

# 'Old boys' run FBI-Justice witchhunts

by Scott Thompson

Walter Sheridan, former head of the "Get Hoffa Squad," is being used as the political hit-man against the confirmation of Raymond Donovan as secretary of labor. In his campaign to get Donovan, Sheridan, who is today Sen. Ted Kennedy's investigator on the Senate Labor and Human Resources Committee, has resorted to the same "trial by press," dummed testimony, and other smear tactics that have led federal courts to toss out recent Abscam-Brilab cases.

The chief irony of Sheridan's charge that Mr. Donovan is corrupt is that Sheridan has used his government powers over the last 20 years to commit dozens of crimes—all to protect the \$100 billion internationally syndicated gambling and narcotics cartel.

Many of Sheridan's former cronies on the "Get Hoffa Squad" today hold highly paid jobs with such gambling syndicates as Resorts International and Emprise/Sport-systems. Investigators who have traced the link between these firms and organized crime figures known to be involved in the laundering of narcotics money believe that the corrupt Justice Department "old boys" around Sheridan fear what an uncontrolled Secretary of Labor may uncover. This is especially true of various dirty deals around Resorts' casino operation in Donovan's home state of New Jersey.

Resorts' New Jersey casino was financed by Prudential Insurance, the same firm that financed the union-busting National Right to Work Committee's new Springfield, Virginia headquarters. Prudential has been engaged for many years in purging labor-oriented local machines like that of Mayor Hugh Addonizio in Newark, New Jersey. Prudential also helped the Justice Department train a team in insurance fraud to set up its Brilab entrapment in the Southwest, and it vouched for Joseph Hauser, the chief Brilab informant, as a Prudential representative.

## A 'whacko' protected witness

The principal witness to Donovan's alleged corruption is Ralph "Little Ralphie" Picardo, who has charged that Donovan personally made "payoffs" to the Teamsters union to "buy labor peace" for his firm, the

Schiavone Construction Company of New Jersey. "Little Ralphie," convicted of murder in 1975, did a deal with the Justice Department which put him under protection of the Justice Department's Federal Witness Protection Program.

It is members of the FWPP, frequently paid salaries of over \$60,000 per year plus expenses, who were used to entrap respected business, labor and political leaders in Abscam-Brilab. Melvin Weinberg, the principal Brilab witness, was promised by Civiletti's Justice Department that he could carry out swindles on the side and receive a reduced sentence on a prior conviction if he produced indictments against four political leaders in Abscam.

Jimmy Fratianno, the FWPP informant used by NBC to conduit its smear against President Reagan, literally got away with murder, carrying out two contract hits while he was on the FBI payroll. Fratianno was granted almost total immunity for this and nine other murders as long as he continues "testifying."

In one case against former Teamster vice-president Tony Provenzano, "Little Ralphie" Picardo was described by the government's own witnesses as a "pathological liar" and a "whacko," according to articles in the *Newark Star Ledger* in mid-May 1979. In that trial, presiding Judge Curtis H. Meanor described the evidence presented by "Little Ralphie" as "sparse." The charge was the same one Picardo has now leveled against Donovan, namely, selling labor peace or extortion.

Yet Senator Kennedy, Sheridan's nominal boss as ranking Democrat on the Labor Committee, is firmly committed to promoting Picardo. "These are very serious allegations," a Kennedy spokesman said. "They will require full investigation by the FBI. We will not set any artificial time deadline."

## Sheridan's 'old boy' patrons

Despite appearances that Walter Sheridan acts as a Kennedy family retainer, strong evidence presented by the authors of *Dope, Inc.*, a bestseller that probes the \$100 billion international narcotics cartel, points to the fact that Sheridan has been a longtime asset of the British Special Operations Executive (SOE), which was run during World War II in the U.S. by Sir William Stephenson.

It was SOE which trained the "old boys" circuit around Sheridan in the Kennedy Justice Department and Division Five ("counterespionage") of the FBI. It was the same SOE group, operating on a world scale from bases in the Bahamas, Canada, and elsewhere, which reorganized the Dope, Inc. narcotics and gambling cartel after World War II.

Walter Sheridan was introduced to the SOE elite

within U.S. intelligence, first as a member of Division Five circles in the FBI, then as Chief of Counterintelligence for the newly established National Security Agency. The NSA was established in the early 1950s as the most secretive electronic snooping agency by SOE-trained operatives and private firms such as RCA. A virtual Official Secrets Act has been created around NSA to protect part of the U.S. core of the "military-industrial complex" against which President Eisenhower warned.

In 1958, a "church friend" introduced Sheridan to Robert Kennedy, who was then general counsel of the infamous McClellan Committee. As special investigator for the committee, Sheridan turned it into a witchhunt against the Teamsters.

When John F. Kennedy was elected President, Sheridan was appointed "confidential assistant" to Attorney General Robert Kennedy with a secret office next to the Oval Office in the White House. From this post, Sheridan headed the "Get Hoffa Squad" and rapidly turned it into a barony which after a point not even the Attorney General could penetrate.

### **Why they fear Donovan**

According to Kennedy Justice historian Victor Navasky, the Sheridan strike force "had free access to the files of the McClellan Committee. It was in touch with grand juries throughout the country. It had an undercover air of mystery about it. Its modus operandi was cloak and dagger."

The modus operandi of Sheridan's private army was also flagrantly illegal. According to author Jim Hougan, Sheridan created "a top-secret private intelligence agency with contracts from the CIA, IRS [Internal Revenue Service], and other government agencies" known as "Five Eyes": International Investigators, Incorporated of Indianapolis, Indiana.

Though it was not incorporated until 1966, a full five years after its founding, Hougan states that almost from the beginning "the still imaginary firm expanded throughout the Midwest, opening offices in Chicago, Detroit, Louisville, Memphis, and Minneapolis . . . the same cities in which Hoffa experienced intensive surveillance, including a great deal of illegal wiretapping." The "evidence" from these illegal methods was used to bring over 30 frivolous indictments against Hoffa.

That Sheridan might be motivated to trump up charges against Donovan to protect Resorts' New Jersey base and other dirty deals is perfectly in keeping. The publicity around Sheridan's vendetta against Hoffa in the 1960s was used to cover up what the Kennedy Justice Department Organized Crime Drive was really all about, namely, smashing all local constituency machines that might oppose SOE's gambling syndications

and political takeovers.

Outfits like Resorts and Emprise moved into the power vacuum left by the persecution of local business and labor leaders. Emprise, an SOE-linked firm, came to own or control over 450 companies involved in food concessions, professional sports, and dog and horse racing, whose high cash flow is a perfect laundromat for drug money.

When Sheridan "old boys" crony Robert Peloquin was sent to Buffalo, the base of Emprise, he reported back that there was "no organized crime" in the city. A few years later Emprise board members would be indicted and a journalist probing the firm's mob links murdered. Instead of pursuing Emprise's links to organized crime, many Kennedy Justice "old boys" found posts on its board.

A similar arrangement was worked out with Resorts, which helped underwrite the founding of a "Three Eyes," commonly known as Intertel, which uses the same tactics as Sheridan's "Five Eyes" to provide security for such syndicates. It is the "old boys" located in Resorts, Emprise/Sportsystems, and Intertel who continue to direct the Justice Department and FBI, including its recent Abscam-Brilab purge trials and the bogus investigation of Raymond Donovan.

### **The Permindex connection**

In February 1967, Walter Sheridan was hired by NBC as an "investigative journalist" to do a special television report on the probe by New Orleans District Attorney Jim Garrison into the assassination of John F. Kennedy. By July 1967, Sheridan would be indicted by Garrison for his part in the coverup of SOE links to the assassination of the President.

According to Garrison, and to testimony entered in a separate trial in Chicago, Sheridan used his NBC White Paper team and others to harass several key witnesses. The second charge against Sheridan was made on Aug. 19, 1967, when Zachary Strate of the Teamsters union testified to a deal Sheridan had offered. In return for helping Sheridan to "get Garrison," Strate testified that Sheridan promised to give Strate classified government documents proving that the Teamsters' conviction on extortion in a case involving Hoffa had been obtained by illegal wiretaps.

What was the focus of Garrison's investigation? A firm known as the Permindex Corporation on whose board sit several veterans of the SOE, including some who are directly linked to the circles that control Resorts and Emprise/Sportsystems. It was the Permindex Corporation which French intelligence named as being responsible for over 30 assassination attempts against President Charles de Gaulle during the early 1960s.