

Part One

THE APPRENTICE

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Chapter 1

Learning the Ropes

Are some people born as fraud fighters? Maybe, maybe not. I wasn't. Before finding my niche, I tried other lines of work. But I'll begin my story at the time I entered law enforcement and started learning about fraud detection and prevention. Later, you'll hear more about the personal and professional experiences that partly made me who I am.

Although I was born and raised in Oklahoma, I left there after high school and rarely went back. Later, through a fortuitous set of circumstances that I will describe, I ended up as a real-life, gun-toting FBI agent. In 1972, I graduated from the FBI Academy in Quantico, Virginia. My initial assignment was to El Paso, Texas, where the FBI's second smallest divisional office is located.

Ten years earlier, fresh out of high school, I had enlisted in the Navy and served ashore and at sea in the United Kingdom.

So I was aware you could just about fit England and Scotland in between Dallas and El Paso. During a day and a half behind the steering wheel, however, I learned the hard way that Texas is nearly four times as big as Oklahoma.

Halfway across Texas, I passed through Midland, home to El Paso's satellite office. I didn't know it at the time, but I'd return there later for a grueling, month-long, no-break stakeout. Whether my visits to Midland were long or short, I never got used to the 600-mile round trip between those two small offices. There were few towns in between. El Paso, after all, is in the desert and Midland is at the edge of the Great Plains.

The empty landscape wasn't the only thing on my mind, though. As a newly minted special agent, my primary goals were to learn the ins and outs of the El Paso office's culture and, with guidance, to convert the Academy's basic training into the everyday skills I needed to succeed in this particular field environment.

At first, I rode around with different agents, watching what they did and how they went about it. One day a local bank called the FBI office to report that one of their tellers had confessed to embezzling a few hundred dollars from her cash drawer. My first case!

I hurried over and spoke with their security officer, a retired cop. Even though we'd never met, I could tell he was bored with his job.

"In there," he said, motioning with his thumb. "She was caught in a surprise cash count, and confessed to 'borrowing' money out of her teller drawer."

I went in to the small conference room where the teller sat alone, red-faced and teary-eyed.

The first words out of her mouth were "I'm so sorry. I didn't steal this money; I was just short and borrowed some cash out of my drawer until payday. But the bank didn't believe me when I told them I was going to pay it back."

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I put up my hand to interrupt her. “Miss, before you go any further, I’m required by law to advise you of your constitutional rights. First, you have the right to remain silent. Second, anything you say from this point might be used against you in court. You have the right to a lawyer before questioning. If you cannot afford one, the courts will appoint someone to represent you. If you decide to answer questions, you may stop at any time. Do you understand your rights?” I asked.

She nodded and blew her nose.

“Do you wish to have a lawyer?” I said.

“Should I?” she asked, seeming frightened.

“*You* have to make that decision,” I said. “So, do you want a lawyer?”

She thought for a long moment then shook her head no.

I continued. “Do you want to tell me what happened?”

She nodded, and told me a sad story. Many times over the years the same basic facts would be repeated to me. The young woman was a single mom who didn’t get regular child support. The bank paid her very little; she’d been on her current job for a couple of years, struggling mightily to make ends meet. She had borrowed money from friends and family but wasn’t able to fully repay them, so she was reluctant to ask again. The embezzler’s child was in first grade and needed some supplies. Additionally, she had gotten a disconnect notice from the electric company for nonpayment. The poor woman was facing darkness in her small apartment but, even more, she had trouble admitting to her daughter that she didn’t have the money to get those much-needed supplies.

Because she worked in front of a drawer full of money every day, the temptation just got to be too much. She borrowed just what she needed — a few hundred dollars. When payday rolled around, she couldn’t pay it back; her rent was due. A couple of weeks later, the young lady took a few hundred more. She said

she didn't know how she was going to pay this money back, but she insisted it was just a loan; she said she was raised with better values than to steal.

Once her confession was complete, she broke down and cried like a baby. I too could feel tears welling up. There was a long silence while I composed myself.

Then I said, "Miss, let me step out and make a call to the government lawyers. I'll see if we can resolve this mess."

The United States Attorney's offices handle both civil and criminal complaints. The former typically involve cases where the government has sued someone and has obtained a judgment that they are attempting to collect. In El Paso, there were only two Assistant U.S. Attorneys who handled criminal matters. During my first couple of weeks in the division, I'd been introduced to Manuel "Manny" Marquez, so I telephoned him.

"Manny, I have a case here where a bank teller has just confessed to me that she'd taken the bank's money." I don't recall now how much it was, but certainly less than \$1,000. "The interesting thing about this case," I continued, "is that she really didn't steal the money. She made herself a loan, and was going to return it on payday. But a surprise cash count showed her short by several hundred dollars. She told the bank officials that she intended to pay it back but they didn't believe her. Well, I certainly do."

I didn't expect Manny's reaction: He burst into laughter. "Agent Wells, how many embezzlement cases have you actually investigated?"

"Counting this, the total is one," I replied defensively.

Marquez laughed again, almost choking. "I thought so," he said. "Joe, I've never heard of a bank embezzler who didn't say he or she was borrowing the money. They actually convince themselves of that. But if you or I borrow money, we have to sign a note. If she's done that, release her. If not, arrest her on an information, and book her into federal custody."

Learning the Ropes

As I learned at the FBI Academy, there are two ways to charge an individual with a crime. The first is an *information*, where the arresting official fills out a form setting forth the facts to which he or she has been a witness. In this case, it was the young lady's confession and the cash count sheet from the bank showing she was short. Those charged on informations are typically accused of simple or misdemeanor offenses. The other way to charge someone is to present the case to a grand jury, which may return an indictment. If it does so, the same grand jury can issue an arrest warrant for the person to be taken into custody. As a matter of procedure, the FBI prefers grand jury indictments because a number of people are listening to the government's side of the case; it's not the opinion of just one agent.

The Bureau is very particular when it comes to arrests; you must handcuff the person whether or not you feel that he or she is dangerous. That's because some people go totally berserk when taken into custody. With great reluctance, I told the woman to place her hands behind her back.

She gave me a quizzical look.

"I'm sorry, Miss, but the government prosecutor has told me that I must arrest you, and that means you have to be handcuffed."

She burst into tears again. "You're going to lead me out of here in handcuffs? But everyone will see me!"

When I simply nodded, she shrieked.

Actually, two agents should have been on this arrest. Nevertheless the office had decided that I could handle one female by myself. She came along without further resistance, but it could have easily turned out otherwise.

I made a mental note: When there is a possibility that someone could be arrested, always take another agent just in case there is trouble.

While I was driving her to the detention facility, she peppered me with questions in between her sobs: How long will I be in jail?

What happens to me next? Who will take care of my child? Will she know about what happened to her mom?

I didn't have most of the answers, and my better judgment told me to simply shut up. Once I turned her over to her jailers, my job would have normally been over; most of the time the FBI doesn't have a further role unless it is necessary to testify at grand jury or the trial. But since I was new on the job, I decided to go to her initial appearance before the magistrate. That is where a defendant is formally charged and bond, if any, is set.

When a first offender is nonviolent and not an escape risk, it's likely the judge will let him or her go on their own recognition if the amount of money at issue is not particularly large. Unfortunately, her initial appearance (also called an arraignment) was in front of Judge Ernest Allen Guinn (1905–1974).

Guinn ruled from the bench like a pharaoh. He had a full head of white hair with a matching full Western mustache, all in stark contrast to his black robe. Later, I'd see him in a couple of other appearances and noticed a curious habit: He never looked directly at the defendant, but rather slightly off-center to his or her side. It's now easy to understand why: Shortly before his death in 1974, Guinn was written up in a *Playboy* magazine article entitled "The Ten Meanest Men in America."

And this distinguished-looking gentleman was indeed mean. The shaking defendant stood before him while Manny Marquez gave a little blurb about the case. The woman was represented by a public defender who didn't have anything to say.

Then Guinn looked off-center at her and said, "You are remanded into the custody of the federal government. Bond is set at \$50,000."

Manny shook his head ever so slightly and audibly exhaled. Then the judge stood up while the rest of us got to our feet. Guinn left without another word.

On-the-Job Training

Marquez whispered to me afterward, “What a prick. In any other district, this woman would have been turned loose until her plea.” Manny didn’t feel good; I didn’t feel good; and certainly this young mother didn’t feel good. Because she didn’t have the 10 percent or so of the total bond required, she sat in jail.

Later she pled guilty and was sentenced by Judge Guinn to a year in prison. Her offense was technically a felony because the amounts involved were over \$100. Still, jailing a first offender in a nonviolent crime for the money involved here was almost unheard of. I didn’t go to the sentencing because I couldn’t shake the shame I felt. The justice system had changed her life forever.

On-the-Job Training

I wasn’t the only rookie in the El Paso office. Four others had arrived within the last few months. As said in the Navy since the days of sail, we were “learning the ropes” – developing the basic skills of our profession. The special agent in charge (SAC) was Don Selman and the assistant special agent in charge (ASAC) was Thomas D. Westbank. Next to the Butte, Montana, division, El Paso was the smallest, with fewer than 50 agents. When J. Edgar Hoover was alive, these two divisions were where the fuckups were sent rather than being fired first. At least that was what I was told in new agents’ class when I received my orders.

It made me wonder: Why was I the only agent in my class sent there? Certainly I’d not messed up. Indeed, I’d graduated near the top of my group through a combination of hard work and luck. Rookie agents fully expected to perform assignments that our more senior colleagues would not want. I was no exception. Because El Paso shared a border with Juarez, Mexico, the new guys were called regularly in the middle of the night to take to jail some federal fugitive who had been stopped by Customs or

Border Patrol. Our sole duty was to take the prisoner into custody and transport him (I don't recall any women) to jail in El Paso to turn over to the U.S. Marshals for further action. All of the rookie agents quickly tired of this duty, but none of us complained.

On almost my first day in the office, I was taught how to commit time fraud. Virtually every agent participated in this activity, which was so common that it had its own name — “banging the books.” On top of their normal salaries, FBI agents were paid an extra 25 percent of base pay for what was called *administratively uncontrollable overtime* (AUO). In order to receive the pay, agents had to average an hour and 49 minutes of overtime per day. If your average fell below this for a two-week pay period, your AUO money was cut off altogether; for example, if you averaged only an hour a day for a pay period, you got nothing. At the office agents were required to sign in each morning and out each evening on a form called the “Number One Register.” Each agent signed in chronological order: 6:10 AM; 7:00 AM; 7:30 AM. As a veteran agent explained to me, “Here's how it works, Joe. Suppose you're the first one in for the day, and you get to the office at 7:30. You want to sign in as of 5:30 AM so that the guy that comes behind you can sign in at 5:35 AM, and the next one at 5:40 AM. If you actually did sign in as of 7:30 — when you really got here — the other guys would lynch you because they'd have to sign in after that and would lose their AUO.”

At first, I was incredulous: Fraud against the government was a federal offense, and we investigated such violations. When I mentioned this to the agent who had instructed me how to bang the books, he replied, “Joe, if you've told a lot of lies in the past, you'll never get into the FBI. But once you're in, you're going to have to tell a few lies to stay in.” End of discussion. So yes, for the entire time I was in the FBI, every agent I knew banged the books every workday. Over the years, this doubtless amounted to hundreds of millions of taxpayer dollars.

On-the-Job Training

Because of the size of the division, there were only two squads: the SAC's and the ASAC's. A squad was typically 15 to 30 agents. I was assigned to Westbank, the ASAC. Behind his back, we called him "Squatty Body." It was an apt nickname; he was short and pudgy. But his most distinguishing feature was his red hair. By my best guesstimate, he had about a half-dozen hairs on his head — each seeming thirty feet long. I imagined that in the morning, before he came to work, Squatty Body would carefully wind each of those hairs to and fro to cover his obvious baldness. Then, according to my theory, he would douse his head with marine varnish so that none of them would move. His quiffing fooled no one; we knew he was nearly bald. Squatty was not a mean person, but he had a completely inflated view of himself. In the words of one agent: "If you could buy him for what he's actually worth and sell him for what he thinks he's worth, you'd make a fortune."

One of my first assignments in El Paso was to assist in the upcoming annual inspection. Each field division of the Bureau was inspected once a year by headquarters, which would send out a team from Washington for a week or two. The size of the inspection team was governed by the size of the office; in the case of El Paso, that consisted of two guys. The FBI had a complicated system of advancement. The pinnacle was to become an SAC. That meant you had a fiefdom and held power over the lives of every agent and clerk within your geographical boundaries. Your directives were just about absolute.

To become an SAC, one had to endure many transfers: first as an agent for an indeterminate period of years; then as a field supervisor on a squad; followed by an assignment as a headquarters supervisor; back to the field as an ASAC; then a tour on the inspection team; and, finally, the plum job of being an SAC. So, the inspector position was a senior one, and your performance as one determined whether you would get your own office.

The SAC and the inspectors had a somewhat odd relationship. As a part of the bureaucratic game, the inspector could give the office a clean bill of health. But then someone upstairs would assume that the inspector was not doing his duty. If the inspector felt the office was a complete mess, that would mean much more paperwork and the SAC might lose his job. Or he might not, in which case he would try to make sure that the inspector didn't get the coveted office. But I was concerned with little of that. Most of the inspection involved files and procedures. However, it was necessary that the office be spotless, and that's where I came in.

The office baseboards were dirty. But the El Paso division chose not to buy a gallon of paint; it may have cost ten bucks — and then there would be forms to fill out. It was less hassle and less out-of-pocket expense to get someone (namely me, the junior man) to spend the better part of two days on his hands and knees giving the baseboards a good scrubbing. As a side benefit, there was the lesson in humility that I learned. Squatty was so impressed with the zeal with which I scrubbed that he wrote a memo for my personnel file, stating that I had gone above and beyond the call of duty on an “inspection project” not further defined. It certainly sounded more important than what I actually had done.

Although rookies were prohibited from riding around together in FBI cars, that happened more times than I'd like to admit. On one such occasion in El Paso, there was a warrant out for an escaped federal prisoner. All agents in headquarters had been furnished a photo of him. Sure enough, the office got a call stating that the bad guy was at a certain address. When the message was broadcast over our Bureau radios, Al Stanley and I were in the area and radioed back that we would take a first look. It was our impression that the fugitive would be inside the house. But on a drive-by, we spotted him sitting outside, alone. Al and I concocted a hasty plan. In a situation such as this, there should

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have been at least six agents on the arrest, but we were too new on the job to know that, and were in a hurry to make the bust. We decided to park around the corner. Al would start walking at one end of the block, and I would do the same from the opposite end. Then we'd meet in front of the fugitive and, without warning, jump him. This fellow really, really didn't want to be arrested and cuffed, so quite the melee ensued. Al ended up with a bloodied chin, and I had knots all over my head from the blows struck. But finally we handcuffed him, got him into the back of the FBI car, and drove away.

The so-called fugitive screamed at the top of his lungs, "What are you doing to me? I haven't done anything wrong! Let me out!" Then he started kicking at the back window.

Al was driving. I looked at the fugitive's photo and then back at our detainee. Uh-oh. We had the wrong guy. I told Al to pull over to the curb, and we got out to talk it over.

When it became clear we'd arrested the wrong person, I said, "Shit! What are we going to do now, Al? The office is going to be tear-ass that two rookies are riding together, and this is probably going to get us a letter of censure."

After rubbing his injured chin and thinking for a moment, Al said, "I've got a plan." He opened the back door, and helped the arrestee out to the street. Al then made the sign of the cross in a way that looked totally official and said, "I hereby pronounce you unarrested." When I unlocked the handcuffs, the poor guy took off like a stripe-assed ape. Al and I got back in the Bureau car, and proceeded slowly to the office, terrified that the "unarrestee" would call and complain. But he didn't. We had dodged a bullet on that one.

Speaking of bullets, another rookie and I had just gone for an early-morning coffee on a different occasion when a call came on our radio that there was a bank robbery in progress. It was on I-10 at the exit we were nearing. I was driving this time, and we

arrived at the bank just as a car in the parking lot was trying to peel out. The driver saw us and cranked off a couple of shots, one of which hit our windshield. He must have figured we were law enforcement because of our cheap four-door sedan with black-wall tires. In a split-second decision, I floored the gas pedal and broadsided the getaway car, shattering the driver's side window. Then the robber started firing again. How we avoided being hit I will never know. But the robber wasn't so lucky. My partner, Marv Michelson, and I emptied our revolvers, striking the guy in the face and shoulder. Almost immediately, patrol cars from the El Paso Police Department were on the scene. The robber was still conscious and tried to flee from the passenger's side, but the police quickly had him in custody.

Marv and I then noticed a man lying near the back entrance to the small branch bank. When we got closer, we could see him face down in a river of blood. We rushed to his side hoping to render first aid, but it was too late. There were two clean bullet holes in his back from a .45 caliber pistol — a huge handgun. When we flipped him over, Marv and I almost slipped in the blood. While the entry wounds were relatively small, the exit wounds in his chest were big enough to put your fist in. The deceased was the branch manager who had arrived, as was his custom, a half hour before the bank was opened for the day. No one exactly could figure out why the shooting took place, but after the banker had been hit twice, his adrenaline enabled him to run to a service station next door and shout out that he had been shot. He then turned back to the bank and collapsed by the rear entrance. A trail of blood marked his path. The robber was convicted, sentenced to death, and eventually executed.

Being an FBI agent is generally not a dangerous job. Unlike police and state troopers, the Bureau is not part of the front line of defense. As of this writing, fewer than 50 FBI agents have been killed in the line of duty. Most go through their entire

My Second Marriage

careers without firing a shot, although they practice and qualify on firearms repeatedly throughout their service. In my case, although I would go on to later draw my weapon a number of times, this was the only time I fired it in an actual situation, and it occurred early in my career.

Because I'd totaled an FBI car and shot someone, there were many forms to be filled out. The paperwork seemed endless. For example, the heart of any investigation was conducting interviews. For each one you completed, there was a form to fill out: the FD-302. Although the contents were largely narrative, there was a place on the form for who conducted the interview and when, as well as a field for the date the form was typed up. I probably filled out several thousand 302s, and it made me what I call "form-averse." Since I have now been self-employed for three decades, people who work for me know to fill out the forms and get me to sign them.

My Second Marriage

About a year before I was assigned to El Paso, I was working in Lynchburg, Virginia, where I met a young lady named Dawn McGivens. Both divorced from our first spouses, she and I were immediately attracted to each other and began dating. Soon afterward, I successfully applied for admittance to the FBI Academy, an experience I'll describe in greater detail in Chapter 2, where I'll also speak of my earlier marriage, which had lasted only six months.

While at the Academy, I spent my weekends in Lynchburg with Dawn and her daughter, Beth. Although Dawn and I spoke of marriage, I was not ready to commit. I didn't know where I was going after the Academy, and I finally broke off our relationship about the time I got transfer orders to El Paso.

Three months after I arrived in Texas, I called Dawn. By the time the conversation had ended, we'd decided to get married.

The wedding was small. Later it would seem fateful that we had married on April Fools' Day. I flew from El Paso to Lynchburg for the ceremony. Beth stayed with friends — her birth dad had abandoned her — while Dawn and I drove her Volkswagen Beetle to Texas. Dawn and I started our honeymoon/cross-country journey, and she called her sister from Shreveport, Louisiana. Suddenly, a strange expression came over her face, and she dropped the phone. When I picked it up, her sister told me their mother had suffered a fatal heart attack two days previously; the FBI had been searching everywhere for us. The following morning, we drove through blinding rain to Dallas, the nearest town of any size, and caught a flight back to Bluefield, West Virginia, for the funeral. I can't think of a bigger buzzkill than having your new wife's mother drop dead on your honeymoon, but that's what happened. After the services, we flew back to Dallas and resumed our trip to El Paso. Romantic it was not.

My relationship with Dawn was tumultuous from the start. Looking back, much of it had to do with her having to make a radical change in her lifestyle. She had been a teacher in a quiet town, and now had to relocate at the whim of the FBI. Because Beth was outgoing and made friends easily, she adjusted better and enjoyed her new surroundings. After the move, we rented a comfortable apartment in El Paso for the three of us.

Because of Beth, I decided to quit smoking. It was a sudden decision and lasted for about four years. I had gone to the grocery store and among other items, I'd bought a new carton of cigarettes. When I got to the car, the urge to quit smoking overcame me. I placed the fresh carton under the wheel of the car and ran over it as I left the parking lot.

However, I merely traded one addiction for another when I started running and became hooked on the endorphins it produced. At first, it was difficult for me to even run a quarter mile. But I kept at it. Within six months, I was running 60 to 80 miles

Fred G. Robin III

a week. The weight melted off of me. When there was little to do at the office, I'd go home, change into my running gear, and go to the desert surrounding El Paso. There I'd do at least 10 miles, sometimes 15. During my runs, I'd plan activities for the next day, solve my cases and even the world's problems, and think about my marriage. Running helped relieve the frustration I felt about being in another marriage destined to fail.

Fred G. Robin III

Since El Paso, my first FBI assignment location, had a reputation as a “disciplinary office,” a few fuckups were transferred there. Fred G. Robin III stood at the top of the list. He was incompetent but, more than that, he was dangerous and had little or no judgment. Rumor had it that Robin was previously assigned to North Dakota, where he chased a fugitive to an outhouse in the middle of nowhere. Since there was only one exit, all Fred had to do was to wait for the bad guy. But that wasn't fast enough — Robin reputedly started shooting through the outhouse door, seriously wounding the escapee. That resulted in his transfer to El Paso. Fred G. Robin III had more hang-ups than a row of hat racks. He never would have made the cut as an agent except for the one thing he had going for him: Robby, as he liked to be called, was distantly related to J. Edgar Hoover. Experienced agents avoided him like the plague. He therefore tended to prey on young, inexperienced guys — like me — who had yet to figure him out.

One day shortly after I arrived in El Paso, I was riding with him on I-10 when we were getting ready to exit. Just then a teenage boy with a typical lead foot cut in front of us to get off the freeway first. Robby was furious and started snorting, which he did without fail when nervous, mad or stressed. He plugged the car's blue light into the cigarette lighter, and stuck it on the

roof. (FBI cars had a built-in siren but since we weren't cops, no red light.) With the siren wailing and the blue light flashing, he chased down the offending driver. Even with my inexperience I knew the FBI didn't issue traffic citations, so I wondered what was going on. I was about to find out; as soon as both cars stopped, Robby bailed out of his driver's seat, ran up to the kid's car and cursed him unmercifully while shaking his fist. I simply slunk down in the passenger's seat, embarrassed.

Stakeout in Midland

The El Paso Division of the FBI had one resident agency (i.e., satellite office). It was in Midland, Texas, a small oil town of fewer than 40,000 people, about 300 miles east of El Paso. Because traffic between the two locations was so sparse (and also because FBI agents were unlikely to get speeding tickets), the drive usually took us less than three hours. One of our men learned from an informant that a car dealer in Midland was running an illegal sports gambling operation. A case such as this normally requires a wiretap, technically known as an interception of communications. The warrants for such a matter are a paperwork nightmare and must be authorized by the Justice Department in Washington. But the agent in charge of the case, Armando Gonzalez, jumped through all of the hoops and finally got his wiretap approved. Then the real work began.

At the time, regulations required that all telephones coming under the wiretap be monitored continuously by agents and that all pertinent conversations be recorded. If a call wasn't relevant to the gambling operation, the agent had to stop the recording and not listen to what was being said. To the best of my recollection, we were monitoring four lines, which meant that four agents had to man the recording equipment. That could have been done from El Paso, but at the time long-distance telephone service was

Stakeout in Midland

expensive. So the office rented a small, World War II-era house in a rundown Midland neighborhood, and assigned eight agents to man it. The home had only two bedrooms and one bath. One bedroom was devoted to tables loaded with large reel-to-reel tape machines and the other was for sleeping.

To avoid detection, we arrived in the middle of the night in two cars, and then hid one. Our instructions were that only one agent could leave, once a day, to get food and other supplies. That privilege was bestowed on Armando by Armando. Wiretaps were approved only for 30 days at a time. Thank God — while we were there, I never set foot outside. It was the longest month of my life. Stuffing eight guys in a 1,000-square-foot house was akin to jamming ten pounds of potatoes into a five-pound bag; it was terribly crowded. We worked in shifts around the clock; four guys were always on duty while the remainder slept in sleeping bags in the other bedroom. This case occurred in the dead middle of a West Texas winter. The wind howled, the temperature was in the teens, and the leaky house was built before insulation was common. Most of us shivered all of the time. And someone was constantly stinking up the bathroom.

Even though the phones had to be monitored continuously, the telephone traffic died down after office hours. So in the evenings, we'd break out the booze. At least that's the way it began. I wasn't much of a drinker at the time — that would come later in my life. But I'd try to stay even with my cohorts even though I was a rank amateur. Pretty much every night I'd drink myself to sleep only to wake with a pounding headache and a hangover. For most of the first week, only the agents not working would drink in the evening. Naturally that changed. The second week, the happy hour moved forward from around six in the evening to three in the afternoon. By the third week, we were drinking at noon. And for at least the last seven days, we started in the morning and drank until we went to bed. In one instance

I was so drunk that I passed out at the recording machine with earphones dangling from my head. When I came to, one of the married gamblers was talking to his girlfriend in a conversation that was clearly irrelevant to the operation. While we fraudulently listened in to telephone calls of this sort, we didn't keep a record of them. In this situation, I simply went back and erased that portion of the tape.

Finally, we went back to El Paso loaded with tapes. Sure enough, there was a gambling operation that was run out of the car dealership, but it was not as extensive as we'd hoped. We had gobs of evidence about what was going on. The judge hearing our initial complaint wanted the FBI to identify its informant. But that wasn't gonna happen; as a matter of policy and for good reasons, the Bureau never named its informants. Snitches frequently were found at the bottom of a river, wearing cement boots. The FBI wouldn't pursue a case that required revealing its sources. And that's what happened here; all that work went down the drain.

An Ethical Lapse

In El Paso, I investigated a fair number of bank embezzlements. Most of them were straightforward enough, but one stumped me. At a bank, \$10,000 in cash disappeared from the head teller's drawer. There were perhaps 30 employees, and I interviewed every one of them. No good suspects emerged, but a couple of people warranted a polygraph exam. The lie detector is a very controversial piece of equipment. The results cannot be used to prosecute someone; because they're unreliable, they can't even be introduced in court. But they can give you direction in an investigation. An FBI polygraph examiner put two or three people who worked at the bank on his magic box. Upon conclusion, he said emphatically, "Wendell Jarrell is your man." There was no doubt

The Suicides

in his mind. But try as I might, I couldn't get Wendell to confess. I therefore leaked the results of the lie detector to the bank, which found an excuse to fire him. Not long after that, he got another job, and I fraudulently leaked the information to his new employer, who also fired him. Then I repeated the process one more time. The problem? Wendell didn't do it; I found that out over a year later — after I had been transferred from El Paso.

An El Paso agent phoned me then and asked, "Joe, do you remember that mysterious disappearance of \$10,000?" Indeed I did. "We solved it," he said. "You are not going to believe what happened. We got a lead in another bank case that had striking similarities. The difference is that one of the tellers remembered that a toddler opened a closed door to the teller area and walked in. He had been trained by his brother, age 14, to grab the first handful of money he saw and walk out with it. It seems that the older brother and his two friends had stolen from at least six banks using the same method." The agent was right, I couldn't believe it. And I felt terrible at what I'd done. I had violated the rules and harmed an innocent person. There was a valuable lesson for me in this: If you can't win playing by the rules, you don't deserve to win. Fraudulently, I would violate the rules again later.

The Suicides

One sunny spring afternoon in 1973, I was walking up the short steps on my way into the Federal Building in El Paso, returning from a day's work. To my left, I saw a blur then heard a crack and a thud. Looking over, I saw an attractive young woman in a red-and-white pinafore dress lying on the grass, still clutching her purse in one hand. Her head was turned at an odd angle, almost backward on her neck. I heard a slight gurgle, and watched as she took her last breath. She had dived headlong out of a third-floor

restroom's window. Several other people and I rushed to her side, but I knew it was too late; she was already dead. I didn't find out why someone so innocent-looking would take her own life. And other than my mother's death, which occurred many years later, this was the only time I have seen anyone die in front of me. It's something that you never forget.

Around the same time, I read in the paper that some fellow swan-dived out of a building in El Paso and landed in a huge exhaust fan. They didn't find him until several days later when the building's air conditioner wouldn't work. Everyone gets depressed, perhaps even despondent; but I've never contemplated killing myself. We'll all be dead soon enough.

Robin's Rump Roast Rip-off

Fred G. Robin III had picked up some information from one of his sources at Fort Bliss that civilian employees at the base commissary were selling store food out the back door. Robin swung into action; it could be a really big scheme, he proclaimed. Shortly before Christmas, he talked the office into loaning him half a dozen agents to set up surveillance on the commissary. We closed ourselves off in two adjacent buildings that had a perfect view of the back door. In order to catch these heinous thieves, we had brought along binoculars and even cameras with long-distance lenses. We were set, arriving early and staying late. I was put in charge of the surveillance log. Each time someone walked in, out, or around the back of the store, they were photographed and I dutifully noted the time and their physical descriptions and activity (or lack of it) in the log. By late in the day, nothing eventful had happened, and we were all getting bored and itchy.

Finally, we hit pay dirt. We had buttoned up most of the equipment, and were ready to call it quits. But then one of

Robin's Rump Roast Rip-off

the civilian employees at the commissary handed a large bag to a lone white male who put the probable loot in his car and drove away. We followed in a caravan of FBI vehicles. Once the crook was outside the gate, we pulled him over and several agents approached his vehicle. The guy was so shaken that he wet his pants. The contraband in the bag consisted of a roast, a frozen turkey and perhaps a dozen yams. He was arrested on the spot for petty theft and taken in for booking on a misdemeanor charge.

Later, we found out why our miscreant was so nervous. He was a retired colonel who had come back to work at the base as a civilian employee; they were commonly known as double-dippers because they were already collecting one retirement check and could be eligible for a second as a civilian. As might be expected, the former colonel was fired and lost his right to a second pension. He didn't serve any time, but that misstep cost him probably several hundred thousand dollars in retirement benefits. The civilian worker at the commissary was also fired. He was a fairly senior employee who also lost his potential retirement benefits. Often crime pays, but not this time.

On February 27, 1973, the little town of Wounded Knee, South Dakota, was seized by followers of the American Indian Movement (AIM) who opposed the appointment of Richard A. "Dick" Wilson as Oglala Sioux tribal chairman. The U.S. military and government agents surrounded the town that same day. The government brought in 15 armored personnel carriers, rifles, grenade launchers, flares, and over 100,000 rounds of ammunition. Oh, and FBI agents too. The siege lasted 71 days and three people were killed before both sides made peace.

The El Paso office "volunteered" Robby, thinking that any time he would spend away from the division would be good for everyone. Robin naively thought he had been handpicked. In fact, that was so, but not for the reason he believed. Robby considered

it an honor to sleep in a tent in the bone-chilling South Dakota winter.

When I was transferred from El Paso, I put the outrageousness of Fred G. Robin III in my rearview mirror. Much later, I heard that he had been posted to Atlanta, where I'm almost certain his misadventures continued.

On to the Big Apple

When orders arrived, transferring me from El Paso to the New York office (NYO), I thought I would faint. I had some fun and worked on interesting cases in El Paso, and, except for my second troublesome marriage, I had good memories of my rookie duty station.

Until then, the largest place I'd lived in was Oklahoma City, while attending college. At the time the FBI reassigned me, it was customary for agents to remain in their first office for 12 to 18 months. There you could make rookie mistakes and go on to your next office, wiser and with a clean slate. Dawn had gotten a temporary teaching job at one of the local high schools in El Paso so we decided that she and Beth would stay behind until the end of the school year.

I left West Texas by myself in early 1974, during the biggest oil embargo in history. Gasoline was in short supply from coast to coast, and long lines at service stations were the rule, not the exception; many had no fuel at all. So I loaded my Volvo 164 with topped-off fuel cans that weighed so much the rear axle sagged. What an idiot — if someone had rear-ended me, I would've been one crispy critter.

As luck would have it, though, all I had to put up with was constant fumes from the gas cans. So, regardless of how cold it got, I kept one window cracked open at all times. En route to my new assignment in New York, a little more than 2,000 miles

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from El Paso, I spent a couple of nights in Oklahoma with my aging mother. Although we never got along particularly well, it was sad to see her get old.

Prior to leaving El Paso, I'd inquired with the NYO about temporary quarters. The news was disturbing. At that time, the maximum reimbursement for travel was \$25 a day. That was allotted as \$9 for lodging and \$16 for food and other expenses. But even a fleabag in Manhattan was \$50 a night. So the office arranged for me to stay at Mrs. Papazzian's rooming house in Astoria, Queens, just across the East River from Manhattan. I finally found my way there. An elderly lady, Mrs. Papazzian lived downstairs in her impeccably kept row house. Upstairs, four tiny bedrooms were served by one common bathroom and shower. I took the one remaining room. It would become my home for the next four months, and the place almost drove me nuts because of the boredom and confinement. There was no television, and my sanity was maintained by the fact that I had brought along my stereo receiver with a pair of headphones. I'd listen to music at nights until I drifted off to sleep. The three other fellow occupying rooms included another FBI agent who took me to the office to show me how to get there.

Next morning he and I walked to the elevated train station at Queensboro Plaza for the ride into Manhattan. In the middle of rush hour and in broad daylight, a man on the platform was urinating onto the tracks. I shouted to my companion, "Do you see that!?" He put his finger across his lips. "Just ignore it," he said quietly. "You're going to see a lot of strange things in this city."

The NYO was located at 201 East 69th Street in a converted warehouse. The nearest subway was about four blocks away at 68th Street and Lexington Avenue. As we trudged through the bitter cold to the office, my colleague explained that I would have to stop at the guard desk and that he would try to catch up with me later. Once inside the foyer, he went upstairs. The guards

thoroughly inspected my credentials, made a couple of phone calls and told me to report to the office of the ASAC. At that time, one out of every seven FBI agents was assigned to New York and the office was spread out over 13 floors. Right before the elevator doors closed for my ride up, a giant of a man with graying temples stepped in. I introduced myself to him and shook his hand. He replied simply, "John Malone." He then proceeded to inspect me from head to toe, toe to head, and front to back — without saying a word. I didn't know who this guy was at the time, but there was no doubt that I was ready for inspection by anyone. My shoes shined like mirrors, I had on a crisp starched white shirt with a conservative tie and my finest (actually, only) dark-blue pinstriped suit.

I left the elevator at my stop. Before the doors closed, another agent on the floor spotted me getting out. "Holy crap!" he exclaimed. "You're new here, aren't you?" he inquired. I nodded. "You just rode up with Cementhead, who is in charge of the NYO," he gravely advised. "Don't ever let him know your name. The guy is a real prick." Uh-oh, I thought. Less than ten minutes on my new assignment, and I'd already screwed up. I hoped it wasn't an omen. It was not; in three years in New York, I didn't see Cementhead again.

I walked on to the ASAC's office. Later, I learned he too had a nickname: Hitler. Funny, I mused while waiting for him to get off the telephone, he didn't look like Hitler and didn't act like him. But he did have a German surname. I wondered what my fellow agents might call me behind my back.

"Hello, Okie," the ASAC said when he hung up the phone. I occurred to me that I already had a nickname; if I didn't before, I did now. "I've been looking over your background. Impressive for a rookie, Okie. You're going to be assigned to the Bribery and Political Corruption Squad." He obviously could spot the confused look on my face so he continued. "I'm aware

On to the Big Apple

you know nothing about bribery or political corruption. But I'm assigning you there because that squad has an empty desk." That decision ultimately determined what I would specialize in as an FBI agent. The ASAC grunted out of his chair and said, "Come on. I'll introduce you to your supervisor, Vinnie Daugherty." On the way, "Hitler" told me Vinnie was a drunk who would be retiring in about a year. "He won't give you any trouble," the ASAC advised. "Just do your job and you'll be fine."

Interestingly, the work of an FBI supervisor involved little supervision. He typically assigned cases to agents and stayed out of their way while they conducted investigations. Cases usually came from sources: referrals by an affected entity (such as a financial institution or another government agency); other FBI offices that requested a specific investigation within another geographical territory; a complaint from the public; or, in rare cases, directly from FBI headquarters.

The supervisor's other main responsibility was to sign out paperwork. By now, I was starting to appreciate just how much red tape was involved in doing my job. Cases from other offices, in the days before e-mail, arrived by regular mail unless there was an emergency. In those situations, they could arrive by teletype or even telephone. The latter had to be followed up with a written communication; nothing in the FBI was done on a strictly oral basis. Reports were either interim or final and were furnished to affected parties; another office; FBI headquarters; other federal, state or local agencies; and/or to the prosecutor. A private victim of a federal offense, strangely enough, wasn't advised of the case's outcome. That's because the United States of America was the ultimate victim, or so they said.

Vinnie's standard tactic was to leave for his mostly liquid lunch about 11:00 AM and return after 2:00 PM. Late in the afternoon, three sheets to the wind, Daugherty would sign out just about anything to FBIHQ, which received routine copies of

all our reports. So if an agent had a complicated or controversial report, that's when he would give it to Vinnie.

Vinnie sat in the corner of the squad room with a small partition surrounding his desk. There was room for only one chair, so most people who had to see him stood. Supervisor Daugherty was thin and appeared to be much older than what he actually was. He had watery eyes and a red nose — a dead giveaway for someone who had spent too much time hitting the sauce.

After introducing me, the ASAC disappeared. The soft-spoken Daugherty gave me a perfunctory greeting, and told me that I was being assigned for training to Boyd Howell. Originally from Illinois farm country, Boyd had been stuck in New York for nearly 20 years and on the Bribery and Political Corruption Squad for 10. I couldn't have asked for anyone better to show me the ropes. Slight of build and older with a sprinkling of gray hair, Howell took me under his wing.

By my first summer in New York, Dawn and Beth had joined me. We rented a cottage in Kings Point, New York, just east of the Queens county line. The cottage was shabby but had a great location: down Steamboat Road about three blocks from the U.S. Merchant Marine Academy, on Long Island Sound.

I should have known more bad things were going to happen to my marriage in New York. I'd flown back to El Paso to make the trip east with Dawn, Beth, and her dog. We four were crowded in Dawn's Volkswagen Beetle, which she had bought before we were married. It was about 2:00 AM when Dawn first got her view of New York; Beth was asleep in the back seat. As I turned on to the Brooklyn-Queens Expressway, the traffic was still bumper to bumper. Dawn, who grew up in little Bluewell, West Virginia, burst into tears at the terrifying sight of it all. Being from a small town myself, I understood her awe of big-city life.

That first week, Dawn and Beth went into the city to see the Statue of Liberty. When they returned, Beth let her dog — which

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she'd had since early childhood — out of the house, and he was promptly run over and killed on Steamboat Road.

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Boyd was smack-dab in the middle of a rather complicated investigation involving allegations against Herman Simon Klegmeir, district director for the Immigration and Naturalization Service (INS) in Newark, New Jersey. For years, there had been rumors Klegmeir was on the take. The INS was divided into geographical districts that covered the entire country. Any foreigner coming into the United States was, in essence, under the authority of the local district director. Which district was determined by the alien's original port of entry or his final residence. New York and Newark were the largest INS districts in the United States, followed by Miami and Los Angeles.

All requests by foreigners to enter the United States were handled by the district director's office. He or she had ultimate decision-making power, but as a practical matter, the staff handled such things. Aliens coming into the States could enter on a visa, but the ultimate was for them to be issued a "green card" (by the way, I have no idea where that name came from; the cards weren't green), which gave them the right to stay in the United States for extended periods without being citizens.

The investigative theory was that Klegmeir was demanding bribes to issue green cards. Boyd had developed two INS agents who agreed to work in New York's Chinatown to see if they could gather more information. The underground in Chinatown was effectively controlled by five tongs, the Chinese equivalent of Mafia families. Over time, the two INS agents had developed a relationship with Benny Ong, a mainland Chinese native who was reputed to be the head of one of the tongs. Each time the INS guys met with Ong, they wore body recorders to capture

the entire conversation. These meetings had to be transcribed, and that is where I came in. The steno pool was normally in charge of the transcriptions, but it had fallen months behind and the head stenographer had complained to Howell that the conversations were almost impossible to decipher. So Boyd loaded me up with a pile of tapes, and my job was to transcribe them word for word. It took a long time to do. I thought maybe I was going to pull my hair out; the meetings invariably occurred in a Chinese restaurant with much background noise – clinking glasses and the like. Adding to the difficulty was Ong’s heavy Chinese accent.

After the agents had developed some rapport with Benny, he confirmed that he had also heard that Klegmeir was on the take. More specifically, rumors on Mott Street (one of the main thoroughfares in Chinatown) had it that Klegmeir was taking bribes from Stanley Yee, a wealthy Chinese restaurateur who owned at least a dozen eating establishments in New York. Yee was allegedly making the payoffs to obtain green cards for his workers, nearly all of whom came from mainland China. The problem for us was that Ong had no proof.

Around this time, Boyd Howell received a transfer to his dream location (known officially in FBI circles as his “office of preference”), Springfield, Illinois. It proved pointedly that it was easy to get assigned to the NYO and almost impossible to get out. From Boyd’s point of view, he couldn’t leave New York fast enough; he was thrilled to be returning to his native hunting ground. It was logical for Vinnie to reassign the Klegmeir matter to me as the case agent.

Even though Howell taught me a lot, we weren’t the same kind of agent; he was more thoughtful, deliberate, and cautious. I was much younger and admittedly full of impatience. Boyd, in my estimation, had fooled around with this case a bit too long, and I was determined to bring it to a head. Howell worked undercover and in the shadows, but that wasn’t my style.

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One of my first moves was to discontinue the INS agents' meetings with Benny Ong. The intelligence had dropped off dramatically, and the meetings were a paperwork nightmare. It was not standard FBI practice to interview the principal subject of the investigation first. Had I approached Klegmeir right away, he would have only denied the allegations, and I wouldn't have had anything to confront him with. The FBI methodology was to start at the outer circle of culpability and work inward toward the main suspect. Or, as an agent told me once, "What we do in the Bureau is eat around the apple until the core drops out."

In lectures I've given on investigative techniques, a common question is "How do you keep the suspect from finding out he or she is being investigated?" The short answer is that you can't — at some point your target is going to know. But if you've secured physical evidence so it can't be tampered with, and interviewed enough witnesses to lock in their testimony, there's little the subject of the investigation can do to send the inquiry off track.

Since I had a specific lead — that Yee was paying off Klegmeir to get green cards for the former's workers — I presented the matter to Rudolph Giuliani, then an assistant United States' attorney, and his colleague, Ed Kuriansky, to seek grand jury subpoenas for Yee's workers' records. (Yes, that is the same Rudy Giuliani that would later go on to fame.) Rudy had developed a reputation as an agent's prosecutor. If you could convince him of a case's merits, he could be very aggressive. And he was this time. Subpoenas *duces tecum* (a Latin term that roughly translates to a demand for records only) were served for all of Yee's restaurants. This basically gave Yee two options: Cough up his paperwork, or sit in jail until he did. But Stanley didn't go down without a fight. His attorney argued furiously with Giuliani to no avail.

The records were an absolute nightmare because all of them were in Mandarin. I naturally couldn't make out a word, so we hired a Chinese interpreter who converted the payroll data to

English. Chinese people usually have three names, and the last name normally comes first. For example, “Yun Chin Bang,” when converted to English, would be “Chin Bang Yun.” The heart of FBI record keeping was its index system. All names of key individuals — suspects, co-conspirators, witnesses — were indexed in the Bureau files. The first step in just about any case was to search the index to see if the person’s name was already there. At that time, there were no computers and no FBI-wide index. So if you suspected that someone in New York had been involved in a case in Los Angeles, you would ask LA to hand-check its index. At best, it was a time-consuming, haphazard system. (Now, because of computerization, a nationwide search can be conducted almost instantaneously.)

Since I was unsure of the exact method to sequence the Chinese names, the clerks had to conduct a six-way search on each name (i.e., the complete list of variations with a first, middle and last name). It nearly drove me and the clerks batty. But all was for naught; our files reflected nothing. I then turned over the list of several hundred names to my INS counterpart, Sol Solzberg, asking him to search their records. I liked Sol very much even though he was an odd sort. Not too long after I was assigned to New York, we agreed to meet for the first time at a convenient breakfast place.

Right away he said to me, “Obviously you’re not from New York.”

“Why?” I asked.

“I saw you standing on the corner,” Solzberg said. “Two things: First, you waited for the traffic light to turn green before you crossed. Second, you didn’t look down for dog poop before proceeding. Us natives would have done it differently.”

Solz was not a criminal investigator. In his early fifties and overweight, he had never married and still lived with his mother. Solzberg was thrilled at the prospect of chasing bad guys, and got

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the search done right away. The results were informative: About a dozen of Yee's workers turned up, all with a common element. They had entered the Port of New York originally on visas, and then at various times had sent in letters stating that they had "moved" to New Jersey. A further search of Newark's records showed they had all been issued green cards by none other than Herman Simon Klegmeir himself.

I asked Solzberg how common it was for a district director to sign off on green card applications personally.

"In the 30 years I've been with INS, I've never heard of it happening," Sol replied.

Until now. Once Klegmeir approved the green cards, all of these workers, at varying times, sent letters to the Newark and New York districts of the INS stating that they had "moved" back to New York and asked that their files be transferred. Of further interest was the fact that in their applications, all were recommended by Stanley Yee.

What had happened was as obvious as the nose on your face. None of these people had moved from New York; it was all a ruse to get their files transferred to Newark so Klegmeir could approve the green cards. With this knowledge, I attempted to interview Yee. It came as no surprise when he declined. I went back to Rudy's office with my new information.

"You're on to something, Joe," Giuliani said. "Let's put Yee in front of the grand jury."

It was just what I was hoping for. To apply some additional pressure, Sol had managed to conjure up a few technical violations of INS regulations on the part of Yee. Stanley was long a naturalized U.S. citizen, so these infractions couldn't be used to deport him. But it was still something that Rudy or Ed could ask about in the grand jury.

When it was his time to testify, Yee denied everything: making payoffs, having Klegmeir as a silent partner in Stanley's

Chinese restaurants, even the technical violations. Again, no surprises there, but we had to follow procedure. He barely admitted that Klegmeir had eaten at Yee's establishments. We also got hold of Yee's banking information, which showed us nothing other than he was quite wealthy.

It was now time for Klegmeir's turn in the barrel. Ed Kuriansky pulled him before the grand jury and grilled him for an hour or so. Herman admitted nothing except for casually knowing Stanley Yee. Whatever technical infractions of INS regulations occurred he blamed entirely on Stanley. His explanation about why he personally approved green cards for the Chinese immigrants was that he routinely did this. Klegmeir denied any favoritism at all toward Yee. The only useful information was the location of the suspect's bank accounts (or at least the ones he admitted to). We subpoenaed them from his financial institutions.

You would think that no one receiving ill-gotten gains such as bribes would stash the loot in his own bank accounts under his true name. Even so, over the years I investigated fraud, it happened repeatedly. But not in the case of Herman Simon Klegmeir; his banking records reflected no suspicious activity at all. His stonewalling us was no great surprise.

I still had about a dozen Chinese immigrants to interview. Thus far, I'd been reluctant to do so for two reasons. First, the language barrier presented great problems. FBI agent George Proctor from the Newark office assisted me in the interviews, but he didn't speak Chinese either. So we had to use an interpreter, which greatly slowed us down. The second reason for my reluctance had to do with the Chinese culture. The immigrants were scared to death of the police. Most shook like a leaf when we questioned them, and it was difficult — usually impossible — to get candid answers.

The interviews would have been worthless except that we got bank account information from all of them. So back I went

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to Rudy's office, requesting even more subpoenas. Giuliani was getting impatient, and so was I. So far, thousands of man-hours had been expended with no real results. Kuriansky handled some of the paperwork. When I explained to him what was happening, he gave me the 12 or so subpoenas I needed.

The bank records showed a very unusual pattern. Not one of these immigrants had a checking account, but all of them had savings. The deposits coming in were obviously from their meager earnings. It was in the withdrawals that we hit pay dirt. In every case, each immigrant had taken out exactly \$10,000 in cash — about a week or so before their green cards were approved by Klegmeir. The implication was clear: The immigrants were paying Klegmeir, undoubtedly through Yee. Whether Stanley was adding more cash to those amounts, I didn't know. If he was, that was not reflected in his bank accounts.

I was excited to set up a meeting with Rudy to tell him the news. When I went into his cramped office, he placed a quick call to Kuriansky and asked him to join us. Giuliani's desk was strewn with papers, and it was obvious from his demeanor that he was hassled with other cases. Nonetheless, he listened carefully to what I had uncovered. As I spoke, Rudy put his fingers together and brought them under his chin.

When I finished, the prosecutor was silent. He then looked at Ed but didn't say anything. Both nodded to each other almost imperceptibly. They brought their eyes back to me and Ed spoke for the both of them. "Joe," he said. "You've worked very hard on this case. You've left no stone unturned. We agree with you that Klegmeir is on the take from Yee. But unless he hands up Klegmeir or until you can put money in Herman's pocket, you don't have anything. And you know that."

I looked at Rudy. At this time, Giuliani still had a full head of hair, but you could tell it was not going to last. And he always looked like he could use a good meal. While I was mulling over

what to say, I silently asked myself: Does Rudy have one blue suit and one white shirt, or does he have a hundred? I'd never seen him in anything else. Giuliani broke the silence.

"Joe, I agree with Ed. You've worked your butt off on this case. Maybe you can find a way to apply more pressure to Yee. He's the key. However, if that doesn't work, we're going to have to recommend you close the case," he said in a measured voice.

I knew they were right but it was still a bitter pill. The disappointment must have been obvious on my face.

As I stood up, Rudy got out of his chair, patted me gently on the shoulder, and said, "Sorry, Joe."

When I left, which was in the middle of the afternoon, I stepped into the bright, cool sun of downtown Manhattan. I felt as though I'd been kicked in the chest, so I started walking slowly uptown at a leisurely pace. It was a good way for me to blow off steam and think about what my next step might entail. The walk was therapeutic.

By the time I arrived at the DOJ, I was calmed down and I had a plan. Put pressure on Yee, Rudy and Ed had suggested. I was going to do exactly that. Had I called ahead for an appointment with Stanley, his lawyer would have told Yee not to consent. Instead, a few days later I made several phone calls to find out where the Chinese restaurateur was at that exact moment. He was at one of his restaurants in Midtown. So I gathered up several key documents and headed out. Yee was surprised to see me and from the look on his face, he wasn't happy I'd shown up. I asked to speak to him privately in his tiny office.

"Mr. Yee," I started, "we know that you have perjured yourself before the federal grand jury about Mr. Klegmeir." Stanley said nothing. "When we prove that, you could go to prison." Still nothing. "But we are not after you, we are after Klegmeir. If you cooperate, I am going to recommend to the government's attorneys that you not be prosecuted." Again, Yee

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was silent. “We know that your workers have paid Herman bribes through you to obtain green cards. That is a very serious offense. All of these people could be deported when we prove our case. You don’t want that; they will not be welcomed back to mainland China and will probably be jailed or might even be executed. Believe me, we will prove this case — with or without you,” I bluffed. “Mr. Yee, you can make it easier for us and you’ll be rewarded for that by possibly avoiding prosecution.” An FBI agent doesn’t have the authority to convey immunity, I explained; that can be done only by the government’s lawyers. “But they frequently take my recommendations, and I am willing to speak up for you if you tell me the truth.”

Yee didn’t say anything for a while. I remained quiet too, so what I told him would sink in.

Finally, in broken English, he said, “I no rat on my friend.”

“Stanley,” I countered, “this could help you avoid a prison term and probably save your restaurants.”

Yee shook his head and repeated, “I no rat on my friend.”

“Mr. Yee, does this mean you would go to jail for Mr. Klegmeir?” I asked.

“Yes,” he said without hesitation, “I no rat on my friend.”

I thought for a bit and then pulled out my big gun: a transcript of Klegmeir’s testimony before the federal grand jury. Giuliani or Kuriansky would not have wanted to be involved in my tactics; grand jury testimony was technically secret, although it was frequently leaked even by prosecutors.

“Mr. Yee, if Klegmeir is your friend, why would he say these things about you to the grand jury?” In his testimony, the INS district director denied receiving any money from Yee. But when asked about all of the administrative violations, Klegmeir blamed everything on Stanley. Yee could read English much better than he could speak it. He took his time looking at the sections I had pre-marked, and he carefully examined the front

page, which clearly reflected that the document was a transcript from the federal grand jury. He said nothing but uttered a few audible grunts.

I couldn't resist. "So this is your 'friend,'" I said. "With 'friends' like this, you don't need any enemies."

Yee was silent and handed me back the transcript. You could tell by the look on his face that he was shaken. Stanley said, "I say nothing more now."

I left, but had the feeling I would be hearing from him. A week or so later, I got a call from an attorney who said he represented Mr. Yee. He wanted a meeting with the prosecutors and me. I arranged it. The attorney, Ed, Rudy and I met in a conference room. I had no prior experience being involved in a plea deal so the entire procedure was new to me. It became readily apparent that Yee's attorney had been around the block a few times.

Stanley's lawyer said, "Hypothetically, my client can hand Mr. Klegmeir to you on a silver plate. What can you do for Mr. Yee in return?"

Ed said, "Hypothetically, if your client can do that, perhaps the government can grant him immunity to prosecution on bribery charges, plus agree not to pursue his perjury to the grand jury."

I silently wondered about all of this "hypothetically" stuff. Later I learned that it was an intricate dance that attorneys engage in to discover each other's position without actually committing themselves.

Yee's lawyer, thankfully, did not mention the leaked grand jury testimony to Ed or Rudy. After he left, Rudy asked, "How did you get Yee to come around?"

"Well," I said, "I didn't beat or threaten him."

"So how did you do it?" Ed asked.

"You don't want to know," I answered.

A Big Case Becomes Mine

Giuliani's and Kuriansky's eyebrows shot up simultaneously, but they didn't press the question.

When Stanley finally appeared before the grand jury again, I got a call from the prosecutors, who said that Yee had come clean, fully implicating Klegmeir. Yee even knew where the money was stashed — in a bank in Tel Aviv, under Herman's own name. Since Israel didn't fall under U.S. bank secrecy laws, I was able to confirm through our international contacts that Klegmeir did indeed have an account with a balance exceeding \$250,000. That's hard to amass on the salary of a public servant. He probably hid the cash under his mattress until he got enough to make the trip in person so he could deposit the money.

The grand jury subsequently indicted Herman Simon Klegmeir. Shortly before his trial, Klegmeir appeared quietly in Federal Court and pled guilty to one count of bribery. He was required to disgorge all of his ill-gotten money, and he drew a prison sentence of a couple of years. Case closed.

Although I could have been proud that justice was served, I was actually ashamed for what I'd done in leaking the grand jury transcript; my own little fraud. It was a valuable lesson that I'd vowed to learn before but had fraudulently violated again: If you can't play by the rules, you don't deserve to win. And I didn't deserve to win this one.

After spending about six months in our rented cottage in Kings Point, Dawn and I bought a townhouse in the only place we could afford: central New Jersey, nearly a two-hour one-way commute to my office in the city. The place was called Twin Rivers, and it was a planned community. Some enterprising real estate investors had bought up several hundred acres of fallow potato fields and built 2,500 townhomes there over a period of a few years.

Twin Rivers had its own schools, post office, supermarket and sundry conveniences. It was just a mile or so off the Jersey

Turnpike. Buses took commuters like me to the Port Authority Bus Terminal on the West Side of Manhattan – a 70-minute trip. From there, I'd take three escalators down to street level and then two more down to the subway. Then I would walk underground for a few blocks, where I took the cross-town subway shuttle from Times Square to Grand Central. I'd take more escalators underground to get to the uptown subway, which I would take to 68th Street and Lexington Avenue. Then I'd endure a four-block walk to the office — no matter what the weather. In the evenings, the commute would be reversed. By the time I got to the office, I was exhausted; to arrive at about 8:00 AM, I'd leave Twin Rivers on the 6:07 bus. In the afternoons, if I left the office at 5:00 or so, it would be at least 7:30 PM before I would walk in my front door.

Dawn, however, had quickly scored a job with the pharmaceutical giant Johnson & Johnson at its headquarters in East Brunswick, New Jersey — about a ten-minute easy commute from our home by car. Beth enrolled in junior high school at Twin Rivers and was making friends. But we were barely making ends meet. We had only Dawn's un-air-conditioned Beetle for transportation, and money was so tight that we rationed ourselves to meat a maximum of three times a week. It was an unpleasant reminder of my childhood poverty, which I'll now step back in time to describe.