

The Two-Year Race

Rocky Maps 'Folksy' Image for '66

With the 1966 gubernatorial elections still 698 days away, there is already an unusual flurry of activity in the political arena, which is already bulging with an unusual wealth of possible candidates. This the first of two articles on how the Republicans and Democrats are moving:

By Stan Hinden

Newsday Political Editor

Gov. Rockefeller is drawing a blueprint for a two-year political buildup which could clear the way for him to seek a third term in 1966.

The immediate goal of the Rockefeller plan is to scrape away some of the political barnacles which he has accumulated during his six stormy years in office. It also is intended to restore his popularity to the high level he enjoyed when he was first elected in 1958 as a glamorous upset winner. If the buildup succeeds, his closest friends and advisors believe, the governor will almost certainly seek a third term. Then, if he won, it might even allow him to make another White House bid in 1968.

While Rockefeller's 1966 third-term decision will not be required for many months yet, sources close to the governor said he intends to keep himself "in running position." This technique of looking and acting like he will run again will have several benefits—it will keep Rockefeller's potential opponents silent and inactive, and it will allow the governor to keep control of the state Republican Party. "Lame duck" office holders often tend to lose their political strength rapidly.

The situation will make the future uncertain for such leading Republicans as Sen. Jacob K. Javits (R-NY), Lt.

Gov. Malcolm Wilson, Rep. John V. Lindsay (R-NY) and others who would have their eye on the governorship if and when Rockefeller says that he is no longer interested. Until Rockefeller declares his political intentions, however, his potential successors will have little choice but to sit and wait.

Rockefeller's blueprint for a brighter political future is based on two major items, the need to rebuild his image as a man more interested in state problems than in the White House, and the need to rebuild the damage to the state Republican Party caused by the Democratic sweep. The governor, who fought the candidacy of Barry Gold-

water, was said to be especially desirous of helping the GOP recapture the Legislature in 1965 special elections.

Accordingly, sources said, the next two years will see a new emphasis by Rockefeller on a "just plain folks" role. There will be a new informality displayed in his activities, with more grass-roots trips around the state. He'll try to capture a stronger image as a "full-time governor." During much of the past six years, Rockefeller has been an active or inactive White House contender. He now hopes to shed much of the national spotlight.

One significant recent development was the decision
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Barry, Ike Huddle Today

New York (AP)—Former President Eisenhower and Sen. Barry Goldwater meet today in a unity "summit" conference.

Goldwater is ready to tell Eisenhower and former Vice President Richard M. Nixon, who will also attend, that he thinks the struggle over GOP leadership is tearing the defeated party apart, a source close to Goldwater said. Republican National Chairman Dean Burch, under fire from the party's moderates, will attend at least part of the discussions.

Precise arrangements for the conference were cloudy. There was no word as to exactly when or where the meeting would be held. An Eisenhower aide said that the three would meet in the afternoon but that details have

not been worked out. "There is no agenda," Burch said.

The discussions will bring together the three men who have carried the Republican colors in the last four presidential elections. Burch, hand-picked by Goldwater, said he does not expect that the Arizona senator will specifically ask Eisenhower and Nixon to back his continued service as GOP chairman. The Republican National Committee meets in Chicago Jan. 22-23 to decide whether Burch will retain his post.

The source close to Goldwater said the Republican nominee, who lost in a landslide to President Johnson, wanted to talk with Eisenhower and Nixon about the struggle now going on within the party. The source said Goldwater would explain his views on the battle between his conservative followers and the moderates.



Newsday Photo by Rala

John (Sonny) Franzese, Right, Leaves the Commission Hearings With an Unidentified Man

Victims Tell of Terror By Loan Sharks on LI

By Tom Renner

New York—An obviously frightened woman told state investigators yesterday how loan sharks and their enforcers had terrorized her husband, beaten her and taken over her small debt-ridden luncheonette in North Babylon to set up a headquarters for bookmaking and usury.

The housewife, whose hands trembled as she held her pocketbook, told the New York State Investigation Commission that before the mobsters were through, she had not only lost her luncheonette, but her husband had run off in fright and she had suffered a nervous breakdown. She said that she and her husband now live in another state, working as domestics under a different name, to escape the vengeance of mob terrorists controlled by Cosa Nostra "lieutenant" John (Sonny) Franzese, 44, of 47 Shrub Hollow Rd., Herricks.

The testimony by Mrs. Margaret Rudgalvis, 46, formerly of Deer Park Avenue, North Babylon, provided a dramatic illustration of terror as the State Investigations Commission focused its attention yesterday on Long Island and the "Big Six" of suburban loan shark rackets. Suffolk Chief of Detectives Oray Edwards listed these six names for the commission as the major loan sharks on Long Island:

1. Michael Casale of Amityville, a convicted bookmaker who is a member of the Profaci Cosa Nostra family.

2. Salvatore (the Shiek) Musacchio of Wantagh, also a Profaci family associate.

3. Max (the Weasel) Lowenstein of East Farmingdale.

4. Vincent James Giordano of Sound Beach, a lieutenant of Sebastian Alois of the Profaci mob.

5. Felice Falco of Centerport, an associate of Tony (Ducks) Corallo of the Genovese family.

6. Felice (Philly) Vizzari of Deer Park, a Franzese lieutenant.

Edwards testified that the underworld loan sharks moved into Suffolk as the population in the county began to boom shortly after World War II and have increased their usurious activities since.

Others who testified yesterday included Franzese, who invoked the protection of the Fifth Amendment against self-incrimination 18 times and Irving (Knadles) Nitzberg of New York City, who also invoked the Fifth Amendment. Nitzberg, a convicted killer of Murder Inc. who was awaiting a new trial but avoided it when star witness Abe (Kid Twist) Reles fell from a window while under guard in 1941, was cited as a top loan shark who was able to parlay \$13,271 into \$41,630 in nine months. His 24 borrowers paid interest rates of from 99 to 990 per cent.

The terrified housewife, a victim of loan shark activities, said that in 1960, she and her husband, Henry, opened up Peggy's luncheonette with an unidentified partner, whose interest they later bought. Business was good. In 1962, however, the state began a road-widening project on

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THE LID'S ON. Obviously, Max (The Weasel) Lowenstein is a man who believes in fashion, and hats are fashionable. So, even though he hides his face under his coat as he leaves after testifying in Manhattan on loan sharks yesterday, Lowenstein is careful to put his hat on top.

Newsday Photo by Rala

Victims Tell Loan Shark Terror

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Deer Park Avenue and business dropped sharply. Her husband turned to Lowenstein, a 61-year-old ex-convict. "Max would lend Henry \$75, \$200 and \$300 at a time to pay the bills," she said. "If we didn't have the money to pay at the end of the week we'd have to pay \$20 a day ('vigorish' or interest) on a \$75 loan. I begged my husband to stop because the rates were fantastic. We lost our credit with the Breyer Ice Cream Co. and my husband asked Max to get him ice cream. He paid Max double the normal price." In two years, she and her husband paid out more than \$5,000 in loans and vigorish.

She said that Lowenstein, who claimed he had been loansharked out of a cement business by Franzese's mob, then brought a mob organizer identified as Vizzari, 44, of Brand Boulevard, Deer Park, to the luncheonette. Vizzari, who has convictions for criminal negligence, robbery and bookmaking, quickly took over and set up a headquarters for bookmakers and loan sharks in the luncheonette, she said.

"They were there morning, lunchtime and night," Mrs. Rudgalvis said. "I told my husband I wanted them out but he said Philly wouldn't let him out." Finally, in desperation, she wrote to District Attorney Smith. "The

syndicate has moved in and my life is not my own," she wrote. "Please get us out of the rat-trap we're in. I might be killed or beaten for writing this. I'd rather die than live like this. We are being bled to death."

The day after she wrote the letter she continued, a car with two Vizzari muscle-men pulled up to her home. They came in and then "one of them banged my hand—he kept banging it—against a closet door. He wanted to know why I was interfering." They left with threats of more violence if she kept demanding that Vizzari's men leave. Carl A. Vegari, the commission's chief counsel, said the district attorney was unable to prosecute because the couple was unable to identify their persecutors.

Her testimony followed that of Lowenstein, an ex-convict with a record of 22 arrests and seven convictions for crimes ranging from debauchery (sexual offense) to robbery. Lowenstein admitted lending the money to the couple at high vigorish rates but said he had borrowed it from Vizzari loan sharks "to help them out." He claimed he had to pay back high vigorish to the sharks for the loans he gave the couple.

Lowenstein also described how Vizzari moved in on his cement and ice cream business at 100 Sunrise Hwy., West Islip, in 1962. He said Vizzari wanted half interest in his cement firm and the use of the ice cream parlor and trucks for a loan shark-bookmaking operation.

Instead of putting up the \$10,000 he had promised to give Lowenstein as his share, Vizzari simply took over. He never paid the 30 per cent dividend he promised to pay for the bookie-loanshark operation. Lowenstein said he finally ended up in trouble with the mob when he refused to hire the men to run his trucks as Vizzari demanded. "They (Vizzari and his men) had me framed," Lowenstein said. "I was fooling around with this girl. They got to her and she called the cops and said I had a gun. It was a set-up."

The woman who charged Lowenstein with assault, Mrs. Virginia Gleason of 31 Leeds Lane, North Babylon, said she knew Lowenstein but denied dating him. "I'm a married woman with two children," she said. "He threatened me with a gun and I'll take an oath on it." Lowenstein, who pleaded guilty to reduced charges, is to be sentenced Dec. 18.

Took \$5,000 Car

Loan shark terror on Long Island was not restricted to Mrs. Rudgalvis. Suffolk Intelligence Squad Det. Sgt. Warren Buckward described the case of one victim who borrowed \$1,000 and \$500 from two sharks. He fell behind in payments and the sharks showed up at his home with three musclemen. They took his \$5,000 Cadillac as a penalty payment and warned if he interfered, "you'll be on the floor dead." The victim later had a gun put to his head and shots fired through the window of his home before he finally left Suffolk, Buckward said.

The sharks were not through, however. They lent money to the victim's father, whose business had been destroyed in a fire. "You have to meet a victim to get the impact the sharks have," Buckward said. "This elderly man was suffering from a terminal disease. He was crying like a baby, there was no heat in the house, he was on relief and his family was gone."

Edwards said tighter anti-usury laws were needed, but he warned that they would be difficult to enforce because of the "federal attitude on electronic surveillance (wiretapping and bugging). The federal courts have refused to allow evidence to be submitted that has been obtained by wiretapping. Wiretaps are a vital weapon because victims (of sharks) are usually afraid to press a complaint. It's the only way, as a result, to get evidence," he said.

Buckward also described the case of a Suffolk policy operator who went straight so as "not to bring shame" on his family. He bought a restaurant, went into debt and borrowed from a loan shark. To meet vigorish payments, he was forced back into the numbers racket and has twice been arrested by Suffolk police. He is now serving time in jail.

The commission also introduced into evidence an affidavit from Robert Meyer, the witness who broke the back of a mob-organized extortion plot to set up a barbers guild in Nassau. Meyer said the phony guild was set up by Sam (Pizza King) Calascione, who was backed by Franzese, Giordano and Corallo. The guild, he said, was to be a front for gambling, loansharking and narcotics. He said that at one point Salvatore (Sammy Jiggs) Giglio was brought in to oversee the racket and became involved in a fight with Calascione. Giglio was ordered, in a "sitzdown" (meeting) with Giordano, to stop interfering. A short time later, Giglio drowned when his car hurtled off a bridge into Newtown Creek in Long Island City, Queens, two days before he was scheduled to go on trial in the barber extortion trial.

Today the loan shark hearings were expected to put the spotlight on Nassau and Manhattan banks who have given unsecured loans to mobsters who use the money for loansharking. Also scheduled to be called was an extortionist loan shark now serving time in jail.



Newsday Photo by Lyons

ALL TIED UP. Harold Goberman is escorted out of First District Court in Commack yesterday by two unidentified Nassau detectives for a trip to Nassau for arraignment on traffic violations.

Cops Rewrite Crime Tale

Hauppauge—A Kings Park painting contractor, whose name has figured in the current state investigation of loan shark operations, barged into Fourth Precinct headquarters yesterday to report a crime. After a little chat with detectives, he wound up under arrest.

Harold Goberman, 28, hadn't dropped in to discuss loan sharking. In fact, he refused to discuss the subject, currently being aired at State Investigation Commission hearings in New York. Instead, he began spinning a tale of how prowlers had recently been around his home, how he was being tailed by cars and how, just this past Sunday night, somebody fired two shots at him. He added that his 1963 Cadillac convertible was missing and, oh yes, there was this loaded .32-cal. semi-automatic pistol in the glove compartment.

Goberman, who lives at 314 Pulaski Rd., Kings Park, told Fourth Squad detectives that the gun was not his, that someone had put it inside his car Monday morning while the car was parked outside his office at 1 Indian Head Rd., Commack. But, after questioning, police said, he retracted that story and admitted that the gun was his, explaining that he needed it to protect the \$6,000 to \$8,000 payroll he carries weekly. Det. Lt. Hugo Romler said that the car, re-registered under the fictitious name of James Slade, had been repossessed before Goberman could remove the gun. Romler said Goberman had apparently

come to police because he had hoped to sell them a "cover" story before the gun was traced to him. Goberman had no permit for the Italian-made pistol, Romler said, and couldn't get one because he has a misdemeanor conviction record. He was charged with illegal possession of a loaded gun, a charge punishable by a maximum penalty of seven years in prison and \$1,000 fine.

Goberman was arraigned yesterday in First District Court, Commack, and released in \$2,000 bail. His case was adjourned to Dec. 16 so he can obtain a lawyer.

According to a Long Island police informant who tipped Suffolk police in October, 1961, Goberman had been ordered by a Westchester loan shark, Frank Sacco, to help John (Johnny Unions) Amalfitano of Brooklyn to strongarm the Suffolk Council of Carpenters and Joiners of America. The alleged attempt failed. Sacco reportedly then ordered Goberman to kill Maitland Brenhouse, a millionaire money-lender in Westchester. After Goberman refused, he and Sacco were said to have had a gun duel in which neither man was hurt. Last year, Amalfitano, Goberman and two other men were arrested on charges of hijacking 1,400 Japanese radios. The case is still pending.

Not only the gun story exploded yesterday, but Nassau police also arrested Goberman on two speeding warrants. He paid \$150 in fines—plus having his license revoked.

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to put former Republican State Chairman William Pfeiffer of Old Westbury on the Rockefeller staff. Pfeiffer's main role will be to try to put some political appeal in the drier-than-dust programs that come grinding out of the governor's office.

Ironically, one of the biggest breaks which Rockefeller will have in restoring his political popularity will be the Democratic-controlled Legislature next year. The governor's political bruises over budgets, taxes, fees, school aid and liquor reform all came at the hands of his fellow Republicans. With the GOP leaders responsible for quelling the trouble in their houses, Rockefeller often felt he had to sit back and take it on the chin, lest he undercut his own leaders.

With the Democrats in control, however, Rockefeller knows he will be able to battle in the open, and can "go to the people" on television when the Democrats fight him. He made his first "report" on TV two weeks ago in a "test" broadcast on education. His announcement of a proposed school aid increase this week also was a departure from the usual practice of leaking program ideas to the press. Straight announcements are thought to provide more mileage.

The 1965 legislative session is likely to give Rockefeller his first opportunity to take his political battles out in the open where the voters all can see—and perhaps admire—his new fighting style.

TOMORROW: THE DEMOCRATS