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A tale of wiretaps, FBI mole

Mob boss taken down by talkative capo from Scarsdale – and a daring undercover agent, the feds say

Timothy O'Connor The Journal News

The two men pushed their shopping carts past the soccer moms, the bargain hunters, the young families in the Costco warehouse store in Port Chester.

They sauntered past the crates of macaroni and cheese, the tubs of laundry detergent and mega-boxes of diapers.

They could have been any two guys from Stamford, Conn., and Scarsdale partaking in a typical shopping foray in the 'burbs.

But they weren't shopping.

They were conducting business. Mob business, federal prosecutors allege.

Extortion. Loan-sharking. Gambling.

Reputed Gambino crime family captain Gregory DePalma of Scarsdale devised the suburban spin on the time-honored mob walk-and-talk that was first employed by John Gotti in New York City to avoid law enforcement surveillance, prosecutors say. Their allegations appear in court documents, including transcripts of FBI wiretaps.

"We walk with the pushcarts, down one aisle, up the other," DePalma told a mob confederate of his meeting with Gambino underboss Anthony "The Brain" Megale. "That's how I do it."

DePalma's account of his rendezvous was caught on a tiny wireless listening device implanted by federal agents in his cell phone.

That bug, along with others planted by FBI agents at DePalma's haunts throughout Westchester, formed one spear of a three-pronged attack that FBI agents used to pierce DePalma's alleged network of criminal enterprises and take down the entire reputed hierarchy of the Gambino family.

The second prong was a member of DePalma's Westchester-based crew who was flipped by an agent from the FBI's White Plains office. The turncoat gave DePalma a bugged cell phone – not once but twice. He reported back to his FBI handlers about information the talkative DePalma provided regarding the Gambino family's power structure. He also introduced an undercover FBI agent to DePalma as a jewelry fence from Florida.

An FBI mole was the third spearhead. He worked his way into DePalma's inner circle. He deftly walked the undercover high wire: He got close enough to have DePalma tell him he would put him up for official membership in the family. But the mole also raised the suspicions of other members of DePalma's crew and DePalma himself.

Those three angles of attack will be central in the trial of DePalma, his alleged bosses and members of his crew. DePalma's lawyer James Larossa of Manhattan did not return calls for comment. Nor did lawyers for any of the other defendants. The trial is scheduled to begin May 1 in U.S. District Court in Manhattan.

DePalma was released from federal prison Feb. 20, 2003, after serving a 70-month sentence for racketeering and tax evasion. The now 73-year-old mobster had Gambino-connected convictions dating back to 1979 after reputedly being inducted into the family in 1977. The ailing DePalma, who suffers from lung cancer and heart disease, was not expected to survive his last sentence.

But within eight days of his release, DePalma was working to re-assemble his crew and regain control of his old rackets in Westchester and the Bronx. During a Feb. 28 meeting at the Royal Regency Hotel in Yonkers, he told the turncoat that he expected to regain his capo rank.

The turncoat was the owner of an infamous Bronx strip joint now called the Crazy Horse but known in previous incarnations as the Mirage and Pretty Woman. Peter "Fat Pete" Forchetti's club had reputedly been extorted by the Gambinos for years.

Forchetti, 38, was charged in the 1998 indictment that landed DePalma and John Gotti Jr. in federal prison for extorting the Manhattan strip club Scores. He was flipped by FBI agent William Ready in 2000, according to Ready's testimony late last year at the trial of Albanian mobsters who were accused, in part, of vying with the Gambinos to extort Forchetti's club.

Four months before DePalma's release, Ready said, Forchetti wore a wire to a meeting with people connected to the Albanian mobsters and was told to bring up DePalma's name. It was not, however, because the feds were trying to build a case against DePalma.

"We were concerned that when Mr. DePalma got out of jail – we had heard from other sources that Mr. DePalma was going to be killed," Ready testified.

That someone would want to shut DePalma up made sense to law enforcement officials. After all, the case against him and Gotti had been built on DePalma's own words, caught on electronic bugs.

But no hit ever came.

And just days after his release, DePalma was talking again. He told Forchetti that Arnold "Bozey" Squitieri, 70, was now the boss of the Gambinos. Forchetti gave DePalma the bugged cell phone.

The bugged phone, and its successor, allowed the feds to pick up hundreds of hours of conversations that DePalma had with other reputed mobsters at locations throughout Westchester over the next two years.

The turncoat and the mole could not go everywhere with DePalma.

But the bugs could.

At a meeting at LaFontanella's Restaurant in Pelham in January last year, DePalma huddled with alleged Gambino street boss Louis Filippelli, 39, of Armonk and Thomas D'Agostino, an accused Gambino associate and the owner of a trucking company in New Jersey. They discussed the extortion of another New Jersey trucking company. D'Agostino had negotiated a price with an unnamed broker who would provide drivers at a cheaper rate than the union. But D'Agostino didn't factor in a healthy cut for the Gambinos.

Filippelli instructed D'Agostino to tell the broker the new deal was zero for the broker. The Gambinos would take all the money.

D'Agostino was reluctant. But Filippelli and DePalma left no doubt how it was going to go.

"Why are we over here?" DePalma asked rhetorically. "We're trying to start a little something ... where certain people are going to earn."

DePalma was incredulous that D'Agostino hadn't factored in the Gambinos' end.

"Nobody made that clear to me," D'Agostino said.

"Oh, that's common sense," DePalma replied.

In a conversation at Bentley's Cafe in Tuckahoe, DePalma was heard telling an associate about the price contractors pay.

"They pay 2 percent of every job they get ... to the wiseguys," he said.

In a meeting at the United Hebrew Geriatric Center in New Rochelle, where his son Craig lay in a coma, DePalma told an extortion victim that if he didn't pay, DePalma would turn loose reputed Lucchese soldier and Tanglewood Boys member Al Alvarez to collect.

"If I don't get something from you today, I'm going to tell Alvarez, 'Go do what you want to do,'" DePalma told the man.

After he spotted an undercover vehicle near the Eastchester Diner in February 2004, DePalma ditched the cell phone. He told Forchetti to get him a new phone. FBI agents put a bug in the new phone, too, and gave it to Forchetti. DePalma used it right up until his arrest in March 2005.

The tiny bugs weren't the only thing Forchetti passed on to DePalma. He also introduced him to a hulking undercover FBI agent who went by the name "Jack Falcone."

Falcone's cover was that he moved stolen jewelry while in Florida. The feds established his credentials by having Forchetti tell DePalma that Falcone had a stake in Forchetti's strip club. By June 2003, Falcone was close enough to DePalma that the reputed capo offered his mob cloak of protection.

"You never belonged with any wiseguys, did you?" DePalma asked Falcone.

"No, only Cubans," the undercover agent replied.

"Well, I put you on record with me, with my family," DePalma said. "You know what that means, right? ... Nobody could bother you. Nobody could come near you, no wiseguys, nothing."

DePalma moved the purportedly stolen jewelry that Falcone gave him. But he also expressed doubt about Falcone, wondering out loud at one point if the agent was "100 percent."

By the time DePalma was charged along with 31 other reputed Gambino members and associates with a host of racketeering crimes in March 2005, he had re-established his reach into gambling, loan-sharking and extortion, federal prosecutors said.

Just two weeks before his arrest, DePalma and crew member Robert Vaccaro used a candlestick holder to beat another mobster in the housewares section of Bloomingdale's in White Plains, prosecutors said. The beating took place across the street from the FBI office conducting the probe.

In court papers, federal prosecutors described what they thought was DePalma's position in the mob on the eve of his arrest.

"By Feb. 5, 2005, the government's investigation had revealed that Gregory DePalma had reacquired his leadership position within the Gambino family," wrote Assistant U.S. Attorneys Christopher Conniff, Edward O'Callaghan and Scott Marrah.

He had rebuilt his crew, they wrote.

"And was working almost non-stop at committing crime."

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A day in the life of a mobster

A typical day in the life of reputed Gambino capo Gregory DePalma, according to court papers filed in the case:

- Eastchester Odyssey Diner. Usually DePalma's first stop after leaving his Scarsdale home. He met with other mobsters and associates there.

- Al Mancino's Tailor Shop. After leaving the diner, he headed to the tailor shop on Fisher Avenue in Eastchester. There he conducted meetings with extortion victims and co-conspirators.

"He used to come over to buy clothes," Mancino said of his customer for 25 years.

- United Hebrew Geriatric Center. DePalma spent most afternoons at the New Rochelle nursing home at the bedside of his comatose son, Craig, a convicted Gambino member who has been in a vegetative state since a failed jailhouse suicide. But DePalma wasn't just there as a loving father; he used the room as a mob office.

- Pasta Per Voi. DePalma spent many evenings at the Port Chester restaurant, often with his Gambino bosses, going over the progress of mob ventures and reviewing lists of prospective new members.