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PRESERVATION COPY

BRIEFING MATERIAL  
FACT FINDING TOUR  
HARLEM COMMUNITY  
JAN. 12, 1983  
12:00 - 5:30 P.M.

PRESERVATION COPY

Plant Army  
1570



ADDICTION RESEARCH AND TREATMENT CORPORATION

22 Chapel Street • Brooklyn, New York 11201  
(212) 834-5300

January 6, 1983

HORACE MORANCIE  
*Chairman of the Board*

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Carlton E. Turner, Ph.D.  
Director  
Drug Abuse Policy Office  
The White House  
Old Executive Office Bldg.  
Room 220  
Washington, D.C. 20500

Dear Carlton:

First, let me thank you for the opportunity to meet with you again and share my views of the drug scene in the greater New York area. It is without doubt the most heavily affected area in the northeast corridor, and needs more attention than any other. Harlem, it's epicenter suffers the most and as you know it is the diaspora of the entire Black world. It is my desire that on this fact finding mission that I accompany you there, and let you witness first hand the seriousness of its plight.

My staff has hurriedly pulled together a briefing package for you that is filled with data, that I think can somewhat familiarize you with its highlights before your visit. Sue has informed me that you will be able to spend the afternoon of 12 January with me, touring and meeting people in our community. I have scheduled a tight itinerary for us beginning at 12 Noon at 110th Street and Eighth Avenue, the southern boundary of Harlem. We will drive north from your downtown morning meeting which will enable you to see the contrast that exist between other communities and the one we serve in Harlem. We can see copping areas where addicts congregate waiting for the pusher. Sometimes one is able to perceive openly visible drug deals and transactions taking place. The Chief of the Narcotic Division of Manhattan North will accompany us and remain with us until we end our day. Another non-uniformed law enforcement officer will follow us as we visit, tour and lunch before we attend a 3:00 P.M. meeting hosted by Congressman Charles B. Rangel in his office.

Carlton E. Turner, Ph.D.  
Page 2  
Jan. 6, 1983

at the 125th Street, New York State Office Building. Incidentally, it is just across the street from my 125th St., clinics that treats 750 patients. We will visit that facility and informally chat with staff before our meeting.

I have asked a number of my colleagues to attend and all have consented to be there to share with you some of their views of Harlem's drug problems and its needs. We have prepared for you a list of those participants and a brief description of their backgrounds, affiliations and involvement in the Harlem community. They are all grateful to share the opportunity to talk with you.

The greater metropolitan area contributes to the compounding of Harlem's problems, especially on the supply side of the drug abuse equation. Westchester, Nassau and Suffolk residents cop their drugs in our community. They have burgeoning problems of drug abuse and waiting lists for all treatment programs. The suburban county drug/alcohol directors will be present to share concerns and suggestions.

I have enclosed a tentative agenda for our meeting, feel free to change it to your liking or any other part of the proposed itinerary.

Again, thank you for this opportunity, and a belated happy, prosperous, and productive new year to you, your family and staff.

Very sincerely,



Beny J. Pimm, M.D.  
Executive Director

BJP/md  
Encls.

CAN WE GET LIST of Things  
we can do to help Harbor?

↓ Need to get hands on this issue!

20% Pure ~~Harbor~~

DESCRIPTION OF HARLEM

A. GEOGRAPHIC

Harlem, for the purposes of this paper, is defined as that portion of northern Manhattan which is bounded by 110th Street on the south, 155th Street-Harlem River Drive on the north, Fifth Avenue on the east and Morningside Avenue-St. Nicholas Avenue on the west. Harlem is slightly less than 800 acres of mostly flat land. Less than 9% of the land is open or park land. Despite a high rate of abandonment of residential housing, building density is formidable.

DEMOGRAPHY

Harlem is remarkably racially homogeneous; Blacks represent 95% of the total population. Exact figures for Whites, Puerto Ricans, other Hispanics, Orientals, etc. are confounded by the dual classification of Puerto Ricans and other Hispanics as both White and Non-White.

The 1980 official population of Harlem is 119,085. The population has made a severe and continuing decline over the past thirty years. Between 1960 and 1980, Harlem lost 40,000 persons, however its narcotic addicted population increased. Addicts became more bold and visible, creating the image they project today.

NARCOTIC ADDICTION

No banner headlines will result from the announcement that Central Harlem has the highest concentration of addicts of any

*Handwritten notes:*  
Harlem #1  
4500  
St. Nicholas Park  
116 Black  
Kennedy Blvd  
Busted  
2nd Avenue  
D+B  
Abandoned Bldgs

place in America. In 1972, when the population of Central Harlem was just over 182,000 the New York City Narcotics Registry had certified 17,000 Central Harlem residents as having been identified by criminal justice or health professionals, as being addicted to narcotics. Unfortunately, the registry is no longer maintained. While many eluded its listing; it provided a baseline for gauging the extent and distribution of addiction in the city.

Today, however, we have a somewhat less effective method of guesstimating the number of addicts. There is a central registry of all addicts enrolled in methadone dispensing treatment facilities. As of Monday, December 14, 1982 there were 5,444 methadone enrollees on the roster with an address which fell into zip codes 10026, 10027, 10030, 10035, and 10037. The areas covered by those zip codes coincides very closely with the boundaries of Central Harlem. (Of the total, 3,280 were active patients).

The incidence and prevalence of hepatitis has historically been used to guesstimate addict numbers and particularly to monitor increases. Currently collected New York City Department of Health statistics for hepatitis, done weekly, indicates a continuing and steady rise in the reported incidence of this disease common to the addicted population.

The Department of Health's Bureau of Health Statistics and Analysis prints a yearly report of the Leading Causes of



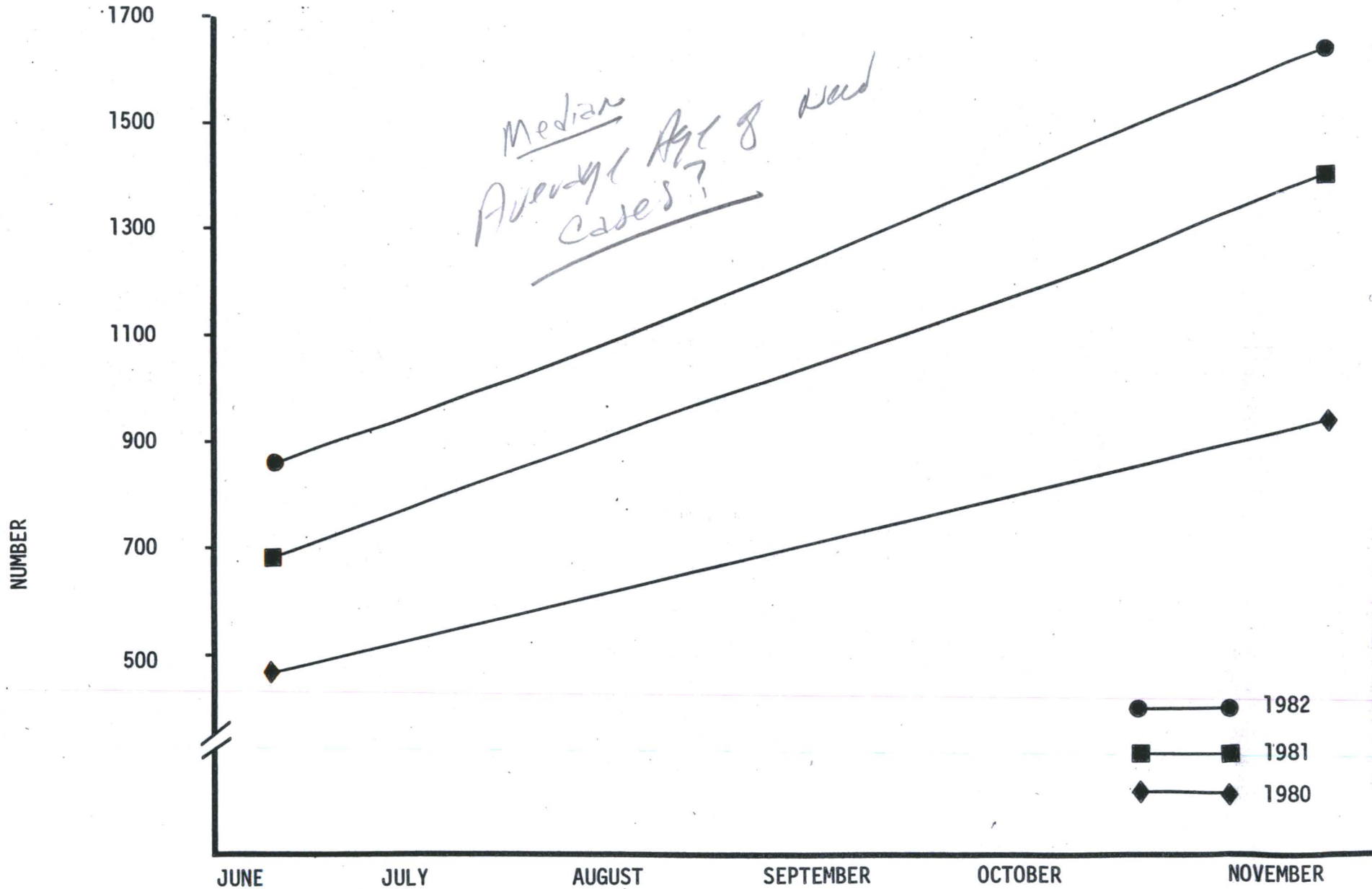
Deaths by Color, Sex and Rank, and in 1981 they listed the category of Drug Dependence for the first time and ranked it 14th, Alcoholism (17th), Cirrhosis of the Liver (5th), Homicides (6th) and Suicides (13th) are other diseases closely related to narcotic addiction. The non-white rankings for these diseases are all higher than the overall and white rankings, clearly indicating a need for more intense intervention (treatment, prevention) in the non-white population.

Leading Causes\* of Deaths, by Color, Sex and Rank: New York City, 1980

CAUSES OF DEATH	All Persons			WHITE						NONWHITE					
				TOTAL		MALE		FEMALE		TOTAL		MALE		FEMALE	
	Rank	Number	Rate(1)	Number	Rank	Number	Rank	Number	Rank	Number	Rank	Number	Rank		
ALL CAUSES		76,625	1083.6	59,840		30,762		29,078		16,785		9,271		7,514	
1 Diseases of the heart (393-398,410-429)	1	33,934	479.9	28,614	1	14,081	1	14,533	1	5,320	1	2,669	1	2,651	1
2 Malignant Neoplasms (140-209)	2	16,508	233.5	13,158	2	6,770	2	6,388	2	3,350	2	1,779	2	1,571	2
3 Cerebrovascular disease (430-438)	3	4,022	56.9	3,043	3	1,195	4	1,848	3	979	3	448	5	531	3
4 Influenza and Pneumonia (480-487)	4	3,111	44.0	2,470	4	1,206	3	1,264	4	641	6	376	6	265	6
* 5 Cirrhosis of liver (571)	5	2,167	30.6	1,268	5	903	5	365	8	899	5	601	4	298	4
6 Homicide (960-978, 990-999)	6	1,908	27.0	965	8	810	6	155	14	943	4	812	3	131	9
7 Diabetes mellitus (250)	7	1,602	22.7	1,124	6	481	8	643	5	478	7	195	10	283	5
* 8 Accidents (800-949)	8	1,541	21.8	1,101	7	708	7	393	7	440	9	318	7	122	10
9 Hypertensive disease (401-405)	9	1,149	16.2	733	9	300	11	433	6	416	10	183	11	233	7
10 Diseases of early infancy (760-779)	10	960	13.6	490	13	264	12	226	11	470	8	251	8	219	8
11 Bronchitis, Emphysema and Asthma (490-493)	11	789	11.2	620	10	376	10	244	10	169	13	87	14	82	12
12 Arteriosclerosis (440)	12	721	10.2	575	11	261	13	314	9	146	16	69	17	77	14
* 13 Suicides (950-959)	13	716	10.1	574	12	395	9	179	12	142	17	96	13	46	16
14 Drug Dependence (304)	14	536	7.6	284	15	245	14	39	19	252	11	206	9	46	17
15 Congenital anomalies (740-759)	15	504	7.1	335	14	168	15	167	13	169	14	87	15	82	13
16 Nephritis and Nephrosis (580-589)	16	375	5.3	206	18	123	19	83	16	169	15	79	16	90	11
* 17 Alcoholism (303)	17	340	4.8	160	19	125	18	35	20	180	12	130	12	50	15
18 Ulcer of stomach and duodenum (531-533)	18	323	4.6	264	16	159	17	105	15	59	18	40	18	19	20
19 Aortic aneurysm (441)	19	289	4.1	232	17	163	16	69	18	57	19	30	19	27	18
20 Diseases of veins and lymphatics (451-459)	20	189	2.7	137	20	67	20	70	17	52	20	26	20	26	19

The rules used in ranking causes of deaths are given in "Leading Causes of Death, United States and Each State, 1949", National Office of Vital Statistics, Vital Statistics - Special Reports, Vol. 36, No. 20, 1952

\* International Statistical Classification of Diseases, Injuries and Causes of Death, 1975 Revision  
(1 Rate Per 100,000 Population)



CUMULATIVE NUMBER OF NEW HEPATITIS CASES IN  
NEW YORK CITY FOR A SIX MONTH PERIOD

THURSDAY, DECEMBER 16, 1982  
Copyright © 1982 The New York Times

## Around Harlem, A Long Winter Short on Work

By WILLIAM SERRIN

Frank Thomas does not have much in life and maybe never will, but there is one thing about him and that is grit.

Mr. Thomas last had a regular job two years ago. He was a driver in an antipoverty program. But the program was ended, and today Mr. Thomas, 35 years old, married and a father of two, makes a living, such as it is, hawking clothes on the streets around 119th Street and Frederick Douglass Boulevard.

Mr. Thomas's unemployment compensation has run out, but he can, he said, make \$25 on a good day selling clothes. It is tough work: Cold weather is at hand, and cold somehow seems more punishing, seems to go more deeply to the bones, in places like Frederick Douglass Boulevard.

Crime also is a problem. Once Mr. Thomas was accosted by a group of youths who demanded his day's profits. Mr. Thomas said he would have none of that, and one of the youngsters shot him in the chest. The bullet is still there, he said, pointing to his right side and adding, "They didn't get my money."

### Finding Ways to Survive

How, Mr. Thomas was asked one day on West 124th Street, do he and his family survive on the money he makes on the street?

"You survive," he said, "because you got to survive."

While unemployment has touched all sectors of the work force, black joblessness is especially high. In New York City, the overall unemployment rate in November was 9.3 percent. For the first nine months of the year, it was 8.6 percent for whites in the city; among blacks it was 12.7 percent. Among white teenagers it was 27 percent; among black teen-agers 33 percent.

Nationwide, unemployment was 10.8 percent in November. Among white adults it was 9.7 percent; for black adults it was 20.2 percent. For white teen-agers, it was 21.3 percent; for black teen-agers, 50.1 percent.

The figures, however, do not portray the extent of the problem.

Many people, blacks and other minority workers particularly, have stopped looking for work and are not counted among the unemployed. This is because a person must have actively sought work in the past four weeks to meet the Federal Bureau of Labor Statistics definition of unemployment. Moreover,



125th Street, with Christmas decorations strung across it, has long been a center of Harlem's economic, social and cultural life. Below, Lino Vacquec trimming the beard of Van Walker, who has been out of work 11 months. At right, Troy James, clerk at Gold Medal Grocery, says business has dropped by half.



# In Harlem, A Winter Of Few Jobs

Continued From Page B1

simply counting people in the nation's cities is difficult.

In Lino's Barbershop on Frederick Douglass Boulevard, Lino Vacquec, the proprietor, said he believed that unemployment in the area was as high as 90 percent. Mr. Vacquec, who charges \$4 a haircut, said business was down 50 percent. It picks up, he said, when unemployment and welfare checks arrive. "People got no jobs, got no money," he said. "It's scary."

Van Walker, who was having his haircut by Mr. Vacquec (a friend paid the \$4), said the unemployment estimate sounded accurate, as did several other men in the shop. In a way, the talk was about Mr. Walker, who said he had been unemployed 11 months. He said he expected two more unemployment checks for \$125 a week. "Things are pitiful," he said.

In the years since the black upheaval of the 1960's, many blacks have made extensive progress.

But what seems to be emerging, according to Samuel M. Ehrenhalt, regional commissioner of the Federal Bureau of Labor Statistics, is a two-tiered black economic structure in which many blacks with college degrees and job skills have well-paying jobs, while blacks without education or job skills have little hope for meaningful work.

In addition, he said, unemployment among blacks is a fundamental and lasting problem that goes beyond the current recession.

"There is," said Mr. Ehrenhalt, "almost a lost generation of young people who have never gotten into the mainstream economy and maybe never will."

## Almost Another Country

The area around Frederick Douglass Boulevard and 119th Street can be an arresting place.

To the west, one can see Columbia University, the Cathedral of St. John the Divine and Grant's Tomb. Beyond are the Hudson River and, farther on, the plains and hills of New Jersey. But this area is in many ways another country, said the Rev. Dr. Wyatt Tee Walker, pastor of Canaan Baptist Church, which is housed in an old moving-picture house on West 116th Street.

Blacks as a group, he said, "are worse off now" than at any time in decades.

Throughout the day large groups of people congregate along Frederick Douglass Boulevard and other streets, warming hands around fires in oil drums, socializing, engaging in street commerce. There are burned-out cars and burned-out houses. Lean dogs poke about the streets and empty lots.

Just now, on 125th Street, the merchants are getting ready for Christmas, such as it will be, and Christmas decorations have been strung across the street, long a center of Harlem's economic, social and cultural life.

People know of Harlem, but almost no one, outside of its residents, knows Harlem. And it is wrong, said Curley Williams, a unemployed horse groom standing on Frederick Douglass Boulevard, to categorize such a place as a ghetto. That is like talking about a book but not looking inside.

Many skills and much intelligence are present in Harlem, Mr. Williams said. The entrepreneurial instinct is enormous, and the unemployed often work hard — selling clothes, doing odd jobs. And the underground, off-the-books economy, in which most people who work the street participate, is extensive.

## Complex Social Organization

Few communities have the extensive social organization that exists in black communities, with strong families, active churches and extensive recreation programs, according to two researchers who recently 900 young blacks in New York and other cities.

Were it not for this kind of organization, said the researchers — William Kornblum, professor of sociology at the City University of New York's Graduate Center, and Terry Williams, a research associate — many poor communities like the area along Frederick Douglass Boulevard would break down.

Yet, the problems in the area, and in similar communities across the country, are profound. And labor specialists say that, because of fundamental changes in the economy, there is little possibility that unemployment among blacks will ease substantially.

Some economists say that the nation is moving toward a permanent unemployment level — when everyone not working is counted — of far above 10 percent, and that economic improvements will affect the 85 percent with jobs but not the underclass.

Troy James, a clerk at the Gold Medal Grocery on Frederick Douglass Boulevard, said folks did not come as they once had to buy several days' groceries. Mostly, he said, people buy just a few items — bread, peanut butter, fruit pies, "Coke and stuff." He said the store's business was down 50 percent.

Not far away, at Adele's Kitchen on Adam Clayton Powell Boulevard, life seemed a bit more positive. Things certainly smelled good at Adele's, a well-known Harlem restaurant that blacks who return home to Harlem still visit to fill their stomachs and warm their hearts. The specialties are smothered steak, fried chicken and collard greens. Steam from the cooking had condensed on the window, and that, with the smells and the warmth of the cooking, made the place seem like home.

But Geraldine Griffin, the proprietor, said unemployment had reduced her business by half. "You ever seen it empty, darlin'?" she asked. "I'm being driven out of business."

"All you see is empty buildings," she said. "It never used to be like this. This used to be one of the best places you could come to. And it's so near Christmas, too."

RECORDS and SYSTEMS CLIENT CENSUS FOR WEEK-ENDING DEC. 20, 1982

	Fort Greene (11)	Bush- wick (13)	Browns- ville (14)	TOTAL BKLYN	Start. Point (21)	Kaleido- scope (22)	Third Horizon (23)	TOTAL HARLEM	TOTAL A.R.T.C.
WEEK ENDING 12/21/82	202	281	294	777	235	235	268	738	1515
ADMISSION	-	3	-	3	2	1	2	5	8
TERMINATIONS	-	9	-	9	-	8	1	9	18
TRANSFER-IN	-	-	-	-	-	-	-	-	-
TRANSFER-OUT	-	-	-	-	-	-	-	-	-
CLIENT CENSUS N.E. 12/28/82	202	275	294	771	237	228	269	734	1505
METHADONE MAIN.	197	268	293	758	234	226	268	728	1486
ZERO MEDICATION	3	7	1	11	2	-	1	3	14
LAAM	2	-	-	2	1	2	-	3	5
<u>ADDITIONAL STATISTICS</u> CLIENT CENSUS AS A % OF NIDA MATRIX	98%	92%	98%	96%	95.5%	91%	90%	92%	94%
ADMISSIONS MM/DF	-/-	9/-	15/-	24/-	14/-	7/-	5/-	26/-	50/-
TERMINATIONS MM/DF	1/-	16/1	7/5	24/6	6/-	6/5	6/2	18/7	42/13

*2PM*

The above statistics reflect actual reporting requirements and do not reflect interdepartmental administrative changes.

ADDICTION RESEARCH & TREATMENT CORPORATION  
CLIENT STATISTICS

INTINERARY

11:45 A.M. - 12:00 P.M. Travel north from Irving Trust Bldg.

12:00 P.M. Rendezvous with Capt. Louis Anemone at 110th Street and 8th Ave.

(Capt. Anemone will ride with us in in car along with Mr. Dan Cook, whose program we will visit on 118th Street between 8th and St. Nicholas Avenues)

12:30 P.M. Visit Harlem Hospital Center, MMTP Unit #I. Phone # (212) 662-1500 address: 264 West 118th Street between St. Nicholas and 8th Ave.

1:00 P.M. Visit Hale House, 154 West 122nd St. Between Adam Clayton Powell Blvd. and Lenox Ave.

1:30 P.M. Visit Addicts Rehabilitation Center 129th and Park Ave.

2:15 P.M. Visit ARTC Clinics on 125th St.

3:00 P.M. Meeting Congressman Charles Rangel's office, New York State Office Bldg. Tea/coffee/cookies will be served.

5:00 P.M. Adjournment

Tentative  
Meeting Agenda  
3:00 P.M.

Welcome - Charles Rangel, M.C. Host

Introduction - Beny J. Primm, M.D.  
Carlton Turner, Ph.D.

Carlton Turner, Ph.D.

- I. Overview of Administration Policy
  - A. Prevention
  - B. Education
  - C. Treatment

- II. Administration Policy  
INTERDICTION

- III. Specific Minority Issues

Questions and Audience discussion

Adjournment



## PARTICIPANTS

### POLITICIANS

Congressman	Charles B. Rangel - Host
Congressman	Edolphus Townes
Assemblyman	Angelo Del Toro
Senator	Leon Bogue
Assemblyman	Albert Vann
Assemblywoman	Geraldine Daniels
Councilwoman	Mary Pinkett
Councilman	Frederick E. Samuel

### ORGANIZATION REPRESENTATIVE

Jose' Ferrer	New York Urban Coalition
--------------	--------------------------

### LAW ENFORCEMENT

Sterling Johnson, Special Prosecutor, Narcotics, N.Y.  
Captain Louis Anemone, Chief, Narcotic Division Manhattan  
North

### COMMISSIONERS

James O'Hanlon	Westchester County
Harold Adams	Nassau County
Victor Rugg	Suffolk County

### PROGRAM DIRECTORS

James Allen	Addict Rehabilitation Center New York, New York
Daniel Cook	Harlem Hospital Center Methadone Maintenance Treatment Program New York, New York
Lorraine Hale, Ph.D.	Hale House New York, N.Y.
Sydney Moshette, Jr.	Reality House New York, New York
Beny J. Primm, M.D.	Addiction Research and Treatment Corp. Brooklyn, New York



HON. CHARLES B. RANGEL

HOST

REPRESENTATIVE, 19TH C.D.

*Go see him in D.C.*



HON. EDOLPHUS TOWNES

EDOLPHUS TOWNES (D) FRESHMAN REPRESENTATIVE  
14TH C.D. BROOKLYN, NEW YORK. FORMER HOSPITAL  
ADMINISTRATOR, FORMER DEPUTY BOROUGH PRESIDENT,  
BROOKLYN, NEW YORK.

*In C.R. District*

ANGELO DEL TORO (D-R) 72 ASSEMBLY DISTRICT, NEW  
YORK COUNTY. DEM. LEG. COMM. GOVERNMENTAL EM-  
PLOYEES, LABOR, MENTAL HEALTH. CHAIRMAN BLACK  
AND PUERTO RICAN LEGISLATIVE CAUCUS - 1983.



ASSEMBLYMAN  
ANGELO DEL TORO

*Sugar Hill Area Favorite of Charles Rangel*

LEON BOGUES (D-L) STATE SENATOR, NEW YORK 28TH  
SENATORIAL DISTRICT. COMM. MEMBERSHIPS: SOCIAL  
SERVICE; MENTAL HEALTH; INVESTIGATION AND TAXA-  
TION; CRIME AND CORRECTIONS; AND CHILD CARE.  
MEMBER; DEMOCRATIC TASK FORCE ON CRIMINAL  
JUSTICE.



STATE SENATOR  
LEON BOGUES

*SPOFFORD \$65,000*

*Nick Bonds*

*Stairsteps TO TOP*



ASSEMBLYMAN  
ALBERT VANN

**ALBERT VANN (D-L) 56TH ASSEMBLY DIST. BROOKLYN, NEW YORK. LEG. COMM: HEALTH, EDUCATION AND WAYS AND MEANS. CHAIRMAN: ASSEMBLY CHILD CARE COMMITTEE. CHAIRMAN NEW YORK STATE BLACK AND PUERTO RICAN LEGISLATIVE CAUCUS 1977-78, 1981-1982.**

*Double master  
Form Black & P.R.  
Chair of Legislative*

*Mother just Passed Away  
Cynthia for C.R.'s District*

**GERALDINE DANIELS (D-L) 71ST ASSEMBLY DISTRICT, CENTRAL HARLEM, NEW YORK. LEG. COMM: CONSUMER AFFAIRS AND PROTECTION, ELECTION LAW, HEALTH, HOUSING AND LABOR. CHAIRPERSON SUB-COMM. ON PREVENTIVE HEALTH CARE. MEMBER NEW YORK ASSEMBLY WOMEN'S TASK FORCE. VICE CHAIRPERSON OF THE NEW YORK COUNTY DEMOCRATIC COMMITTEE.**



ASSEMBLYWOMAN  
GERALDINE DANIELS

*Hospital Abuse  
knows a lot  
about D. Abuse  
help Ben W*

**MARY PINKETT (D-L) NEW YORK CITY COUNCIL 28TH DISTRICT, BROOKLYN. FORMER VICE PRESIDENT, DISTRICT COUNCIL 37. STATE, COUNTY, AND MUNICIPAL EMPLOYEES UNION. LIAISON BETWEEN MAYOR'S PENSION COMMITTEE AND THE CITY COUNCIL.**

*Very good*



COUNCILWOMAN  
MARY PINKETT

**FREDERICK E. SAMUEL (D-L) NEW YORK CITY COUNCIL 5TH DISTRICT, MANHATTAN. ATTORNEY. DISTRICT LEADER, 74TH A.D. PART "A". CHAIRMAN, COUNCIL'S COMM. ON PUBLIC SAFETY. CHAIRMAN, HARLEM TASK FORCE AGAINST CRIME.**

*C.R.'s District  
Grew up &  
lives in Harlem*

*ASK  
Question*



COUNCILMAN  
FREDERICK E. SAMUEL

NO. Welfare  
EX-User Reu  
Alben  
Chair

Money?  
Bed?  
Bad shape  
Needs  
great



DANIEL COOK

Shap

Revelous  
Fellow

Father Died  
Very Young

JAMES ALLEN, EXECUTIVE DIRECTOR - ADDICT REHABILITATION CENTER. THE FIRST, AND LONGEST STANDING RESIDENTIAL DRUG FREE TREATMENT PROGRAM IN HARLEM. CURRENTLY PROVIDES RESIDENTIAL TREATMENT TO APPROXIMATELY 200 DRUG ABUSERS. ALSO PROVIDES OUT-PATIENT SERVICES.

DANIEL COOK, ADMINISTRATOR - DRUG ABUSE PROGRAM, HARLEM HOSPITAL CENTER, OUT-PATIENT METHADONE PROGRAM WITH FIVE FACILITIES AND 1,470 PATIENTS.

1965 first time in Drug Abuse working on  
Adl maintenance  
at Harlem  
M. Public Health

LORRAINE E. HALE, PH.D., EXECUTIVE DIRECTOR

HALE HOUSE. HOME FOR INFANTS ADDICTED IN UTERO TO HEROIN, METHADONE, AND OR ALCOHOL. PRESENT POPULATION: 40 INFANTS. STAFF CONSISTS OF PSYCHIATRISTS, PHYSICIANS AND SOCIAL WORKERS. TREATMENT STAFF WORKS IN CONJUNCTION WITH STAFF OF DRUG ABUSE TREATMENT PROGRAMS IN WHICH MOTHERS ARE RECEIVING TREATMENT.

Reality Quiet Very good

SYDNEY MOSHETTE, JR., EXECUTIVE DIRECTOR

REALITY HOUSE, INC., N.Y. PROVIDES OUT-PATIENT, DAY CARE SERVICES, A METHADONE TO ABSTINENCE COMPONENT, AND VOCATIONAL TRAINING.



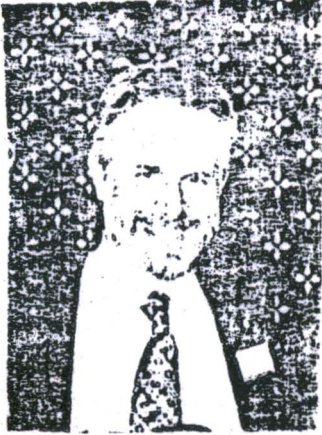
SYDNEY MOSHETTE, JR.

BENY J. PRIMM, M.D., EXECUTIVE DIRECTOR

THE ADDICTION RESEARCH AND TREATMENT CORPORATION BROOKLYN, N.Y. DR. PRIMM DIRECTS TREATMENT FOR APPROXIMATELY 1500 CLIENTS IN SIX CLINICS. THREE LOCATED IN BROOKLYN, AND THREE LOCATED IN MANHATTAN. IN ADDITION, THERE IS A SKILLS TRAINING CENTER, ALSO LOCATED IN BROOKLYN, N.Y. COMPLETE COUNSELLING, MEDICAL, MENTAL HEALTH AND VOCATIONAL SERVICES ARE PROVIDED ALL CLIENTS. THE CORPORATION ALSO ACCOMODATES INTRA AND EXTRA-MURAL RESEARCH ASSOCIATED WITH MEDICAL AND SOCIAL ISSUES.



BENY J. PRIMM, M.D.



JAMES P. O'HANLON

*Ref  
County*

JAMES P. O'HANLON - DIRECTOR, ALCOHOL AND SUBSTANCE ABUSE PROGRAMS, WESTCHESTER COUNTY DEPARTMENT OF COMMUNITY MENTAL HEALTH. THE COUNTY HAS A POPULATION OF APPROXIMATELY 860,000, AND IS TRADITIONALLY CONSIDERED AN AFFLUENT COMMUNITY. MR. O'HANLON DIRECTS TREATMENT PROGRAMS FOR 1300 METHADONE MAINTAINED CLIENTS, 350 DRUG-FREE CLIENTS AND EARLY INTERVENTION SERVICE FOR APPROXIMATELY 350 PERSONS. THE DEPARTMENT ALSO PROVIDES A MODEL HIGH SCHOOL BASED PROGRAM IN 23 OF THE 40 COUNTY HIGH SCHOOLS. THIS PROGRAM SERVES OVER 2500 YOUNGSTERS ANNUALLY WITH EARLY INTERVENTION SERVICES TO A "HIGH RISK" POPULATION, WITH CONCENTRATION ON CHILDREN OF ALCOHOLICS.

*Ref  
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Very Aggressive  
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VICTOR RUGG - DIRECTOR SUFFOLK COUNTY DIVISION OF DRUG ABUSE SERVICES. POPULATION OF COUNTY IS APPROXIMATELY 1.4 MILLION. 196,000 RESIDENTS ARE ESTIMATED TO BE REGULAR DRUG USERS. OF HIGH SCHOOL POPULATION, 80% ARE ESTIMATED DRUG USERS. MALES COMPRISE 72% OF ENTIRE COUNTY TREATMENT POPULATION AND FEMALES COMPRISE THE REMAINING 28%. THE DIVISION OF DRUG ABUSE SERVICES OVERSEES 19 DRUG ABUSE PREVENTION COUNSELS AND WORKS WITH SEVEN ESTABLISHED PARENT GROUPS. IN 1982 THERE WERE APPROXIMATELY 12 NARCOTIC RELATED DEATHS REPORTED IN SUFFOLK COUNTY.

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HAROLD E. ADAMS, C.S.W. COMMISSIONER,  
DEPARTMENT OF DRUG AND ALCOHOL ADDICTION,  
NASSAU COUNTY.

A MUNICIPALITY OF 1.4 MILLION PEOPLE, TEN YEARS AGO NASSAU WAS AMONG THE FIRST COUNTIES IN THE UNITED STATES TO CREATE AN INDEPENDENT DRUG ABUSE AGENCY. THERE IS PRESENTLY OPERATING A COMPREHENSIVE NETWORK OF DRUG AND ALCOHOL PREVENTION, EDUCATION, TREATMENT AND REHABILITATION SERVICES. THE DEPARTMENT OPERATES 15 DIRECT TREATMENT SERVICES. THROUGH SUB-CONTRACTS WITH HOSPITALS, MENTAL HEALTH CENTERS, SCHOOL DISTRICTS, THREE TOWNS, AND NOT-FOR-PROFIT CORPORATIONS, THE AGENCY SUPPORTS AN ADDITIONAL 145 SERVICES. THE DEPARTMENT OPERATES ON AN ANNUAL BUDGET OF 22 MILLION DOLLARS, AND PROVIDES SERVICES TO MORE THAN 28,000 INDIVIDUALS EACH YEAR.

Eric William  
City Council / Brooklyn

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# NEW YORK

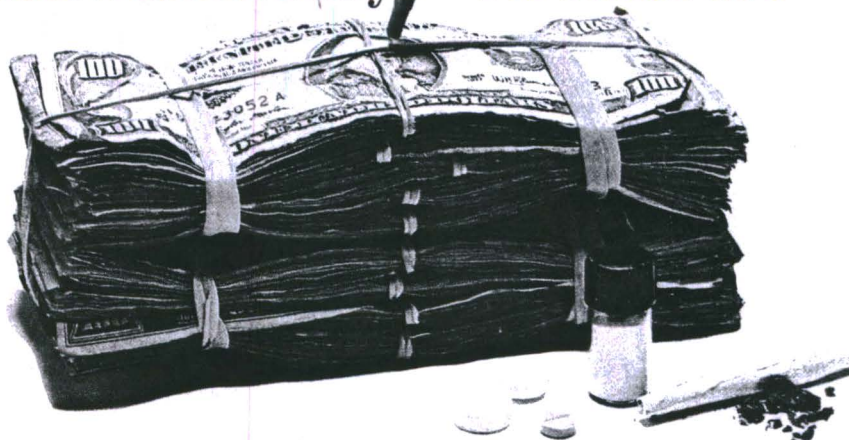
*There's  
no business  
like*

# DRUG BUSINESS

By Nicholas Pileggi

Dope is New York's hottest cash business — the enterprise in the city. Hundreds of millions are people who never dreamed of such wealth. Family being amassed. No longer the province solely of aging mobsters with French Connections, the city's drug business has exploded with

biggest illegal being made by fortunes are



*(continued on page 38)*



*There's no business like*

# DRUG BUSINESS

By Nicholas Pileggi

**D**ROPE IS NEW YORK'S HOTTEST CASH BUSINESS—the biggest illegal enterprise in the city. Hundreds of millions are being made by people who never dreamed of such wealth. Family fortunes are being amassed. No longer the province solely of aging mobsters with French Connections, the city's drug business has exploded with such unprecedented customer demand that today it can accommodate thousands of amateur drug dealers along with the pros.

In all, New York's illegal drug trade, which includes the importation and distribution of everything from amphetamines and marijuana to heroin and cocaine, is estimated to be a \$45-billion-a-year cash business, according to Sterling Johnson, the city's special narcotics prosecutor. At that figure, it surpasses the city's \$24.5-billion retail trade, \$14.6-billion manufacturing industry, and the \$13.9-billion revenues of the hotel, advertising, and service businesses—and all its profits are tax-free, its employees non-union, and its paperwork nearly nonexistent.

The business is flourishing outside New York, too. Attorney General William French Smith reported that gross drug sales nationwide approached \$79 billion in 1980, "about equal to the combined profits of America's 500 largest industrial corporations."

At a time of widespread unemployment, the drug trade is notably labor-intensive. In the New York area, the business is run by about 10,000 middle-to-high-level importers and distributors. Among them, they employ between 100,000 and 300,000 part-time workers with an array of special skills: fast-talking street hawkers, nimble-fingered heroin baggers, bank-connected money changers, and broad-backed musclemen who tote 80-pound bales of marijuana from ship to shore. In addition, thousands of part-time couriers carry millions in contraband hidden in their suitcases or stomachs. Hundreds of lawyers advise and defend the dealers. And thousands of clerks operate more than 800 smoke shops around the city where marijuana can be bought if not over the counter then through a hole in the wall. These shops, which often masquerade as record shops, delis, or candy stores, all require dozens of employees to sell, restock, and protect the estab-

lishments—which average from \$20,000 a week to \$20,000 a day, tax-free.

Major importers travel the world like multinational executives. "I traveled so much that I'd wake up in the morning and not know where I was," Frank Lucas, one of the first black heroin dealers to become an international importer, recalled recently. "I'd go to Lima, La Paz, Santiago, Bogotá and wind up at the Imperial Hotel in Tokyo before heading back through Vegas."

The drug industry also employs its own security force. Besides the traditional mob killers and cocaine cowboys, drug dealers have hired teenage hit men to protect themselves and murder their rivals. "A whole murder culture has grown up around some of these dealers," said District Attorney Robert Morgenthau. "We recently got a conviction against Walter Tyrone Smith, for instance, who, along with two of his gang members, was involved in at least fourteen drug-related murders. When we arrested him, Smitty was armed with a 9-mm. automatic and silencer. He was fifteen when he took part in his first killing."

Though the drug business doesn't rank among the city's largest employers—there are 594,868 workers in the wholesale and retail trades, and 496,760 in the manufacturing of durable and non-durable goods, for example—it does top the garment industry (141,804 workers) and construction (83,936 workers). What's more, the drug business seems to be recession-proof. While consumer spending in general is weak, spending on drugs is up, and, in particular, dealers are







*If the dope kingpins of New York ever got together for a board meeting, they'd like the numbers on the chart.*

enjoying a heroin and cocaine boom. The customers are there, the profits incredible, and the deterrents minimal.

"I would have to say that only between 5 and 10 percent of those currently dealing in drugs on a regular basis in the city ever come close to getting caught," said Johnson, the narcotics prosecutor. "Somehow, that message has gotten out. We're coming across lawyers, teachers, doctors, executives, merchants, clerics, firemen, even an F.B.I. man. That simply wasn't the case a few years ago. Somehow the stigma that had been attached to dealing in drugs has evaporated in some people's minds. There's a feeling all around town today that to get caught dealing drugs you've either got to be very, very dumb or very, very unlucky."

"So many people are involved in the drug business that law enforcement is overwhelmingly challenged today," said Raymond Dearie, the U.S. attorney for the Eastern District of New York and head of the area's federal narcotics task force. Dearie said that even though arrests and convictions can send people away for fifteen and twenty years, most dealers believe they will never get caught.

"It's not just the matter of making incredible amounts of money that attracts many of these people," Dearie said. "It's the fact that they are making that money instantaneously. They see drugs as a source of instant wealth. They're almost falling over each other coming into the business. For the first time in U.S. history, we're finding that millions of dollars' worth of drugs are being fronted by importers and dealers on a consignment basis, just like any legitimate business."

**T**HE SIGNS OF DRUG BUCKS ARE ALL OVER TOWN. Discos with extravagant sound systems, glossy restaurants, \$65,000 summer rentals at the beach, apartment houses, and office buildings are just some of the places where narcotics profits are being spent. Whole stretches of the East Side, along First and Second Avenues especially, are dotted with businesses fueled by cocaine profits.

"For investment, mostly they like to put their money into cash businesses, where they can establish a legitimate income upon which they pay taxes and pretend to be legitimate," said Lawrence Ruggiero, a former federal prosecutor who specialized in major organized-crime narcotics dealers. "As a result, you'll find them in car washes, travel agencies, check-cashing outfits, electronic-game arcades, fast-food chains, jewelry stores, and clothing boutiques. Even if these places don't make a dime, the dealers are willing to pump money into them every week, pretending that the income is honestly earned. That provides them with a tidy little cushion of legitimacy. Their long-range investments, of course, are handled by lawyers and accountants, and they seem to run toward whole shopping centers, silver mines, horse farms, real estate, and even banks, but only after their money has been washed four or five times through Bahamian and Swiss banks so it is untraceable."

The feds are currently looking into an elaborate money-laundering scheme in which as many as 3,000 suspected drug dealers may have managed to invest nearly \$4 billion in U.S.

real estate after channeling the money through foreign banks and tax havens. So far, the Department of Agriculture—which keeps tabs on foreign real-estate investors—has refused to turn over the necessary information to the Justice Department. Too much paperwork, it said.

“A lot of these giant cooperative apartments you see rising to the sky around town are indirectly financed by drug money,” said Ruggiero, now in private practice. “The contractors often can’t really begin their projects until they have enough of the million-dollar apartments already sold. Working through lawyers, the drug dealers will often buy five, six, or even eight of the apartments as investments and then rent them out to people willing to pay the prevailing rates.”

Just disposing of drug money can be bothersome these days. Last month, for instance, a Citibank account executive was arrested along with eight others in a money-laundering operation that handled more than \$100 million, most of it cocaine profits.

Eduardo Orozco, a 43-year-old Colombian coffee importer with offices at 120 Wall Street, was indicted last month for conspiracy and other charges after an organization he headed made 193 cash deposits totaling \$96.4 million in a single bank account. Another group of Colombians, overwhelmed with coca-dollars, were arrested recently after officials at Donaldson, Lufkin & Jenrette became suspicious when the men moved \$38 million through their brokerage account in two months.

In New York today, some people make money just changing money for drug dealers. The large-scale operators can’t possibly store their wealth in the form of the \$5 and \$10 bills in which it arrives from the street, so they have their small bills changed by men and women who work in banks and charge \$1 for every \$100 changed.

“Many of them hire professional money counters just to add up the money,” said Federal Prosecutor Victor Rocco, head of the criminal division of the Eastern District. “They also count the money by weighing it. They have scales and charts indicating how many pounds of fives and tens and twenties equal how many thousands of dollars. We’ve also seen many of the large dealers using the same kind of counting machines used by banks.”

Other dealers don’t bother to change it here at all, but charter Lear jets at La Guardia and Newark and fly the money in cardboard boxes directly to their banks in the Bahamas or on Grand Cayman. “We’ve had more than one occasion when the dealers flew so many cartons down that the banks couldn’t get it all into the cars they sent and had to go back for a truck,” said Thomas Cash, of the Drug Enforcement Administration in New York.

“One of the biggest problems my clients have,” said criminal-defense lawyer Edward Hayes, “is that they have so much money hidden here and there that they forget where they put it. I had one guy who lost \$300,000 he buried somewhere upstate, and another guy I represented stashed some loot in a basement closet for six months. When he went to get it, he found that mice had eaten about \$48,000 worth.”

“Mostly,” Hayes continued, “they just stash a quarter of a mil in a suitcase under the bed and go to sleep with a machine gun on the floor next to their slippers.”

Just about everyone involved in the city’s drug trade makes money—from the teenage couriers who park their \$45,000 Mercedes sports cars outside Harlem schoolyards while shooting baskets for \$100 a throw, to major dealers like Frank Lucas, who dropped \$15 million at the blackjack and dice tables of Las Vegas without looking back. Point men at smoke shops and at abandoned buildings used as heroin supermarkets earn \$100 or more a day. “All they got to do is whistle,” one agent said, “and they get \$500, \$600 cash a week.”

Heroin couriers, who include barmaids, housewives, social workers, merchants, and teachers, body-carry several kilos at a time or smuggle the contraband in false-bottomed suitcases.

## THE BOTTOM LINE IN NEW YORK

### GROSS REVENUES\*

ILLEGAL DRUGS . . . . .	\$45,000,000,000
RETAIL TRADE . . . . .	\$24,500,000,000
GARMENT TRADE . . . . .	\$17,000,000,000
MANUFACTURING . . . . .	\$14,600,000,000
TOURISM . . . . .	\$3,000,000,000
ENTERTAINMENT . . . . .	\$2,500,000,000

### EMPLOYEES\*

WHOLESALE AND RETAIL TRADES . . . . .	595,000
MANUFACTURING . . . . .	497,000
ILLEGAL DRUGS . . . . .	100,000–300,000
GARMENT TRADE . . . . .	142,000
CONSTRUCTION . . . . .	84,000

\* According to the latest New York City figures.

They typically earn \$10,000 or more for their trips.

Even South American peasants can earn from \$1,500 to \$5,000 for swallowing condoms or the fingers of surgical gloves stuffed with cocaine and sealed with dental floss or fishing line. One man, Gabriel Antonio Pino, 27, was grabbed coming off an Avianca flight recently after he suddenly took sick. Surgery revealed he had swallowed 120 condoms, containing almost two pounds of cocaine, valued at almost \$60,000 on the wholesale market.

Money is being made so fast that police are coming across low-level operators with the kind of wealth that only major drug dealers had ten or twenty years ago. It wasn’t until Frank Fiala, a 37-year-old machinist, was murdered in Brooklyn last year that police realized his earnings as a drug courier had financed a grand-scale impulse purchase: a Brooklyn disco, paid for with \$1.5 million in cash and bought because he didn’t like the service he’d received there and wanted to fire the help. At the time of his death, police said, Fiala also owned a \$300,000 helicopter, two twin-engine Cessnas, an \$84,000 Rolls-Royce Silver Cloud, a 22-foot stretch limousine, a Mercedes convertible, and a 41-foot yacht, for which he had paid \$180,000 in cash. When José Cabrera-Sarmiento was arrested on homicide charges three years ago (he was later acquitted), city detectives said he was wearing a solid-gold medallion with his nickname, “Pepe,” written on it in diamonds, and he had just paid \$135,000 in cash for a new Rolls-Royce Corniche and \$700,000 in cash for a yacht.

Still, the suspected drug dealers today have begun moving away from the glitter and have sought out more enduring areas for investment. When Edith Schoor, a 34-year-old Dutch woman, was charged recently with running a \$400-million international heroin ring, federal agents found that she had once negotiated to buy the First Woman’s Bank of New York. According to prosecutors, she had already acquired Goya’s masterpiece *The Bullfight* as partial payment on one of her drug deals.

**T**HE DRUG PROFITS ARE ENORMOUS BECAUSE THE markups are staggering. A kilo (2.2 pounds) of heroin that is 75 to 80 percent pure starts as ten kilos of poppies, worth, in all, between \$350 and \$10,000. In New York, a wholesaler pays \$240,000 to buy that kilo from the importer. Ten years ago he paid \$11,000. After the wholesaler cuts the heroin in half and adds milk sugar or mannitol, he resells two kilos for a total of \$480,000 to the distributor. He in turn cuts it to its 3 or 4 percent street-level purity and sells it for about \$1.66 million. (At this point, heroin is worth more than gold. Last week, gold was selling for \$435 an ounce, while that much heroin cost \$10,000.)

Few people know the heroin business better than Frank Lucas, the heroin dealer who broke the original organized-crime drug monopoly. Lucas received sentences totaling 70 years on drug charges in 1978 but has recently been freed, after his cooperation with authorities instigated more than 100 investigations.

"I paid \$4,200 a key [kilo] in Thailand," Lucas recently said. "It was 98.9 percent pure. I could cut it once and sell it for \$60,000, or I could do the whole thing myself."

Lucas soon decided to do the whole thing himself. He started shipping plane-loads of heroin from the "Golden Triangle"—Laos, Burma, and Thailand—in everything from the coffins of servicemen who had died in Vietnam to Henry Kissinger's plane.

"A key of heroin in Thailand contains 34 ounces," Lucas continued. "My 34 ounces measured out to 450 to 500 spoons, and I could put twenty on it [cut it twenty times], so that when it hit the street it was 5 percent pure, and I'd get a million and a half for my original \$4,200."

"I'd bring that stuff out onto the streets at 5 p.m. and by ten o'clock you had no more stuff left. I called it 'Blue Magic.'"

The markup in cocaine is just as extraordinary. The 500 kilos of coca leaves needed to make a kilo of cocaine cost \$1,200, and the steps of the process escalate rapidly from there. The 500 kilos of leaves, for instance, make 2.5 kilos of a malodorous green paste, valued at \$5,000. The 2.5 kilos are turned into 1 kilo of cocaine base, valued at \$11,000. The cocaine base is processed into a kilo of cocaine hydrochloride, worth \$20,000. The value of the kilo suddenly rises to \$60,000 when it's smuggled into the United States. The importers, almost all of them Colombians, cut the kilo in half, filling out the volume with procaine and, sometimes, amphetamine, and doubling the value, to \$120,000. The two resulting kilos are further cut until they reach the average street-level purity of 12 percent. In the end, sixteen kilos are produced, worth about \$2 million.

An independent operator could buy a pound of processed cocaine in Colombia for \$10,000 with almost no difficulty, according to federal agents, who claimed they had seen buys being made openly from waitresses and shopkeepers. The pound of coke consists of 448 grams, the agents said, and could be sold on the East Side for up to \$120 a gram. That's \$53,760 on the original \$10,000 investment. Tripling that pound of processed cocaine by diluting it, the agents said, spirals the price up to \$161,280.

Marijuana prices vary almost as widely as the consumers of the drug. The highest-grade Hawaiian pot can cost as much as \$3,400 a pound, while the homegrown variety goes for whatever the market will bear. Officials estimate that domestically grown marijuana is a \$10-billion-a-year cash business, with 200,000 small-time growers cashing in on an expanding market. By August of this year, the Coast Guard reported, it had seized 727,000 pounds of marijuana on ships and planes around New York; only 151,000 pounds were seized in all of 1981.

Last year, the feds broke up a billion-dollar, six-state ring responsible for up to 40 percent of all the Colombian marijuana being smuggled into the country. The gang's New York leader was reported to be a 31-year-old logistical genius who

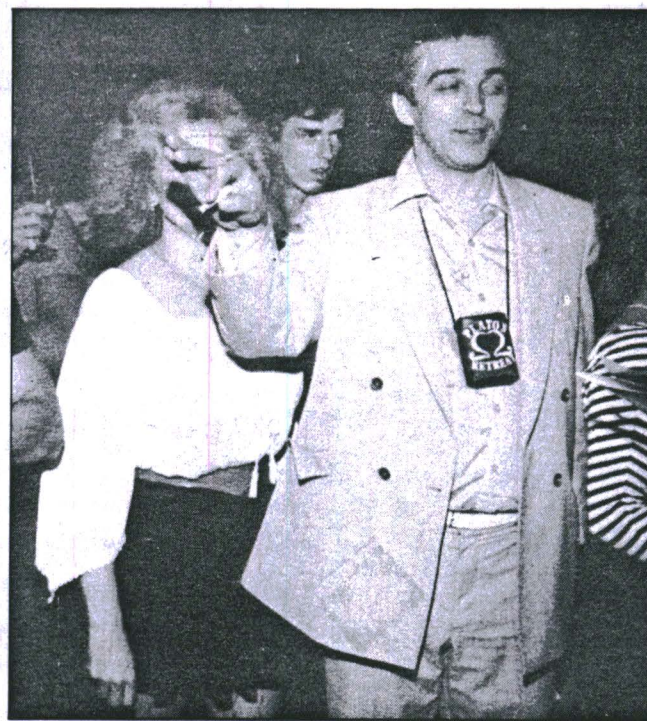
directed his fleet of planes, boats and trucks from a drug-rehabilitation center.

**T**HE CUSTOMERS WHO MAKE THIS VAST ENTERPRISE possible exist today in greater numbers than ever. The National Institute on Drug Abuse has estimated that Americans spend at least \$120-billion a year on controlled substances and their consequences. The institute claimed a recent survey showed that 22.5 million people had smoked marijuana in the last month and 4.3 million had used cocaine. Another 500,000 people are heroin addicts, the institute said.

Since 1979, according to the House Select Committee on Narcotics Abuse, New York City has been "reeling" under a heroin epidemic. Last June, in a report on drug addiction for Governor Hugh Carey, Joseph Califano said that the number of heroin addicts in the city had increased 50 percent since 1978. The former U.S. secretary of health, education, and welfare estimated that there could be as many as 177,500 heroin addicts in the city, or one addict to every 43 residents.

Narcotics-related deaths, emergency-room episodes, and admissions to centers for treatment of addiction are all up

## FAST MONEY, FAST LIFE



*Drug courier Frank Fiala bought a Rolls-Royce and lived it up—until his murder.*



substantially, according to Representative Leo Zefeferetti, of New York, chairman of the Narcotics Abuse Committee.

Cocaine use, too, has shown a marked rise in both the city and the suburbs. "In the last two years, Nassau has registered an increase of 66 percent in cocaine-related arrests, while cocaine arrests as a proportion of total drug arrests have increased 40 percent," reported Harold Adams, Nassau County's commissioner of drug and alcohol addiction.

Customs officials estimate that approximately 8,800 pounds of heroin will be smuggled into the United States this year, half of it through Kennedy Airport and the city's waterfront. They expect 96,800 pounds of cocaine to be brought in, almost all of it flown directly from Peru, Bolivia, or Colombia to one of the hundreds of airplane clearings in southern Florida. And 28.6 million pounds of marijuana are expected, about 80 percent of it produced in Colombia.

In New York, the heroin trade is largely controlled by organized-crime families, especially those associated with the East Harlem Luchese family and the Sicilian-based Gambino-Spatola-Inzerillo mob. The families have unquestionably reopened their contacts with the Middle Eastern poppy farms, and re-established refineries outside Palermo. The "Sicilian Connection"—broken for much of the seventies—is back in business.

"In the 1970s, we didn't see the broad-based involvement of all the families," said Sean McWeeney, the F.B.I.'s resident mob expert. "Now they're into it up to their ears."

In 1979, prosecutors in the Eastern District spotted the reopened Sicilian Connection. An elaborate courier operation involving Vincent Beltempo in New York and Salvatore Gallina in Palermo was suspected of shipping hundreds of pounds of heroin into the United States, according to Reena Raggi, head of the Eastern District's narcotics prosecutors. The couriers, most of whom were friends, associates, or lovers of the drug dealers, were flown to Palermo, where they were outfitted in extra-large clothes and loaded down with as much as ten pounds of heroin for their return trips. The conviction last year of the Beltempo gang ended that courier operation, but others are almost certainly in existence.

Also, last year, Eastern District prosecutors won convictions against the Riccardo Cefalu ring, which had been importing hundreds of pounds of heroin from refineries in Palermo and exporting millions in proceeds back to Palermo via various Swiss banks. In July 1982, John Notaro and Roy Ranieri, mobsters tied to the Sicilian Connection, were convicted and sentenced to nine years each in prison after federal agents found 115 pounds of pure heroin in their shipment of thirteen espresso-coffee machines to Brooklyn. The value of the shipment was estimated at \$184 million retail and \$27-million wholesale.

In Sicily, there are other signals of the mob's rekindled interest in the heroin trade. Authorities estimate that many of the 140 murders in Palermo and its suburbs so far this year are linked to the drug trade. "One can see the heroin trail every time a new building goes up illegally, without bank loans, on the edge of Palermo," said Special Magistrate Emmanuele De Francesco, a former head of the Italian Secret Service. "It can be seen when you realize that unemployment here is 28 percent and yet there are no shortages of the fancy foreign cars."

De Francesco said 62 members of the Gambino Sicilian Connection will be going on trial in Italy this month for drug conspiracy and tax evasion. "Our Sicilian mafiosi have learned from their American cousins how to launder and hide money, something which they never knew before," said the magistrate.

Though the street-level marijuana business is too penny-ante to interest the mob (or the police, who virtually ignore it), organized-crime families seem to be financing the larger shipments of pot or shaking down the retired hippies who do much of the smuggling.

The fourteen tons of marijuana seized off East Hampton

## COCAINE WARS



*The Galvez slaying led cops to a stash of guns, cash, and dope in his Queens home.*



last year was apparently financed by the DeCavalcante crime family in New Jersey, with Joseph Ippolito Jr., 31, of Livingston, New Jersey, the "soldier" in charge. Nassau County detectives said that when arrested, Ippolito's gang was using black lifeboats to shuttle the bales to trucks onshore from an 80-foot trawler, *Miss Marjorie*, and a 42-foot cabin cruiser, *Unapplied Time*. In the nearby home of one of the suspects, the police also found a "highly sophisticated" communications system that allowed the smugglers to stay in touch with the trawlers and scan the frequencies for Coast Guard cutters

and aircraft. Last June, Ippolito received a term of eight years.

Cocaine in the city is controlled by Colombian dealers, many of them set up as legitimate businessmen with offices in Jackson Heights, Queens, and almost all of them with influential connections in their native country. Police say the Colombians are also among the most violent dealers in the trade.

The violence exploded last February when Orlando Galvez, a 32-year-old Colombian dealer, his 29-year-old wife, and their eighteen-month-old daughter and four-month-old son were murdered in a Mercedes on the Grand Central Parkway. At the Galvez's \$1,000-a-month Queens apartment, police found an arsenal of weapons, 140 pounds of cocaine, and nearly \$1 million in cash.

Most of the Colombian dealers distribute the drugs through a series of middle-level American-born operators. The Americans end up taking most of the chances. For instance, last June a group of men were arrested on a deserted runway at Long Island's Brookhaven Airport trying to shove 610 pounds of pure cocaine out of their plane. Except for Fernando Alzate, 37, a "cocaine chaperone" from Colombia, all eight men indicted in the case were locals.

"The gang included the kinds of macho desperadoes who've seen one movie too many," said one agent in the Drug Enforcement Administration.

Among those arrested were David Silbergeld, 45, a Manhattan computer consultant and East Side singles-bar swinger who had handed out pictures of himself in Green Beret combat regalia; Bernard Monaghan, 43, who owned a bar at 81st Street and Third Avenue; and Robert Humeston, 47, a Sayville, Long Island, pilot.

"When the Colombians ship in a load, it's not some feeble 600 pounds," the agent continued. "It's more like the billion-dollar load of 3,748 pounds seized at the Miami airport last March. That stuff had been shipped from Medellin, the same place the 'chaperone' was from, and had been packed in 21 boxes marked BLUE JEANS."

**T**HE COST TO THE CITY OF ITS LARGEST CASH business is incalculable. A study two years ago by Temple University linking heroin dependence with crimes found that 243 addicts were responsible for having committed more than 500,000 crimes in Baltimore over an eleven-year period.

The study also showed that the crime rate of addicts fluctuated depending upon whether they were "on" or "off" drugs. During their off periods they committed 84 percent fewer crimes than when they were on. In addition, the study contradicted the commonly held belief that addicts tend to commit burglaries and other property crimes instead of crimes against people: 40 percent of the addicts arrested were carrying weapons.

District Attorney Morgenthau said that findings in New York are similar. In a three-month period last spring, 26 percent of all felony complaints and 19 percent of all misdemeanor arrests were drug-related. Sixty to 70 percent of those arrested for robberies had prior narcotics arrests.

The overwhelming number of those arrested for minor drug offenses are either put on probation or made to pay minimal fines, from \$25 to \$250.

"We've made over 3,600 arrests near schools," said Inspector Dennis Ryan, who heads the Police Department's narcotics squad, "and we got one guy who was selling marijuana cigarettes out of the window of his house, next to the school. When we made the pinch and got inside, we found the guy had a suitcase filled with coins the kids had paid him for their joints. About 90 percent of those arrested selling marijuana around schools—and we're mostly talking about elementary schools—are not students but either truants or recent dropouts."

Ryan said his men have made thousands of arrests in abandoned buildings, particularly on the Lower East Side,

many of which have been booby-trapped with trick floors and wire strung across corridors to snap the throat of anyone in pursuit.

Police, court, and prison expenses related to drug crimes are estimated to reach \$11.2 billion a year nationwide, according to the National Narcotics Intelligence Consumer Committee, a federal group. In addition, \$4.2 billion in productivity is lost each year as a result of unemployment and absenteeism. Another billion is spent each year for drug treatment.

**A**LMOST NO ONE DEALING WITH THE DRUG PROBLEM is hopeful about finding a solution. There's occasional talk about legalizing drugs to take away the criminal incentive. But people like Representative Charles Rangel, of Harlem, worry that legalizing hard drugs would be genocidal for many unschooled and unemployed minority youngsters.

In October, President Reagan and Attorney General William French Smith announced an all-out war by the federal government on drugs. They promised to hire 900 agents, 200 prosecutors, 400 support staffers, and to finance 1,000 additional jail and prison berths to accommodate the expected arrests. So far, Congress has expressed doubts about the seriousness of the "war," since the administration is unwilling to raise the Justice Department's budget by the \$130 million it would probably cost. The administration has said the money will come from adjustments in the Justice Department's current \$2.7-billion budget—an approach that critics insist is unrealistic.

In addition, D.E.A. officials who asked not to be named said that an effective drug-fighting program is a pipe dream as long as the key cocaine suppliers in South America and heroin suppliers in the Golden Triangle and Pakistan remain close to the ruling governments—and thus under the protective umbrella of the State Department. Roberto Suarez-Gomez, 49, allegedly the biggest cocaine dealer in Bolivia, was untouchable for years because of his financial support of Bolivia's then president, General Garcia Meza. Suarez has now been charged in Florida with conspiracy to distribute cocaine, but so far the U.S. government has been unable to extradite him.

The government's powerlessness in dealing with the international drug business was dramatized last month when Attorney General Smith was forced to beat a hasty retreat while touring a drug bazaar in Landi Kotal, Pakistan. "I'm sorry, but we can't guarantee your safety," said Jamshid Bukhin, home secretary of North-West Frontier Province, as he cut short Smith's fact-finding visit to the bazaar.

Officials in New York City are similarly overwhelmed. "It's not a very optimistic picture," said Sterling Johnson. "Even with our arrests up and our conviction rate up, we're finding that some of the city's most active dealers are the ones already under arrest. The increased arrests and the doubled number of indictments have caused delays, and the drug dealers know how to hire lawyers to further delay their cases. They get adjournment after adjournment. What happens as a practical matter is that the person who has a drug case pending goes right back into the drug marketplace and continues to make money—knowing he won't be bothered by the police, because he already has a case pending.

"What's the sense of our spending another \$20,000 on a defendant we already spent \$20,000 getting indicted in the first place?," Johnson asked. "It's a waste, because he knows and we know that once he's tried or pleads out, the judge is not going to give him consecutive terms."

Thus, even after they're arrested, the city's drug dealers are not only free to amass more money, hire better lawyers, and dispose of potential witnesses, but can enjoy near immunity from police harassment. In New York today, the drug trade is a business in which the kingpins rarely lose.