

# The case of Richard Mamarella: First Fidelity's 'Pizza Connection'

by Marilyn Murray Kay

Unlike First Fidelity's Robert Ferguson, Richard Mamarella, 38, never attended the renowned Wharton School of Business or Rutgers University. His education came on the streets of New York, and in the company of John Goepfert, the legendary insurance con artist and swindler. Such men make a living stealing yours, and the institutions they use in their schemes are looted and bankrupted. During the 1970s, Richard Mamarella and John Goepfert perpetrated multimillion dollar frauds involving insurance premiums, bank loans, stolen and/or counterfeit stocks and securities, bribery, loansharking, gambling, extortion, and murder.

Because of his reputation, Goepfert could not operate in his own name, but used Mamarella as a front in such schemes while operating in New York. Several insurance companies sued the con men for millions, and in 1981, both were indicted on 80 counts of conspiracy to fraud, fraud, and perjury.

Goepfert was convicted in Philadelphia for his role in a construction bond scheme, and entered a guilty plea in New York for diverting more than \$1 million in premiums from the Sasse Syndicate, an insurance underwriter for Lloyds of London. According to court records, Goepfert made a deal with the Federal Bureau of Investigation, to cooperate with their undercover probe, in return for which the prosecution would put in a good word with the judges in Philadelphia and New York.

Nevertheless, between the fall of 1981 and April 1982, he was busy in Chicago participating in a multimillion dollar premium theft from the Kenilworth Insurance Co. During the entire period of the Kenilworth theft, Goepfert was functioning as a full-time informant in what the FBI described as "a major undercover investigation." Strangely, the FBI did not warn the Chicago insurance company about its new partner; they did, however, warn their informant, Goepfert, that he would not be protected from prosecution for the fraud.

Goepfert's brief career at Kenilworth cost the company an estimated \$40 million in lost premiums. Guaranty funds from seven states paid out \$12.5 million in claims against the firm, and hundreds of policyholders were left holding the bag.

Yet, despite Goepfert's bankrupting of Kenilworth, the

Justice Department's attorneys requested reduced sentences in both the Philadelphia and New York convictions, which was granted. Goepfert's 10-year sentence was reduced to five. He served two years and was recently released from prison.

Richard Mamarella fronted for Goepfert in his East Coast operations. He managed to stay out of jail until 1982, when he had to plead guilty to three counts of perjury and accepting a \$25,000 bribe from Bernard Gold, an insurance broker who hired arsonists to torch buildings in New York's Harlem and South Bronx in order to collect on the policies. In some cases, the buildings were torched repeatedly. In 1976, the arsonists made a mistake by setting fire to a tenement on which the policy had lapsed. Mamarella came to the rescue, arranging for the reinstatement of the policy retroactively by the Sasse Syndicate, in exchange for a \$25,000 "fee" paid by Gold. Sasse lost \$300,000, seventeen firemen were injured, and countless families were left homeless.

Mamarella fought the convictions, but was finally sentenced in September 1983. He did not begin serving his seven-year term until March 1984. Mamarella is currently at the Danbury, Connecticut federal prison. He is now actively seeking an early release.

Mamarella is Goepfert's protégé, and while he never severed his connection to Goepfert, he did move on to bigger things. The key to his 1980s career was to be a relationship to mafioso Joe Paterno, on the one side, and First Fidelity Bank, on the other.

## In the beginning: Joe Paterno

Goepfert provided Richard Mamarella with an introduction to Nicholas Marino, a Verona, New Jersey lawyer. Marino is a nephew of Joseph Paterno, a caporegime in the Gambino organized crime family, handling the state's North Shore operations.

Paterno is currently facing charges of conspiracy to commit a double murder. These charges stem from a Florida fraud investigation involving stolen and counterfeit credit cards. Carl "Doc" Palo and Frank "the Bear" Basto, soldiers under Paterno in the Gambino family, were also arrested on the murder charges. Basto is a known "enforcer" and believed

by New Jersey law enforcement officials to be an effective contract killer. (Basto was cited in hearings before the Senate Permanent Investigations Subcommittee in 1971 and 1974 as working for organized crime families to safeguard their stakes in "white collar" crimes involving stolen and counterfeit securities, stocks, and insurance frauds.) At least five others were arrested in the Florida credit card investigation and indicted on a variety of charges, including tax evasion and narcotics trafficking.

With Marino's help, Mamarella established Louden-French, Ltd., a front for insurance fraud. Louden-French was sued in 1980 by Home State Insurance Co. of Orange County, California. Mamarella's firm had persuaded Home State to insure Interpool, a New Jersey-based shipping container leasing firm. Home State was bilked when Mamarella, using the name Richard Marshall, "a New Jersey insurance broker,"

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faked Interpool's prior claims record in order to reduce its premiums with Home State. Interpool then filed an excessive number of large claims, at which point the insurance company rescinded the policy. By this time, about half of the premium payments had been siphoned off by Mamarella. The case was settled out of court.

In the meantime, Mamarella was regularly visiting with Joe Paterno in Florida. His own operations became fronts for Paterno's, including the "Pizza Connection" heroin smuggling ring. The funds came from First Fidelity.

In 1981, Interpool's general counsel and vice-president, Joseph Simon, joined Mamarella in founding IFA, Inc. with legal assistance from First Fidelity Bank's legal counsel, Nathaniel Yohalem. In 1982, Mamarella's IFA was given \$22 million in loans from First National State Bank of South Jersey (now First Fidelity), which was apparently uncon-

cerned by the actions of the courts and the mounting civil suits by bilked insurance companies against Mamarella. Mamarella, after paying a percentage of the take to his mafia patrons, re-lent the remainder to loansharks, bookmakers, gamblers, narcotics traffickers, and related types. Among other things, these funds provided an operating budget for the "Pizza Connection."

According to Jonathan Kwitny's *Wall Street Journal* article, the first \$135,000 loan from First Fidelity to Mamarella went to "J. P. Enterprises." Although defense attorneys for two Mamarella associates, Kerry Rodgers and Galen Ross, attempted to get Mamarella to admit in court that "J. P." stood for Joseph Paterno, he did not. Later, he stated that it stood for James Principe, a card dealer at Atlantic City's Claridge Casino. Orlando Garcia, an associate of Mamarella at IFA, provided clarification of this statement: Principe was also a loanshark.

Other First Fidelity loans re-lent by Mamarella included:

- \$5.5 million to clients of Louis Chung, a convicted loanshark and narcotics financier based in New York's Chinatown;
- \$3 million to Leslie Barth, a New Haven, Connecticut tax lawyer and "money lender";
- Approximately \$5 million to Kerry Rogers and Galen Ross;
- \$380,000 to cover a debt owed by Mamarella to Interpool in connection with losses suffered in the Home State insurance scam;
- At least \$290,000 to loansharks who re-lent it to Catia Footwear, a New York-based shoe importing company owned by Antonio Turano. Turano was engaged in heroin trafficking for the "Pizza Connection," so-named because of the extensive use of pizza parlors as fronts for their drug operations;
- Unspecified amounts also went to a business owned by Carl "Doc" Palo, Paterno's close associate.
- Regular monthly payments were made to Paterno in Florida, according to Mamarella's office assistant, Eugene Brew. Although denied by Mamarella, Brew would testify that between 1978 and 1983, Mamarella paid from his own pocket \$6,000 a year to cover the Paterno family's insurance needs. He also attempted to keep his mafia patron's name out of all his fraudulent dealings, despite the appearance of Paterno's signature on numerous documents. (Mamarella claimed he had forged the signatures.)

### **The 'comprehensive debt collection' plan**

In January 1983, Richard Mamarella's borrowing from First Fidelity was abruptly cut off, inasmuch as his outstanding obligations, \$22 million, exceeded the bank's insurance coverage. In March, First Fidelity obtained a new insurance bond from Wausau Insurance Co., increasing the bank's "forgery and unauthorized signature" coverage to precisely \$22 million.

During the first half of 1983, Mamarella would be indicted for extortion. The New York State insurance commissioner also filed a \$150 million suit against him for his involvement in fraudulent scams prior to the 1981 formation of IFA, Inc.

It appears that in this period, some of his loan clientele failed or refused to make their payments, which threatened to put the entire IFA-First Fidelity relationship in jeopardy. Mamarella resorted to the tried and true methods of physical intimidation and penalty of death to ensure debt collection. Involved in these collection efforts were Mamarella, Eugene Brew, Louis Chung, Frank Murello, a \$100,000-a-year New Jersey longshoreman's union official, and one Patrick "T-Ray," who has been described as a cross between Mr. T and Chicago Bear's tackle William "Refrigerator" Perry.

One borrower was Landy Tang, a Chinatown bar-owner who had received \$300,000, probably through Louis Chung, and then filed for bankruptcy. According to Kwitny, it was Tang who blew the whistle in April, resulting in the arrest and indictments on charges of extortion of Mamarella, Chung, Brew, Murello, and Ray.

Another borrower, who was physically beaten by Mamarella and his associates in February, was Antonio Turano, the shoe and narcotics importer.

Incredibly, Mamarella and a number of his IFA associates, despite the extortion indictments, the \$150 million fraud suit, and clear knowledge by First Fidelity of the nature of IFA, were hired by First Fidelity in June 1983 to ensure "comprehensive debt collection" of the outstanding loans.

### The 'Pizza Connection'

Anthony Turano, the "shoe importer" and recipient of loans from First Fidelity/Mamarella, was a key operative in the "Pizza Connection" heroin ring of the Gambino family. Among his drug connections was Florence, Italy shoe manufacturer Gaetano Giuffrida.

An investigation by the Drug Enforcement Administration and Internal Revenue Service showed that between May and December 1982, more than \$3 million in cash from heroin and cocaine sales was desposited at cashiers' cages at four Atlantic City casinos—Golden Nugget, Tropicana, Caesar's World, and Bally's Park Place. Turano and Giuffrida were also customers of Eduardo Orozco, a convicted money launderer who "washed" \$97 million in drug proceeds through the Deak-Perera foreign exchange company in New York. The investigation resulted in indictments against Giuffrida, Anthony Castelbuono (a.k.a. Tony Cakes), a Harvard-trained lawyer, and others in New York's Eastern District Court.

Turano was not indicted. By that time, he was dead, apparently courtesy of Richard Mamarella.

In 1982, Franklin Liu and Andrew Woo, two employees of a sportswear firm located in the same building as the Turano importing firm, were contacted by one Mayuret

Tankhanchophat, via a Hong Kong middleman. Mayuret was the wife of a Thai jewelry shop owner with connections to Chang Shee-fu (a.k.a. Khun Sa), an opium warlord in Southeast Asia's Golden Triangle. Mayuret was looking for a U.S. buyer for an initial 15 kilos of pure heroin. If this deal went smoothly, regular shipments of 200 kilos a month were to be established. Turano, who had already used Liu and Woo to launder monies for him, was the natural choice of the Gambino family to handle this important new pipeline for their "Pizza Connection" network. But the Drug Enforcement Administration got wind of the deal. When Mayuret arrived that month with the 15 kilos for Turano, everyone involved was arrested and the heroin confiscated.

Mayuret pleaded guilty and was sentenced to 7 years; Liu and Woo were sentenced to 10 years; Antonio's brother, Luigi Turano, was released due to a poorly worded indictment. Although arrested at the time of the DEA bust, Giuffrida, visting from Florence, was released from custody two days later and returned to Italy.

Unfortunately for Antonio, he was to be tried separately, a factor that lent itself to the perception that he was cooperating with the authorities. This perception, combined with the money owed to the "family" for the lost heroin shipment and the failure to repay the \$290,000 loan to Mamarella's loanshark associates, sealed his fate.

Mamarella had Turano take out a \$1 million life insurance policy, or face the alternative of having himself and his entire family killed. Needless to say, Antonio opted for the insurance policy and named his brother Luigi as the beneficiary; he was brutally murdered shortly thereafter. His bullet-riddled body wrapped in plastic was found on March 3, 1983 in a deserted lot in Queens, New York, just days before his trial on narcotics trafficking charges was to begin.

At the time of his death, law enforcement agents believed that Turano's life insurance policy went to pay for the money lost by the mob in the aborted heroin deal; his brother also made good on the \$290,000 owed Mamarella.

On Jan. 21, 1983, Giuffrida and 11 others were arrested in Florence and Palermo, Sicily in connection with the seizure of 80 kilos of heroin concealed in a shipment of ladies shoes destined for New York. It was one of Italy's largest single seizures up to that time. He was convicted in June 1985.

For Mamarella, life insurance policies on borrowers was standard practice. He arranged a \$2 million life insurance policy on Leslie Barth and a \$1.5 million policy on Galen Ross, both IFA borrowers. Mamarella has denied any shady inferences made with regards to such insurance policies. However, in statements made at the New Jersey trial of Rogers and Ross, in which Mamarella as part of his plea bargain testified against them, two of his associates had quoted him saying of a client who refused or failed to payback a loan, "I can have him knocked off and collect on the life insurance."