeance, Lloyd was 40 and more than seven years into his own 30-year term.

A high school dropout, Lloyd had decided to turn his life around after his federal imprisonment. He had an excellent prison record. He had earned a General Equivalency Diploma for high school and had taken more than 10 college courses.

While in prison, Lloyd also staged several fundraisers — from selling T-shirts

to seeking cash donations — to raise thousands of dollars for charities like the Make A Wish Foundation.

Now he faced the biggest moral dilemma of his life.

Should he ignore the threats and keep his head down until he was free? Or should he try to stop the killings?

After much struggle, he reached his decision.

"I was at the time becoming completely disillusioned with crime as a lifestyle. I guess sitting in Marion gave me the time to think and come to the realization I was wasting my life away on this stupid way of living ... I realized that although I had dug a deep hole for myself as far as trouble, the only thing to do was change and go from that point on doing things that were right ... Once I made that decision, it was easier to do what I did.

"No good person would sit by and see people killed when they could prevent it."

'THE SNAKE CHARMER'

In early 1988, he sent the first of two letters to then-U.S. Attorney Rudolph Giuliani of New York, warning of the Persico plans to assassinate his prosecutors.

Within weeks, Lloyd had been enlisted to become the eyes and ears of the federal government on Persico. In a high-risk operation called "Operation Rap Sheet," Lloyd adopted the code-name, "The Snake Charmer," and became the only man ever to infiltrate organized crime through an imprisoned member of the Mafia's highest-ranking commission.

Early on, Lloyd detailed for agents how Persico hired investigators to track all of Marcu's movements. Persico knew where Marcu lived and worked and where his family shopped.

Federal officials took precautions that saved the lives of both Marcu and fellow prosecutor Baird. Lloyd said one set of federal agents was immediately dispatched to protect the prosecutors. The FBI's Colombo Family Squad also conducted a full investigation of the plot, which made Persico associates back off when they found out agents were on to Persico's plans.

Despite the failure of his plot, Persico didn't seem to suspect Lloyd.

He used Lloyd as a stenographer and secretary. And he would talk with Lloyd during the one hour each day that they were allowed to walk along the prison cell block.

Then Lloyd would go back to his cell and reduce everything he could remember to writing.

The notes would be mailed to agents through an attorney's address, which

was really an FBI mail drop, a ploy that was risky because inmates often saw outgoing mail. Over the years, Lloyd mailed more than 4,000 pages of notes to federal agents, along with copies of numerous other documents he got from Persico.

As time went on, the bookish Lloyd grew so close to Persico that he typed his legal mail, helped him secure basic necessities for his beloved Italian cooking, and allowed Persico to believe that Lloyd was just like all the other underlings on the street who catered to the mob boss.

At first, federal agents thought they might get limited information on Persico for a couple months.

Instead, they got an encyclopedia of inside Mafia data for almost eight years. Besides saving the prosecutors' lives, Lloyd said his cooperation prevented the contract killings of at least 10 other Mafia soldiers and informants. (Under federal law, agents must tell would-be murder targets when their lives are in danger, even if they are criminals).

All the while, Lloyd was constantly worried that one of legions of nothing-to-lose prisoners surrounding Persico would somehow flush him out as an informant, which would have meant a certain death sentence for him.

HOW LLOYD STAYED SAFE

Lloyd's biggest friend in some ways was a man he never met.

After Persico learned in 1986 that he was about to be arrested, he hid out in the Long Island home of Fred DeChristopher, who was married to the sister of a captain in the Colombo family.

Unbeknownst to Persico, though, DeChristopher began compiling information on Persico's every movement and statement, which he later turned over to the feds.

Apparently, Persico had talked to DeChristopher as openly as he did Lloyd — and that may have ended up saving Lloyd's life.

Because DeChristopher went into the witness protection program and was paid a \$50,000 reward by the government, every time Persico became concerned that someone was leaking information to the authorities, he suspected it was DeChristopher.

After DeChristopher testified against Persico in his racketeering trial, the mob boss became so livid that he spent enormous sums of money trying to find him.

Persico's underlings came close to killing DeChristopher in England, but thanks to Lloyd's information, he was gone before Persico's men arrived.

The same thing occurred with Michael

Franzese, the Colombo underboss known as the "Yuppie Don," who also traded information on Persico for a lenient prison term and quick freedom.

Once, when Michael Franzese appeared on ABC's "20/20," Persico became enraged. If "20/20" could find Franzese, Persico complained to Lloyd, then his guys better be able to.

Persico then dispatched a hit team from New York to make Franzese pay for what he did. What Persico didn't know was that Lloyd had alerted the FBI to the plot, so Franzese, like DeChristopher, was gone by the time his executioners arrived.

After the Franzese killing was thwarted, Persico complained to Lloyd that too many of his plans were going bad on him, making him wonder whether there was another leak.

Lloyd was petrified, but Persico apparently never suspected him.

SPECIAL PRIVILEGES

Persico also told Lloyd many tales of how the Mafiosi could live the good life in prison.

He said the Metropolitan Correctional Center in New York, a federal holding facility, was the best place in America for a Mafia guy to do time.

First of all, Persico said, he and other Mafiosi made their attorneys visit them there frequently, always under orders to bring food and drink.

While preparing for trial, the lawyers were allowed to bring FBI video surveillance tapes for Persico and his underlings to examine. Along with the official tapes, they would slip the latest Hollywood releases into the package, so the mobster and his associates got to watch movies in their visiting rooms.

They didn't just bring in their lawyers. Persico told Lloyd he would instruct his lawyers to call female prisoners to the visiting room for sexual liaisons. The Mafia leaders also listed many other women as paralegals or witnesses so they could be brought into the jail for the same reason.

Persico told Lloyd that the guards at MCC-New York were willing to bring almost anything else the mobsters wanted into the prison for a price.

Persico had learned how easy it was to influence prison staffers years earlier, when he had served eight years in a federal prison in Kentucky.

Persico's unit manager at the Federal Correctional Center at Ashland, Ky., was a man named Ernest Goss. Goss, infatuated with the mob, gave Persico unlimited use of his unmonitored office tele-

phone so Persico could conduct criminal business while in prison, helped him get furloughs, and even lent him his car, according to government documents.

On one occasion, Goss gave Persico a furlough so he could meet with several members of his criminal organization during a dinner at Goss' social club.

Federal officials said Goss left his job in the mid-1980s, not long after Persico was paroled from the Kentucky prison, but they refused to comment on the circumstances.

Persico also boasted to Lloyd of making a \$20,000 payoff to a top Bureau of Prisons official in exchange for a transfer during his earlier term. That matter is also cited in Persico's sentencing report. The official is not identified.

More recently, Lloyd said that while he and Persico were housed together in a California prison, two guards there constantly did favors for Persico and other Mafiosi, letting them use unmonitored telephones, free copying machines and checking for them on the Bureau of Prisons national computer system to determine the whereabouts of other imprisoned Mafia members and the names of those who had entered the witness protection program.

Last week, after the Post-Gazette had made inquiries about the two guards, federal prison officials said they were launching an internal review of their actions.

The ease with which Persico could influence prison officials caused great trepidation for Lloyd, because it meant that Lloyd not only was surrounded by criminals who might harm him at the slightest nod from Persico, but prison officials who potentially could do the same.

A PRISON HEADQUARTERS

Lloyd spent two years with Persico at Marion, about 18 months longer than he would have stayed in a maximum-security prison under his original sentence. While agents were elated with the information Lloyd provided them, they grew increasingly concerned at how easily Persico was able to control his organization from within the closely monitored confines of Marion.

Security is extremely tight there. Visitors are allowed no physical contact, with glass separating them from prisoners. Visits are recorded on video. All phones are monitored and conversations recorded.

But Lloyd told agents that Persico had a simple system for getting around those obstacles, using lawyers in the same way

he had in MCC-New York.

Under legal mail rules that allow inmates to send sealed envelopes to lawyers, Persico would send mob messages via his lawyers in New York. Lloyd said he often prepared the mailings. The lawyers could not or would not refuse Persico.

In 1989, Persico and Lloyd were transferred to the U.S. Penitentiary at Lompoc, Calif. Federal officials planned the move so it looked normal for the two to end up at the same place.

In the more lenient environs of Lompoc, Persico formed a club — the Italian Culture Club — of other Mafia inmates for social activities, including cards. Lloyd said those sitting around the table had murdered 100 people among them.

Occasionally, Persico could meet with his brother Teddy and son Michael to pass on messages for running the Colombo family.

But, Lloyd said, lawyers were still the easiest way to transmit messages.

Lloyd said that he personally called one of Persico's lawyers and passed on Persico's instructions for her to relay decisions about mob-owned businesses and threats against rebellious mob associates.

Lloyd told the FBI about the conversations and about the fact that the same lawyer was having a sexual relationship with Persico. The FBI then began an investigation and set up a sting during one of the lawyer-client meetings.

Unbeknownst to the lawyer, on Feb. 16, 1991, federal agents hid a video camera in the ceiling of an attorney visiting room at Lompoc.

The video recorded the lawyer and Persico having sex. After a guard walked in on them, Persico was confined to disciplinary custody and the attorney was limited to using public visiting areas in the future.

CLOSE SHAVES

During his years as an informant, Lloyd had several close calls.

One time a prison staffer found that the "attorney" to whom Lloyd was mailing documents didn't exist. Lloyd's next batch of mail was put on hold for investigation, but the FBI managed to intercede before any of it was opened.

Another time, two pieces of Lloyd's mail to the FBI disappeared. Lloyd was worried that it had been given or sold to Persico or one of the other organized crime figures at Lompoc, and he knew prisoners had died for less than that.

Then, in January 1994 at Lompoc, the worst scare of all occurred.

Persico called Lloyd into his cell to tell

him there was someone in the Italian Culture Club working for the feds. He said the person was telling them everything that was going on.

Lloyd panicked. He figured he had been discovered, and so he called his FBI contact and told them his work was over.

His agent told him not to worry and keep working.

Finally, in June 1994, Lloyd was transferred out of Lompoc, believing his aid to the government would quickly provide a shield for him.

“ Every benefit the government gains somehow translates into a negative consequence for me. ”

— Michael Lloyd

At the time, Lloyd anticipated he would have to serve a few more months in Pennsylvania prisons to wait for the state parole process to be completed.

But the Pennsylvania Department of Corrections refused to credit him with the full time he had served in federal prison, and so he is still in jail.

By late 1995, Lloyd found himself in the State Correctional Institution at Dallas, Pa.

But he became concerned that an imprisoned Philadelphia Mafioso at Dallas had discovered he was an informant, and so he was sent to the Federal Correctional Institution at Otisville, N.Y., where he thought he would be enrolled in its witness protection unit.

While still among the general prison population at Otisville, Lloyd — who was housed on the same block as Colombo family soldiers — was exposed as a federal witness after an assistant U.S. attorney mistakenly listed his status as a witness in the government's computer system, which is easily accessible to inmates.

In mid-October, he was rushed out of Otisville and sent to another federal holding facility. When he got there, Lloyd was hoping to be placed in that facility's protected witness floor.

Because federal officials have not yet enrolled him in witness protection — for reasons he doesn't understand — he has been put in the maximum-security detention area of the prison he is being held in.

Complicating his case is the fact that all of the federal officials who made promises to him are no longer working on his case. Some have become private attorneys. Others have been shifted to other high-profile federal cases.

None of them responded to letters sent by the Post Gazette requesting comment.

Lloyd says he has one more promise to keep. He has agreed to testify in a mob-related case in New York City, where he is expected to explain what he knows about mob drug dealing involving imprisoned Gambino family associate Anthony Senter, whom Lloyd got to know at Lompoc.

After that, in the letter he recently

sent to the officials who begged him for help eight years ago, he said:

"I have faithfully upheld my end of the initial agreement and much more, despite the lack of effort by the government. Now, every benefit the government gains somehow translates into a negative consequence for me."

Recently, federal officials, knowing he was planning to go public, tried to mollify him by issuing more promises of help.

But Lloyd isn't inclined to listen. "All I want now is for them to leave me alone."

Lloyd knows the chance he is taking if he opts out of witness protection. "It's a crapshoot. But I can't believe anything the government tells me. I guess it's a risky situation no matter what I do. I'm going to be at risk forever, no matter what."

E-mail can be sent to Bill Moushey at bmoush@aol.com.

Former FBI agent causes a sensation

Informants like Michael Lloyd, who became one of the government's best sources of mob activity, usually work closely with an FBI agent.

In Lloyd's case, Agent Lindley DeVecchio was one of the key agents who received his information and used it in Mafia investigations — until this year, when DeVecchio himself was accused of passing damaging information along to a Mafia hit man, including details of where the killer could find his enemies.

An internal FBI investigation has cleared DeVecchio of wrongdoing, and he retired last month. But since then, DeVecchio has refused to testify in several ongoing mob trials, citing his Fifth Amendment rights against self-incrimination.

Lloyd, who provided undercover information on Colombo family boss Carmine Persico and other Mafia activities for eight years, has complained that he can't get federal officials to tell him why they haven't put him in the witness protection program, which he expected would happen by now.

Whether DeVecchio's problems have contributed to Lloyd's limbo status is unknown.

In the meantime, though, it appears that several government prosecutions in New York may be derailed by the DeVecchio incident.

The recipient of DeVecchio's tips was Gregory Scarpa Sr., who was aligned with Carmine and Alphonse Persico in their struggle against rival Vic Orena during the 1990s for control of the Colombo family. DeVecchio has been accused of telling Scarpa the whereabouts of Orena-faction mobsters who were then killed or injured.

Scarpa, who died two years ago of AIDS, was himself an FBI informant for nearly 20 years, but critics have said that Scarpa gave DeVecchio far less useful information than DeVecchio gave him.

Scarpa's relationship with DeVecchio has become one of the hottest stories in New York, especially because it has led to the acquittal of about 15 of the 80 Mafia members arrested for their participation in the violent Persico-Orena wars, which lasted from 1991 to 1994.

killed 13 and injured many more.

Defense attorneys for Orena-faction mobsters have won acquittals by arguing that DeVecchio's tips amounted to government misconduct, and by saying their clients had a right to defend themselves.

Lloyd said Carmine Persico often told him about orders he had passed along to Scarpa for waging the battle against Orena's faction. Although Scarpa has been linked in the past to the Persicos, this is the first indication that Persico directly controlled Scarpa's activities from behind bars.

Both Persico and his son, Alphonse, were in prison when the fighting began. Carmine Persico was especially furious, Lloyd said, because he had named Orena to run the Colombo family temporarily, thinking he would be a docile placeholder until Alphonse could get out of jail and take over.

Instead, Orena aligned himself with other Mafia leaders in an attempt to take over the Colombo operation.

— Bill Moushey



About the author

Bill Moushey, 42, has been an investigative reporter for the Post-Gazette since 1985. His stories included uncovering corruption on the Supreme Court of Pennsylvania and revealing dreadful health care conditions in the state prison system.

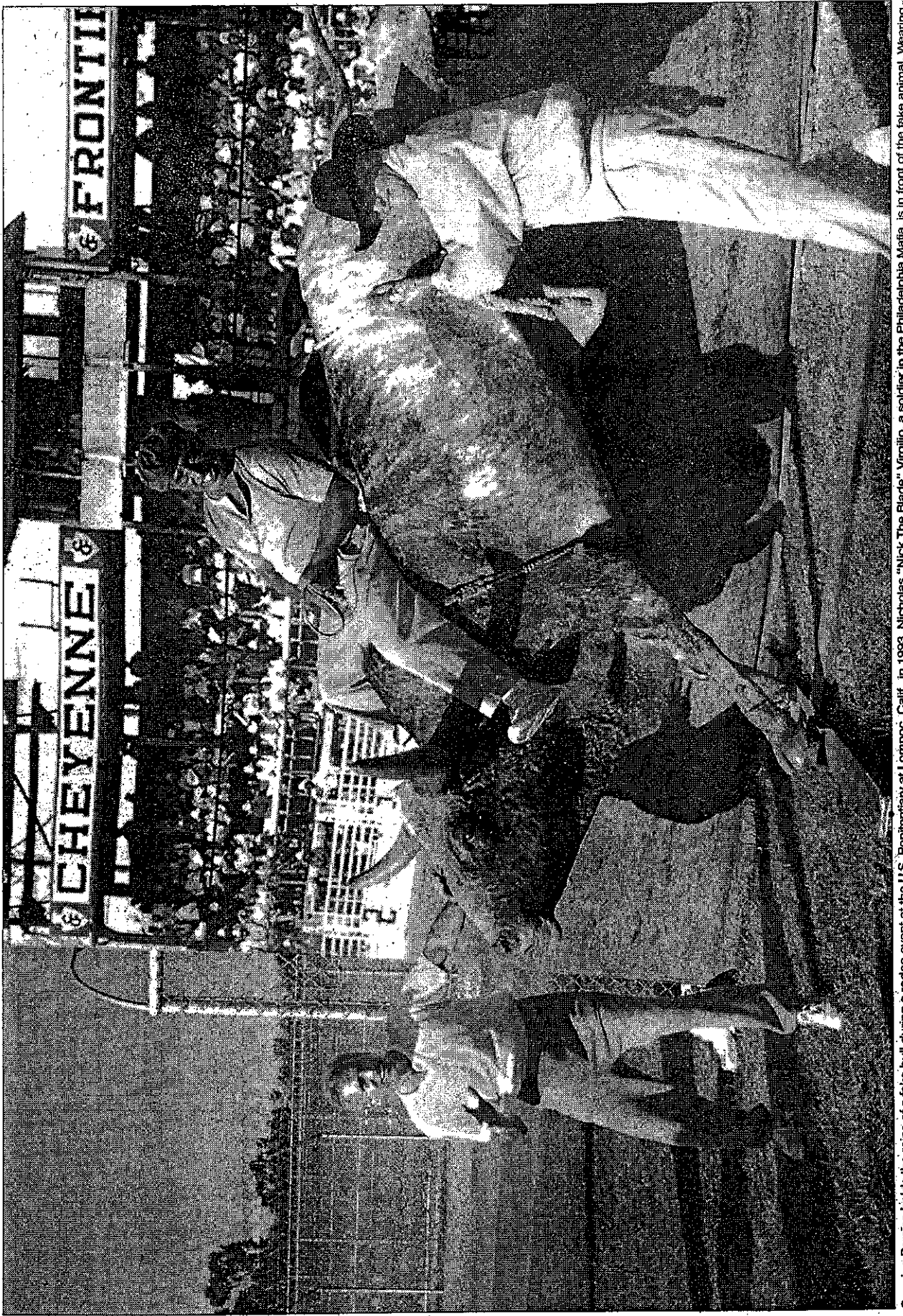
A native of Canton, Ohio, Moushey is a 1972 journalism graduate of Kent State University. Before joining the PG, he was an investigative reporter at WPXI-TV and editor of Pittsburgher Magazine.

His Post-Gazette reports have won numerous national and local awards, including honorable mention in the Newspaper Guild's Heywood Broun award for reporting on society's underprivileged.

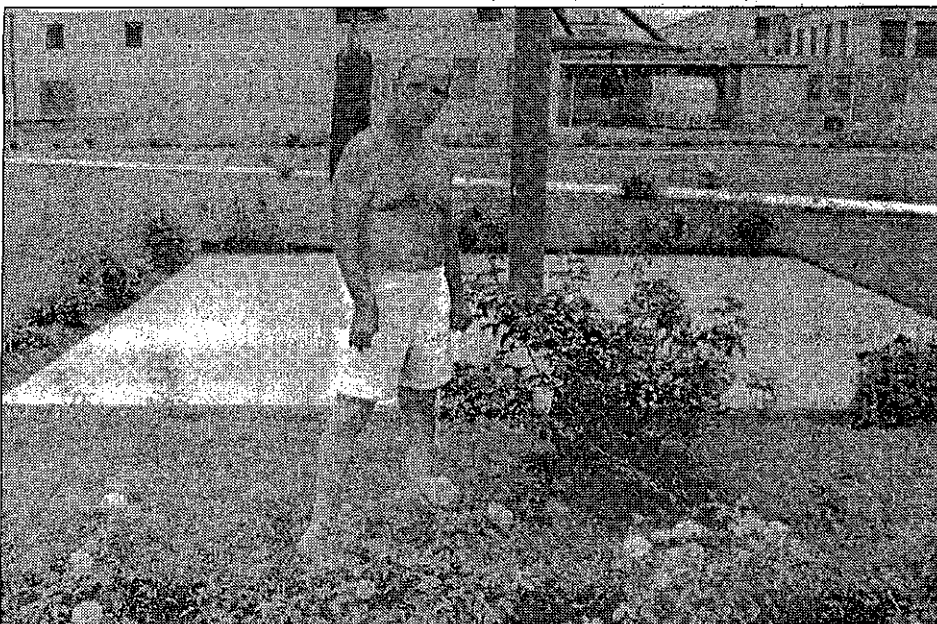
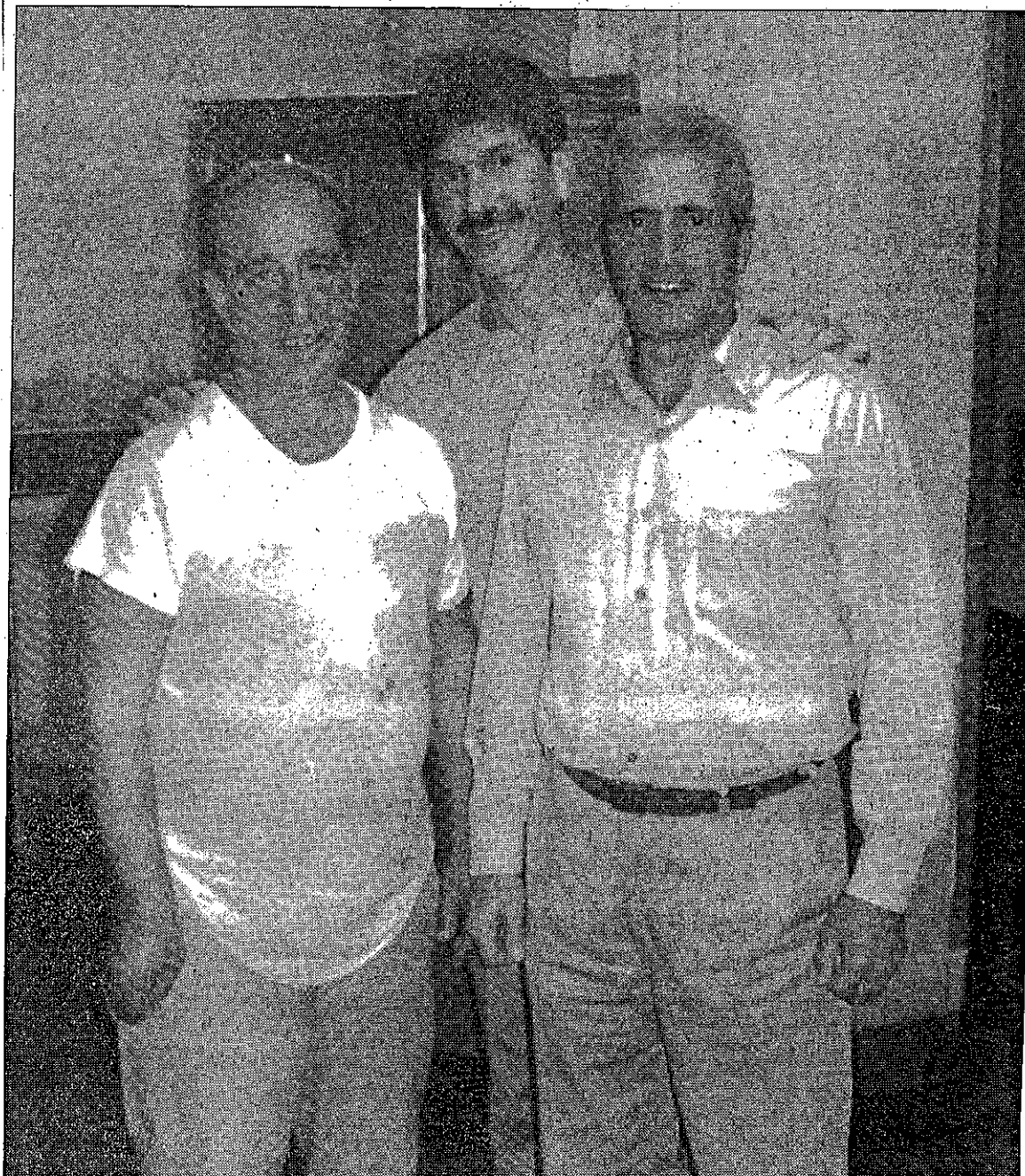
He lives in Shaler with his wife and two children.

Series reprints available

You can obtain a reprint booklet of the Post-Gazette's entire six-part series on Witness Protection, which ran May 26-June 1, for \$5.00 (includes tax) in the PG lobby. Or call the PG at (412) 263-1741 between 9 a.m. and 5 p.m. Monday through Friday to order via Visa, MasterCard or Discover card. Or send a check payable to the PG to: Protected Witness, Box 476, Pittsburgh, PA 15230. The cost by phone and mail is \$7.50. Bulk rates are available.



Carmine Persico holds the reins of a fake bull during a rodeo event at the U.S. Penitentiary at Lompoc, Calif., in 1993. Nicholas "Nick The Blade" Virgilio, a soldier in the Philadelphia Mafia, is in front of the fake animal. Wearing the cowboy hat is Joseph "J.R." Russo of the Boston Mafia. Mafia members imprisoned at Lompoc formed an Italian Culture Club there, and often directed Mafia affairs from inside the prison.



Above, Michael Lloyd, center, provided undercover information on the Mafia to federal agents for eight years, but has been unable to gain entrance into the witness protection program. In this picture taken in 1992 at the Lompoc, Calif., federal prison, Lloyd is standing with Colombo family boss Carmine "the Snake" Persico, left, and Nicholas Virgilio of the Philadelphia Mafia, right.

At left, Persico stands next to the rose garden he planted at the U.S. Penitentiary at Lompoc, Calif. in 1992.

Frustrated Senate seeks answers

Witness protection information overdue, Justice Department told

By Bill Moushey
Post-Gazette Staff Writer

Frustrated by the failure of Justice Department officials to provide information he demanded six months ago, the chairman of the U.S. Senate Judiciary Committee has given the department one month to answer questions about its controversial witness protection program.

In a letter this month, U.S. Sen. Orrin G. Hatch, R-Utah, ordered the highly secretive agency to detail its spending, answer questions about how many protected witnesses have killed people after being released from prison, and come up with a plan that will give the Senate a clear understanding of how the Justice Department "intends to justify the continued use of protected witnesses."

The letter directed Justice Department officials to answer his query by Jan. 11.

Hatch, who has said he wants to reform the program, not shut it down, wrote his

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latest letter because he was dissatisfied with the responses he got from Justice Department officials after a Judiciary Committee hearing last June.

A spokesman for Sen. Joseph R. Biden Jr., D-Delaware, ranking Democrat on the committee, said Biden endorses Hatch's efforts.

The hearing was called in response to a six-part series, "Protected Witness," published by the Pittsburgh Post-Gazette, which depicted wide-ranging problems in the 25-year-old program.

Officials say the Witness Security Program, which cuts deals with criminals to give them reduced prison sentences and new identities in return for their testimony, is one of the only tools available to prosecutors to break up organized-crime syndicates.

But at the June hearing — the first ever by the Senate Judiciary Committee — Hatch voiced concern about the Post-Gazette findings that since the late 1970s, protected witnesses have killed more than

20 innocent people after release from special prison units; that many of the most notorious criminals in the program have earned freedom and been allowed to keep millions of dollars in ill-gotten assets in exchange for their testimony; that protected prisoner inmates receive numerous perks; and that some protected witnesses have made up stories to get better deals.

In response to his earlier queries, Hatch received a letter from Andrew Fois, assistant attorney general, which said much of the information Hatch wanted wasn't available. In other cases, Fois simply failed to answer Hatch's questions.

Missing information

The department did not provide statistics on the number of convictions, sentences received, plea bargains, acquittals or dismissals of cases involving those in the witness program, including the deals given ringleaders of criminal enterprises.

Program officials said they did not have criminal arrest records of program participants, and they could not provide adequate records after 1989 on which protected witnesses had committed new crimes after their releases.

Program officials could not explain program expenditures, which Hatch believes could be more than \$20 million a year greater than the stated \$53 million budget.

They also failed to provide Hatch with information on payments made to protected witnesses, including rewards and the right to keep forfeited assets. Nor did they supply guidelines for government payouts in such situations.

Program officials said that in 1995, they reduced the number of entrants by almost 30 percent, from 200 admissions to 141. That is down from a high of more than 500 people in 1994. Figures for 1996 have not been disclosed.

The result of that, according to several witnesses waiting to be admitted to the program, is that informants are forced to stay in regular prison solitary confinement for months while waiting for entry into special protected witness jail units. Others not in prison yet have

been left on their own for years before they have been admitted.

Among the requests that Hatch has made is for the Justice Department to keep closer tabs on who approves protected witness deals and which witnesses receive immunity or relief from other crimes as a result of their testimony.

Currently, the supervision of protected witnesses is so loose, its participants complain, that federal officials often renege on promises they have made once the witnesses have finished their court testimony.

There also is great disparity in the kind of deals that different witnesses get — and the best deals often go to the most vicious criminals.

Most of the 6,000 protected witnesses, almost all of whom are career criminals, end up after serving their prison terms with about \$1,800 a month for up to 18 months, a new identity and little help in setting up a new life.

On the other hand, The Post-Gazette series pointed out, federal officials have given much better deals to such Mafia killers as Salvatore "Sammy the Bull" Gravano of New York and Philip Leonetti of Philadelphia.

Gravano admitted to 19 killings, then was released from prison after less than five years because he testified against John Gotti, boss of the Gambino crime family in New York. Gotti was sentenced to life in prison, but his family's criminal enterprises still thrive.

Besides winning his freedom, Gravano told prison associates he was being allowed to keep more than \$8 million in criminal assets.

Leonetti admitted to 10 murders in a gangland war in Philadelphia, then served only five years, five months and five days in prison after he testified against his uncle, Nicodemio "Little Nicky" Scarfo, boss of the Philadelphia syndicate, who also got a life term.

In various court papers, federal officials said Leonetti and seven other members of his criminal organization were paid millions in relocation expenses, rewards, loans and the right to keep percentages of forfeited criminal assets, in ex-

change for their testimony.

Hatch has demanded a specific list of situations in which protected witnesses were allowed to keep illegally gained assets in exchange for their testimony.

'Snitching down'

Hatch also wants the Justice Department to develop guidelines to determine whether the target of an investigation is important enough to justify accepting a witness into the program, and whether the witness might be more dangerous than the person he is testifying against.

In one case described by the Post-Gazette, Steven Kalish, a drug kingpin from Florida, was able to reduce his life sentence to eight years in prison and keep millions of dollars in illegally gained assets, even though his protected witness testimony was given against lesser criminals in his drug organization.

That technique, known as "snitching down," conflicts with the original goal of the witness program to use lesser criminals to catch more important ones.

Among his other requests, Hatch has questioned the way the Justice Department does psychological analyses of prospective witnesses before they are released from jail.

"If a profile indicated that an applicant was likely to commit future crimes; would that disqualify the applicant or are there other factors that have to be considered?" he asked.

The Post-Gazette has interviewed more than 130 inmates in the witness program, and many say witnesses often fail the psychological exam. They discussed several instances in which protected witnesses were coached about how to answer questions and were allowed to take the tests several times until the results were good enough to show they might not be a danger after they were released.

Hatch also wants to know why Justice Department prosecutors have not always conducted required polygraph examinations of potential protected witnesses before they are admitted into the program, and whether there are sanctions against

any witnesses who lie.

In one such case, the Post-Gazette reported that John Regis "ReRe" King Jr., of suburban Pittsburgh, was never administered a lie-detector test during his testimony against more than a dozen individuals in a multimillion-dollar, interstate, drug-distribution network.

King has been implicated by his associates in two unsolved murders. He has denied the killings, but federal officials never gave him a lie-detector test on the matter. The judge handling the drug case refused to let defense attorneys mention the murders, and based on King's testimony, most of those he testified against in the trial were convicted.

People who lie after they are admitted to the program also are on Hatch's agenda. He wants to know every case in which program officials determined that protected witnesses had lied to gain freedom.

The Post-Gazette series documented a glaring case in Chicago, in which members of the El Rukn street gang, which was involved in hundreds of gang-related killings, made up stories about misconduct by prosecutors in order to win freedom for themselves. Several convicted killers were released because of the lies. The prosecutor, who has denied any wrongdoing, was fired from his job.

Cutting witnesses loose

Once protected prisoners are released, Hatch wants to know how many of them have been denied services from federal officials, and the reasons for such denials.

In one instance involving George E. Taylor Jr. of suburban St. Louis, witness program officials were angry because he promised to go public with problems in the program.

After his release from a protected-witness unit in Arizona in June 1995, he was denied any payments or a new identity to begin a new life.

Hatch also asked for lists of anyone who was denied admittance to the witness program, quit it or otherwise left it, and then met harm because of his testimony.

In Pittsburgh in 1984, James

McAuliffe, who federal prosecutors say refused witness protection, testified before a federal grand jury about a Colombia-to-Pittsburgh drug connection led by Hilmer Burdette Sandini. Shortly thereafter, he was killed by four gunshot wounds of the head in a South Side apartment. His slaying remains unsolved.

In 1986, Bobby Seal, a major cocaine trafficking pilot from Louisiana, gave lawmen some of their first insights into the South American drug cartels in exchange for a short prison stint. He was shot dead in front of a halfway house where he was serving a six-month sentence. Witness officials say Seal had signed out of the program just before his murder. His family has disputed that.

Program officials contend that no active members of the program ever have been harmed.

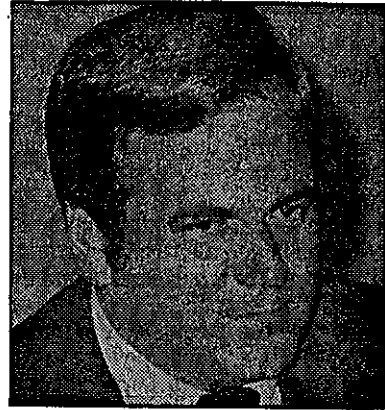
Hatch also has asked why a compensation fund established for victims of protected witnesses has paid out only \$50,000 in claims over the past decade. He questioned whether some people ever were told about their eligibility to submit a claim.

In one instance, Frank and Betty Balderson of Alliance, Neb., collected \$25,000 after a protected witness named Marion Albert Pruett was released from jail, then went on a rampage in which he killed the Baldersons' son and at least seven other people in 1982.

But in another case in Wilmington, Del., Ailsa Pennington, who was abducted and raped by a former protected witness after he had murdered her son, has received nothing.

She told the Senate committee during the June hearing that the witness program refused her application for compensation because her assailant, James Allen Red Dog, had left the witness program before his crimes against her and her son. But the Post-Gazette noted that Red Dog, a four-time murderer who was released after he became an informant in a prison killing, was in Wilmington only because his wife, who was still in the witness-protection program, had been moved there by federal officials.

E-mail can be sent to Bill Moushey at Bmoush@aol.com.



Constantine Milo
Shot twice in the head



Fred Milo
Implicated in the murder plot

Promises broken despite cooperation of witness

By Bill Moushey
Post-Gazette Staff Writer

In 1981, David Harden of Cincinnati was a 22-year-old small-time thief with such a severe alcohol and drug habit that he would do almost anything to satisfy it.

Including murder.

That year, he agreed to kill an Akron businessman in return for \$2,000 from the victim's brother. Posing as a Western Union delivery man, Harden entered the home of Constantine Milo outside Akron, pulled a gun on him, ordered him to lie on the floor and shot him twice in the head.

A few months later, Harden was arrested in Phoenix on a theft charge. That is when he told lawmen that he could implicate Fred Milo and 11 others in the plot to murder Constantine Milo — the brutal end to a bitter dispute over control of the family's barber and beauty supply business.

Eventually, Harden made a critical decision — one that he has come to bitterly regret.

In return for pleading guilty to being the triggerman in the Milo case and testifying against other plotters, Harden agreed to go into the federal witness-protection prison units with a life sentence — which he was told would allow him to be paroled in 15 years. After his release, Summit County, Ohio, prosecutors told him, he would get a new identity and a new life.

Harden lived up to his end of the bargain. The government didn't.

Every person he testified against was convicted. His later testimony helped the murdered Milo's family win a \$5.5 million civil judgment in a wrongful-death action.

In prison, he has had a clean record, he has completed drug and alcohol counseling and has received his high-school diploma, all with hopes of a quiet life in the witness program after he served 15 years for his crime.

But instead of abiding by the deal, last fall, the Ohio Board of Parole rejected several recommendations for Harden's release and gave him 15 more years of prison time. In the meantime, others he implicated in lesser roles in the killing plot are either free or appear to be scheduled for release.

To make matters worse, federal officials con-

vinced Harden to sign himself out of the witness protection program, saying he was no longer in danger for his testimony.

But when Harden was moved to a minimum-security prison in the Southwest, he was escorted there alone by federal marshals, and other inmates immediately suspected he might be an informant.

Several of them threatened him, and so, since October, he has been confined to self-lockup — putting himself in solitary confinement — where he is rarely allowed to venture out of his cell.

Harden has asked to get back into the witness protection prison units, but witness program officials have refused to talk with him.

Like many other federal witnesses whose stories were documented during the past year by the Post-Gazette, Harden has become the victim of a string of broken promises and misleading information.

He also falls into a special category of protected witnesses — state prisoners housed in federal institutions — who tend to get short shrift from federal officials because they were never witnesses in federal court trials.

Although Harden was told that he would probably be paroled after 15 years, and even though his former prosecutor and his victim's family have supported his release, the Ohio parole board is under no legal obligation to let him go. Harden's only hope may be a commutation of his sentence by the governor, and he said no such plans are in the works.

When Harden came up for parole, his prison counselors wrote:

"Mr. Harden has endeavored to improve his life mentally, emotionally, physically and spiritually. He feels remorse for his past crime and wants to make a positive contribution to society."

Attorney Fred Zuch of the Summit County prosecutor's office, Harden's sponsor in the witness program, wrote:

"David Harden totally cooperated with the state of Ohio. . . . David's cooperation has continued long after any plea-negotiation requirements. He has made continued efforts to advance his education, and has also consistently demonstrated remorse involving his crime. Even though he was the homicide 'trigger man,' it is

my opinion that he was manipulated and used," Zuch wrote.

"At the time of his guilty plea, I represented that David would have a parole eligibility hearing in 15 years. If possible, any problems with credit for time served should be resolved in favor of David because of his extraordinary cooperation," he added.

A lawyer for Constantine Milo's family also wrote the board a letter, praising Harden's help, which led to a \$5.5 million civil-court judgment against the brother who hatched the murder plot.

"David Harden fully cooperated with us during the prosecution of this civil action. He did so, as he told us, because of his sincere regret and remorse over what he had done to Mrs. Milo and her children. I would also add that after he testified at the trial of his civil matter, David Harden did not attempt to exact 'promises' from us," wrote Akron attorney Orville L. Reed.

The parole board has declined to comment on its decision. Its one-sentence denial of his parole request means he cannot be reconsidered for parole until 2011.

"If you plead guilty as charged," Harden wrote to the Post-Gazette recently, "cooperate in four murder [cases], and one civil trial, serve 15 calendar years . . . [and] the two detectives in the case want you out, the prosecutor asks for your release . . . and, the most powerful of all, the [family of the] victim pleads for your release . . . I pray to God . . . a judge or even the governor will take a serious look at what they have done," he said.

Despite numerous calls from relatives to officials of the witness program in Washington D.C., Harden said in a recent letter that he had not been able to contact witness program officials. Those officials also have not returned calls from the Post-Gazette.

So Harden just sits. He hopes he won't have to do another 15 years, but he figures he will. During those long days in solitary, he wonders about the path he chose.

"My lawyer said [my parole rejection] will cause the prosecutor's office in Akron problems in the future. No one will cooperate for them," he said.

"If they do, they'll regret it."



David Harden at his trial in 1981.

Don Reese/Akron Beacon Journal

Prisoner long denied protection may get it

For eight years, Mike Lloyd provided inside information on one of the most notorious Mafia leaders in American history, preventing a dozen murders in the process.

But at the time the Post-Gazette wrote about Lloyd's undercover work on Colombo family crime boss Carmine "The Snake" Persico in November, Lloyd was being blocked from admission into the federal witness-protection program, despite promises that had been made to him over the years.

Now, that appears to have changed.

After the story appeared on Nov. 17, Lloyd, who had been living in fear inside a major federal prison, was abruptly moved into a protected-witness prison unit, and is now awaiting possible admission to the program.

It also appears that he may be given credit for extra time he served in federal prison to carry out his undercover work, which could earn him release from jail soon.

Lloyd has been fighting with Pennsylvania parole officials over whether he had served enough time to qualify for parole from state sentences he had received before he went into the federal prison system.

Lloyd's attorney, William Costopoulos of Harris-

burg, said federal officials now seem willing to help straighten out the sentencing problem with state officials.

"Finally, after all these years, there seems to be some movement, within the system, on his behalf. It is my belief that the [Pennsylvania] Department of Corrections will give this an honest assessment and appropriate response," Costopoulos said.

According to people who have talked with Lloyd recently, he is still not certain that he wants to stay in the witness-protection program, which would give him a new identity and some financial help after his release from prison.

Lloyd was a convicted cattle rustler and bank robber when he met Persico as they were being transferred to a federal penitentiary in Illinois in 1987.

Persico soon made Lloyd his confidant, and Lloyd secretly began relaying information to federal officials, mainly because he wanted to prevent Persico from carrying out his desire to kill the two federal prosecutors who had put him in jail. In all, Lloyd's reports may have saved the lives of a dozen people, including several Mafia members, whom Persico also targeted for death.

Unlike many prison informants, Lloyd actually served more time than his original sentence called for, in order to keep supplying information to federal agents.