

financial problems by Castle Bank and Trust Company of the Bahamas, the main source of information used by the IRS Operation Tradewinds in setting up the Resorts operation on Paradise Island.

Bally Manufacturing Co. has also applied for a casino license. Bally has been indicted for violating Nevada gaming laws which prohibit corporate connections to known organized crime figures. Bally's "godfather" is Sam Klein, formerly of Ohio and a close associate of the Jacobs family and the Canadian Bronfman family — both heavily implicated in the international drug traffic.

The agency presumably responsible for weeding out such undesirables is the state Casino Control Commission, headed by former mob-associated Essex County prosecutor Joe Lordi! Also on the CCC is Albert Merck, head of Merck Pharmaceuticals, one of the three firms in the U.S. licensed to import cocaine

and opium-morphine base for medical purposes. Honest law enforcement officials have been justifiably suspicious for some time of "leakage" of cocaine and other drugs from New Jersey pharmaceutical companies. The independence of the Casino Control Commission is further brought into question by the presence of Intertel's security service at the Atlantic City Resorts International casino. Since Intertel executives Hundley, Peloquin, and James Jesus Angleton (long-time head of CIA counterintelligence) are themselves ranking figures in the Kennedy mob, does the CCC oversee Intertel or vice versa?

The answer may be forthcoming as the Division of Gaming Enforcement, in its upcoming Intertel report, decides whether or not to bite the bullet and expose the entire filthy operation.

— Felice Merrit and
Al Douglas

Report names Lansky, Intertel, and Scotia bank

The New Jersey Division of Gambling Enforcement report on Resorts International was put together by a task force of investigators initially assembled and directed by Nevada Gambling Commission investigator Ennis Gomes. Gomes and most of his original investigative forces resigned as the investigation ran into fierce opposition.

Apparently Governor Brendan Byrne and his Attorney General John Degnan found particularly objectionable Gomes's efforts to substantiate charges that Resorts was instrumental in buying votes and legislators to insure that the casino gambling referendum would pass in the state, and would be structured favorably for Resorts. (The enabling legislation drawn up insured that *only* Resorts would be able to open a casino without having to construct a new building.)

On Gomes's departure, the investigation came under the direct control of Byrne operative Robert Martinez, who provided the cleaned-up version now being presented to the public and the Casino Control Commission for further hearings and testimony. Byrne, it is rumored by such impeccable sources as Rupert Murdoch's *New York Post*, hopes to use the report as a credential in his ongoing campaign to replace U.S. Attorney General Griffin Bell.

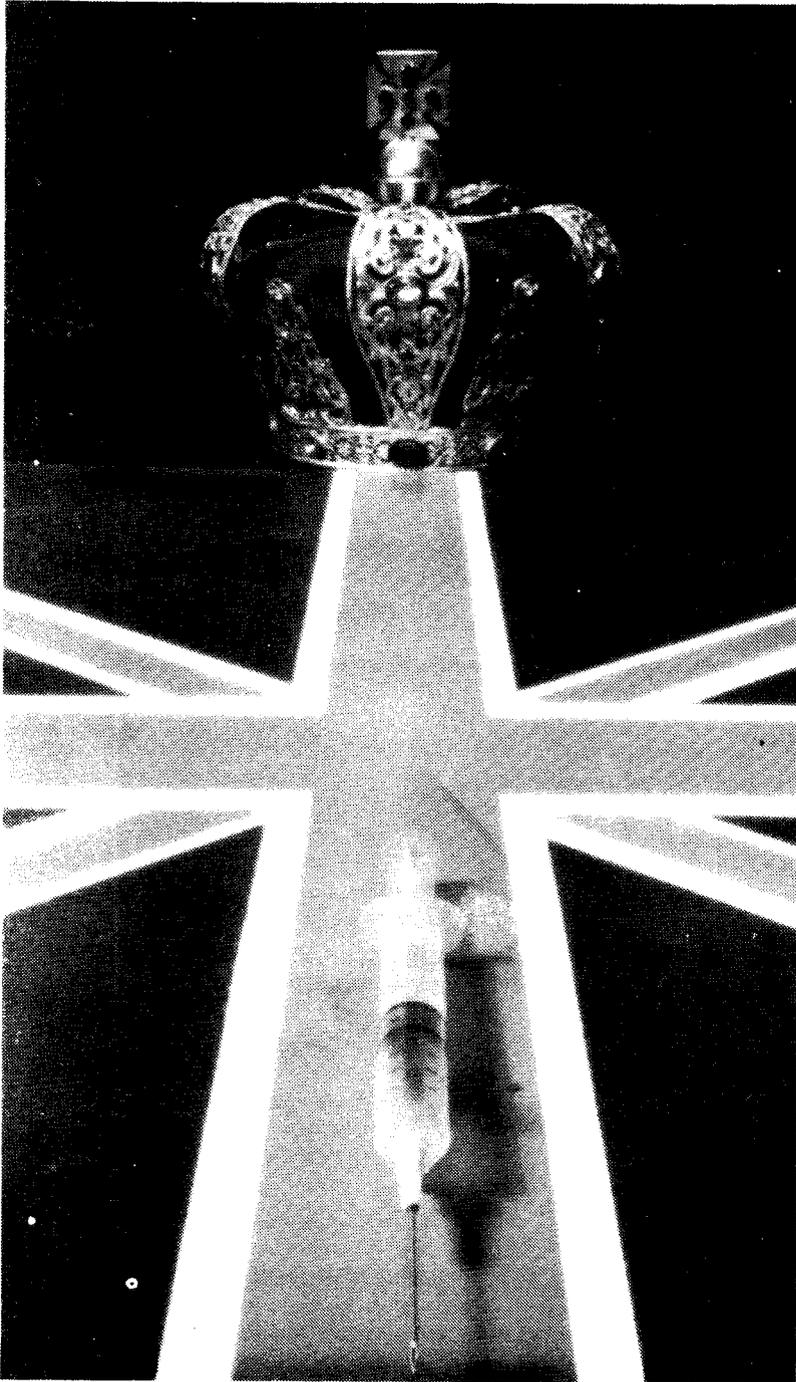
However, the report does provide the astute observer with numerous clues as to the actual nature of Resorts' activities. Resorts Bahamas casino, Paradise Island, and all the early acquisitions of the Mary Carter Paint Company

(later transformed into Resorts International) were financed in their entirety by Meyer Lansky-associated mobsters fleeing Cuba and the collapse of their casino operations on that island. They placed themselves under the protection of the British governors of the Bahamas and set up shop, according to the DGE report.

The report also notes that most of the original financing for Resorts Paradise Island was provided by the Bank of Nova Scotia, which an investigation by the U.S. Labor Party, reported in previous issues of this journal, has shown is British-intelligence controlled. The second major financing bank was the Fiduciary Trust Company, which DGE places as jointly owned by Lansky and a group of known stock swindlers.

On the interesting question of Intertel, the private intelligence agency of Resorts, the report notes that Robert Peloquin, president of Intertel, directly interceded with the Bahamian and British governments on behalf of two notorious Meyer Lansky associates, attempting to have them "cleared" to work in gambling casinos.

As well, the report says, Intertel has demonstrated access to Canadian wiretap materials (in this case material concerning Pellegrino Loia, a.k.a. James Neal, a Resorts employee who is also associated with Canadian heroin kingpin Giuseppe Cotroni). Intertel used its access to government investigative material to judiciously cover up the relationships between Resorts and the mob.



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