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it was as extensive as it is." — David Wheeler, on his belief that the FBI obstructed the investigation of his father's murder

judge, I decline to comment on the matter."

### BULGER IMPLICATED, MOBSTER KILLED

Brian Halloran was a dead man. And the FBI knew it. Just a few days before Halloran was gunned down along the Boston waterfront, an FBI official whispered to then-US Attorney William F. Weld, "I would not want to be standing next to this guy."

In fact, the FBI's decision to deny Halloran entry into its witness protection program may have cost Halloran his life. Halloran was awaiting trial for the murder of a drug dealer in January 1982 when he walked into the FBI's Boston office and announced he wanted to cooperate against Bulger and Flemmi because he feared they were trying to kill him.

He offered to "go all the way" against the two, but wanted immunity from prosecution and protection for himself and his family, according to the FBI report. A member of the Winter Hill gang who had frequent dealings with Bulger and Flemmi, Halloran said a tale of murder and mayhem.

For openness, he described how he dropped off South Boston bookmaker Louis Litif at Triple O's tavern on April 12, 1980, for an after-hours meeting with Bulger, Moments later, Halloran said, he watched as Bulger and an associate lagged Litif's plastic-wrapped body out the back door of the South Boston bar and dumped it into the trunk of Litif's new Lincoln. The car and the body were later found in the South End.

Then Halloran moved on to another bloody murder scene, this one in Oklahoma. He claimed he helped solve the shooting death of millionaire Roger Wheeler, the Telex Corp. chairman who was shot to death on May 27, 1981, outside an exclusive Tulsa country club.

Wheeler had bought World Jai Alai (WJA) three years earlier and suspected Somerville's Winter Hill gang of skimming profits from the company's operation in Connecticut.

Halloran claimed that his friend, John Callahan, former president of WJA, summoned him to a meeting with Bulger and Flemmi in January 1981 at Callahan's Boston waterfront apartment.

Halloran said Callahan asked him to murder Wheeler, who suspected that employees who remained loyal to Callahan were doing the skimming. Later, Halloran said, Callahan told him he wasn't needed and the murder was carried out by Bulger, Flemmi, and John Martorano.

Despite the significance of Halloran's account, authorities in Oklahoma say the FBI in Boston never shared it with them.

Instead, FBI agent Morris said he passed along word to Connolly that Halloran was cooperating with another equal in the FBI against his two prized informants.

Morris testified that Connolly then told Bulger and Flemmi that Halloran had implicated them in Wheeler's murder, prompting Connolly to file an informant report from Bulger arguing that "there was no way that they would have been involved with Halloran in connection with anything, let alone murder."

Ultimately, the FBI, along with Strike Force Chief O'Sullivan, concluded that Halloran was unreliable and turned him away from an FBI safe house on Cape Cod.

Weeks later, on May 11, 1982, Halloran was gunned down as he left a bar on Northern Avenue in South Boston.

Callahan, being sought for questioning as a potential witness in the Halloran and Wheeler slayings, was found murdered three months later in Miami.

In a recent interview, Connolly said he "absolutely never" told Bulger and Flemmi that Halloran

## Howie Winter never saw Bulger coming

Howie Winter, who was replaced by Whitey Bulger as head of the Winter Hill gang, says "no way" did he ever suspect that Bulger was an FBI informant. And he's had 12 years in federal prison to think about it—all of it for two cases in which Bulger has provided information to the FBI.

"It's still hard for me to believe," Winter said of recent revelations about Bulger's double-dealing, speaking from the federal penitentiary in Pennsylvania, where he's serving time for dealing drugs.

Winter's version of underworld events sharply contradicts that of former FBI agent John J. Connolly, who persuaded Bulger to turn informant in the fall of 1975.

At the time, according to Winter, New England mob underboss Gennaro "Jerry" Angiulo was on the verge of a war with the Winter Hill gang to resolve a dispute over the placement of vending machines around Greater Boston.

Connolly said he warned Bulger that Angiulo would probably use corrupt law-enforcement contacts to set up his Winter Hill rivals, and suggested that Bulger

use the FBI to turn the tables on Angiulo. It was a deal Bulger accepted, Connolly says Bulger told him that Winter and other high-ranking members of the gang blessed the arrangement and considered him their "blame" to the FBI.

Winter burst out laughing at Connolly's claim, insisting it was only last year, when the FBI acknowledged the lies, that he learned Bulger and his partner, Stephen



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HOWIE WINTER

"The Riffman" Flemmi, were longtime FBI informants. Winter also said FBI reports by Connolly alleging a turf battle between the Winter Hill gang and the Mafia over vending machines were "a fantasy."

"We weren't rivals, but we were not partners either," Winter said. "Jerry Angiulo always treated me and the people around me very nice."

But Bulger and Flemmi did not. FBI reports unsealed in federal court hearings in Boston reveal that the two men told the FBI about the activities of Winter and other members of his gang.

Now federal prosecutors have urged Winter, who has four years left on a 10-year sentence, to cooperate with them against the duplicitous gangsters. He said he has refused.

"If it was my worst enemy I wouldn't cooperate against them," Winter said. "Myself, I think I'd rather take a cyanide pill than go trap someone else to save my own ass."

Winter's friendship with Flemmi dates back to the early 1960s, when they were both working for Somerville gang boss James "Bully" McLean, who was gunned down in 1965 during the Irish gang wars.

Winter said he met Bulger in the 1970s, when Bulger enlisted his help in resolving a bloody dispute between rival gangs in South Boston. Bulger later began hanging around Winter Hill in Somerville, eventually teaming up with Flemmi.

Winter said he didn't socialize much with Bulger, but considered Flemmi a good friend.

"I thought the world of Steve 'Flemmi,' Winter said. "He was a man's man."

In 1975, federal prosecutors indicted 21 people — including Winter — in a million-dollar horse-race-fixing scheme, but removed Bulger and Flemmi from the case because they were informants. Winter spent six years in prison.

SHALLEY MURPHY

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had turned FBI informant against them before he was killed. Connolly said he filed reports before Halloran's death noting that Bulger claimed the Mafia was going to kill Halloran.

The fallout from the investigation spread within the FBI, as agents in Oklahoma City and Miami accused the Boston office of stonewalling about Wheeler and Halloran.

The distrust spilled over into the Boston office, as the agent assigned to the Wheeler case accused Connolly of "ripping" his file and leaking information to Bulger and Flemmi that would help them establish alibis, Connolly vehemently denies the charge.

At first, Connolly refused to call in Bulger and Flemmi to have them photographed so investigators in Oklahoma could show their pictures to potential witnesses. According to recent testimony by James Ring, who was then supervisor of the organized-crime squad, Connolly became "defensive" about the photo request, arguing that Bulger and Flemmi had proclaimed their innocence. Connolly

related only after Ring threatened to drop Bulger and Flemmi as informants.

Still, the FBI didn't force Bulger and Flemmi to take polygraph examinations after they refused. In contrast, Halloran was dropped as an informant when he refused to take the lie detector test.

"For a long time we thought, it's just pure incompetence," said Wheeler's son, David, who now believes the FBI has obstructed the investigation into his father's murder. "But I never dreamed it was as extensive as it is."

### WHITEY AND STEVE GO SHOPPING

It was Christmas time 1983 and Whitey Bulger and Steve Flemmi were out shopping. They were cruci-

ing around South Boston when they saw something they wanted: a newly renovated liquor store on the site of what had until recently been an abandoned gas station.

It meant nothing to Bulger and Flemmi that Stephen and Julie Rakes didn't want to sell Slippo's Liquor Mart on Old Colony Avenue.

During a menacing visit to the Rakes's South Boston home during the first week of the new year, Bulger and Flemmi handed Stephen Rakes a bag stuffed with \$67,000 cash and announced they were buying the liquor store, according to testimony.

"We don't want to sell it," said Rakes, who was home with his two young daughters while his wife was working at the store.

Flemmi allegedly sat down at the kitchen table, pulled one of Rakes's blond-haired daughters onto his lap, and set a gun on the table in front of her. The curious toddler picked up the gun and playfully sucked on the handle, according to federal grand jury testimony revealed in court.

"It would be a shame not to see your children grow up," Bulger allegedly said.

A horrified Rakes called his wife at the store and told her to pack up all their belongings and come home.

Within days, then-Boston Police Detective Joseph Lumbosheim said he went to Connolly on behalf of his niece, Julie Rakes, unaware that Bulger and Flemmi were informants and Connolly was their handler.

Connolly said he took no action to stop the hostile takeover by Bulger and Flemmi because the couple "did not want to get stirred up and they did not want to be witnesses. How do you make a case like that?"

It was a chilling lesson for the Rakeses, who they discovered a few days later that Bulger knew they had complained to the FBI.

"Whitey said to back off," Stephen Rakes told Lumbosheim, who said he suspected Connolly tipped Bulger about their meeting. In a Globe interview, Connolly denied leaking the information.

Connolly said he couldn't recall whether he reported the incident to his supervisor, but federal prosecutors said a search of FBI files failed to uncover any paperwork on it. It appears Connolly made a unilateral decision to neither investigate the extortion nor pass it along to a supervisor.

The store was sold to Bulger's friend, Kevin Weeks — at least on paper — without a hitch and was renamed the South Boston Liquor Mart. It immediately became a new hangout for Bulger and Flemmi.

Soon, the FBI was patrolling Bulger's store. A 1990 raid of the Liquor Mart by the Drug Enforcement Administration, the Suffolk County Organized Crime Squad, and the IRS uncovered a receipt indicating the FBI bought Bulger at discount prices to give away at its annual Christmas party months earlier.

The receipt indicated that the liquor was purchased by agent Dick Baker, the party organizer. And a separate piece of notebook paper indicated who the agent was: "Dick Baker (friend of John Connolly)." Connolly does not deny the FBI bought liquor at the store but says the piece of paper with his name on it was planted.

NO FBI FOLLOWUP TO EXTORTION

Years after Louis Litif was allegedly murdered in Triple O's, Bulger and his friends summoned an unsuspecting businessman to a meeting in the Broadway tavern, according to court documents and recent testimony.

"Someone lived me to kill me," Bulger told South Boston retractor Raymond Slinger, after calling him to a meeting in an upstairs apartment in the late 1980s.

Bulger, accompanied by his friends Kevin Weeks and Kevin O'Neil, said he was willing to spare Slinger's life in exchange for cold cash. But, when Slinger had the audacity to arrive at a follow-up meeting with the trio packing a gun, he was beaten and kicked as an enraged Bulger ordered his friends to "go downstairs and get a body bag."

After Bulger's demand increased to \$50,000, Slinger reported the extortion to the FBI. Agent John Newton testified that the FBI had "a great case" against Bulger because Slinger was willing to wear a wire and testify.

Still, the FBI took no action. Days later, O'Neil told Slinger that he'd only have to pay \$25,000, but "there wasn't going to be any FBI investigation," according to testimony in the federal court hearings.

Newton's superior, Bruce Eliasvsky, testified that the FBI dropped the case because the extortion stopped and Slinger no longer wanted to go forward.

Yet, Eliasvsky couldn't explain why there were no FBI reports on the incident.

There was no mystery about why Bulger and Flemmi never got caught up in an FBI investigation in the late 1980s of a Roxbury bookie who was paying them "rent" and dealing extensively with them. The pair were warned to stay away by agent John Morris because a wiretap was going into John Baharain's office.

Morris, who had taken three bribes from Bulger, was concerned that the pair could give him up if they were caught and indicted.

But he also testified he was tired of the hold Bulger and Flemmi had on him and the relentless expansion of their criminal network. And he wanted no more blood on his hands. Leave Baharain alone, the former organized-crime supervisor told them. "I don't want any more Halloran's."

## The series

### Sunday: Crossing the line

James "Whitey" Bulger and FBI agent John Connolly join forces, creating a bond that benefits both their careers.

### Monday: The Mafia myth

The FBI claims Bulger played a key role in destroying the Angiulo Mafia family in Boston. But is it true?

### Tuesday: An overvalued asset

Inside the FBI, agent Connolly repeatedly embellishes Bulger's worth.

### Today: Price of protection

With the FBI in his corner, Bulger and partner Steve Flemmi run rackets — and more — with impunity.

### Tomorrow: Drugs in Scituate

The "Twin" tolerated Bulger in the belief that he kept drug dealers at bay. But Bulger broke the bargain.

### Globe Online

This series is available on the [Globe Online](http://www.boston.com) at <http://www.boston.com>. Use the keyword: Spotlight.



Roger Wheeler, the Telex Co. chairman was forced to sell Slippo's Liquor Mart.

Stephen Rakes was forced to sell Slippo's Liquor Mart.

Brian Halloran, killed after FBI rejected information.

Francis X. Green was threatened over an unpaid loan.

## The context

The inside story of the FBI's two-decade entanglement with James "Whitey" Bulger and Stephen "The Riffman" Flemmi can now be told as a result of extraordinary court hearings to determine whether or not the 196 judgments against the pair should be dismissed.

Those hearings before US District Judge Mark L. Wolf, scheduled to resume in August, focus on whether

the gangsters were effectively given immunity from prosecution in exchange for information about the New England Mafia.

The proceedings have resulted in the public disclosure of hundreds of previously-secret reports from the FBI and other law-enforcement agencies. Those records, numerous interviews, court testimony, and other materials obtained by the Globe Spotlight Team paint a portrait of some of the nation's most elite crime-fighters working in collusion with two of the region's top gangsters.