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# Agencies' use of former informant is criticized

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The allegations have raised questions about whether the US Justice Department has succeeded in cleaning house since the FBI's relationship with Flemmi and James "Whitey" Bulger, now charged with killing 21 people between them, was exposed in 1998 during federal court hearings in Boston.

"Based on everything we know about Bulger and Flemmi, it would be a tragedy if the Justice Department failed to learn from its mistakes," said Representative Dan Burton, an Indiana Republican who chairs a congressional committee investigating the FBI's use of informants. "This is something the committee will look into."

FBI and US Customs Service officials declined to discuss the case. But during recent interviews, the informant — who asked that his name be withheld for fear of his safety — said he manipulated the system for years, informing on others to clear the way for his own crimes.

The informant who said he has gone by various code names, including "Dunkin' Donuts," said he made a living selling information to the government, while also selling heroin, cocaine, and marijuana and concocting "swindles and frauds."

"When you're doing something bad and something is going to happen, you run and give the people up," said the informant, insisting that agents knew he was involved in criminal activity but didn't talk about it.

In one case, he allegedly bilked a Fall River police dispatcher out of \$400,000 through phony investment schemes, then orchestrated an FBI sting of the man on gun charges, according to federal court records. An FBI agent revealed in court last year that the informant had implicated himself and the dispatcher in a series of home invasions a decade ago that targeted drug dealers, but the charges weren't investigated.

The FBI, under its new guidelines, isn't supposed to work with people committing crimes, unless they have been authorized in writing for a specific period of time. FBI officials would not disclose whether the informant was reevaluated under the new Justice De-



An unnamed informant, in the 1950s (left) and today, says he dealt drugs for years while helping the FBI.

GLOBE STAFF PHOTO (RIGHT)/WENDY MAEDA

partment guidelines that call for a review of all criminals who have worked as informants for six years.

US Attorney Michael J. Sullivan also declined to comment on the informant, but underscored the line that law enforcement continues to walk in dealing with people who peddle information.

"If somebody showed up on the doorstep of law enforcement or the US attorney's office and suggested they had information that could significantly improve public safety, like deter the next World Trade Center bombing, we wouldn't ignore that information, even if the person had a serious criminal history," Sullivan said.

However, Sullivan added, investigators must corroborate information and make sure their sources are credible.

The informant, a fourth-grade dropout, grew up in Boston's West End and was recruited in 1962 by FBI agent H. Paul Rico. The informant said Rico caught him with two machine guns, but agreed not to arrest him if he informed on others. The informant said he promptly gave up two mobsters on heroin charges.

Rico is the same agent who was chastised by Burton's committee last year for his handling of informants and is currently being targeted by a federal grand jury investigating alleged FBI misconduct. Rico's lawyer said Fri-

day his client declined to comment.

While the informant insists he's always told the truth, he was briefly dropped by the FBI in the 1960s because of credibility problems, according to court documents. He was also investigated by the FBI for perjury in 1970 after he testified for the defense to discredit a key government witness at the armored car robbery trial of Boston Mafia boss Gennaro "Jerry" Angiulo, who was acquitted.

Still, he managed to get back into the informant program, offering information over the years on everything from the 1990 heist of \$200 million in paintings stolen from the Isabella Stewart Gardner Museum to organized crime, according to federal court documents.

Several years ago, he agreed to become a government witness, lured, he said, by promises that if he helped convict wealthy criminals, he could reap as much as 25 percent of all assets seized in those cases under federal forfeiture laws.

"Do you know how easy it is to entice somebody?" said the informant, who for the past few years worked with a multi-agency task force that included the FBI, US Customs, and State Police.

The informant said an FBI agent introduced him to David McClanahan, a US Customs agent who suggested they sting Shirley

Sack, a Manhattan art dealer. Sack was convicted in 1978 of fencing paintings that had been stolen from the home of Harvard president Derek Bok.

The informant arranged for Sack and another art dealer to sell paintings valued at \$4.1 million to an undercover agent posing as a drug dealer, leading to Sack's arrest in Boston last May on money laundering charges.

The informant has been paid \$30,000 for his work on the Sack case and said he's been promised as much as \$250,000 if the paintings are forfeited to the government.

But federal law enforcement officials said that case could be in jeopardy because of an investigation into allegations that surfaced after McClanahan crashed into a parked car in Bridgewater last September and drugs were found in his system. After the accident, the informant said, he told a Customs supervisor that he had been stealing prescription painkillers from a Braintree doctor's office and giving them to McClanahan.

He also claimed McClanahan had extorted more than \$150,000 from him over 18 months, allegedly to buy drugs and a new car, and to fix an investigation into the informant's illegal activities.

Both McClanahan and his lawyer, Peter Noone, declined to comment on the allegations. Robin Avers, the special agent in charge

of US Customs' Boston office, declined to discuss the investigation, other than to say that McClanahan is still employed by the agency.

While the investigation is continuing, McClanahan recently returned to work after a five-month leave, law enforcement officials said.

"It is unbelievable that federal law enforcement agencies continue to use informants of this type and nature, knowing the scandals that they have created and the disrepute they bring to the credibility of federal law enforcement," said Boston lawyer Stephen Delinsky, who represents Sack and claims the informant entrapped her after borrowing \$15,000.

After federal prosecutors arrested the Fall River dispatcher last year on charges of selling guns to the informant, they reduced the charges and agreed not to seek jail time under a plea agreement. The deal was struck after the dispatcher, Nuno Barboza, claimed the informant swindled him out of \$400,000 on phony investments and then used the government to entrap him.

"It's like the tail wagging the dog here," said lawyer Benjamin Entine, who represents Barboza. "The informant is feeding the FBI what the informant wants them to know and is getting away with whatever he wants to do under the cover of the relationship."

In September 2000, Attorney General Thomas F. Reilly's office investigated complaints from several investors who lost money to the informant, but prosecutors decided not to pursue charges because many allegations were too old and there were other problems with the case, according to a state prosecutor.

The informant continued working cases for the government until Jan. 22, when US Customs sent a letter notifying him he had been dropped because federal prosecutors wouldn't take any new cases he was involved in.

The letter, which the informant provided to the Globe, said, "The United States Attorney's office arrived at this decision based upon what they believe is a fact pattern depicting your lack of candor, credibility and veracity."

Judy Rakowsky of the Globe staff contributed to this report.