

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

FROM : SAC, NEWARK (92-389)

SUBJECT: ABNER ZWILLMAN
INFORMATION CONCERNING
(ACCOUNTING AND FRAUD SECTION)

DATE: 2/16/59

Re Bureau letter dated 2/9/59.

Referenced letter requested additional information on two particular facets of ZWILLMAN's operations.

1. No additional information is contained in the Newark files concerning APCO Corporation, however, ABCO Vending Service Company, Inc. and ABCO Amusement Company, Inc. are vending machine companies in Hudson County, N.J. (which includes Hoboken and the Jersey City, N.J. area) that have been under the control of JOSEPH ARTHUR ZICARELLI, [REDACTED] The details of the incorporation of these two companies in 1955 and 1956 are enumerated in Newark report of SA [REDACTED] dated 12/27/57. [REDACTED] These incorporators are not known to have any connection with ZWILLMAN. [REDACTED]

[REDACTED] ZWILLMAN and ZICARELLI have frequently been linked in underworld activities. The 1949 - 1950 investigation concerning RAYMOND PATRIARCA for Interstate Transportation of Lottery Tickets (Boston Office of Origin) involved both ZICARELLI and ZWILLMAN. ZWILLMAN's organization has had gambling and policy game connections with ZICARELLI in the past and ZWILLMAN and ZICARELLI have been observed together in the past. The extent of ZWILLMAN's interest, if any, in ABCO or ZICARELLI's other activities are not known at this time.

2. Newark has no additional information precisely in point concerning ZWILLMAN's participation in the formation of the Wine and Liquor Salesmen's Union of New Jersey and the original source of this information is no longer available. Newark files, however, contain many references that attest to or allege ZWILLMAN's interest in and control over various segments of the liquor industry.

2 - Bureau
1 - Newark
JHC:JMP
(3)

REC-19 62-36085-56

20 FEB 17 1959

50 APR 13 1959

NK 92-389

A Newark Crime Survey Report dated 10/15/49 reflects that LOUIS KROMBERG, 15 Norman Place, Newark, who was in control of the Wine and Liquor Salesmen of New Jersey Local 19, was under ZWILLMAN's control and that the latter would not let KROMBERG move up to the Presidency of the International Union for fear that ZWILLMAN would lose control of the New Jersey Union. The original source of this information is not known at this time.

In a 1942 investigation under the caption "SOLLY CILENTO - AR", one KROMBERG "in New Jersey" was alleged to be shaking down employers in the distillery business for labor peace. CILENTO has been reportedly linked with ZWILLMAN in labor racketeering allegations. CILENTO founded the Wholesale Licensed Alcoholic Beverage Salesmen's Union in New York City and utilized two of ZWILLMAN's former bootleggers as strong-arm men. CILENTO also organized the distillery workers into a union and reportedly utilized the services of JOEY FAY, a convicted labor racketeer from the Operating Engineers Union. FAY has reportedly been linked to ZWILLMAN and his present replacement in the union (FAY is in prison) is in current contact with ZWILLMAN. CILENTO himself has often been seen in the company of ZWILLMAN and the involved relationship among CILENTO, ZWILLMAN and LOUIS SAPERSTEIN is dealt with in great detail in Bureau file 92-2864 (SOL CILENTO, AR, New York office of origin).

In addition to his union connections ZWILLMAN has constantly been associated with the management end of the liquor industry. He has been closely associated with and may have an interest in J & J Distributing Company. He was very closely associated with JACOB RENFIELD (REINFELD), recently deceased, who operated several large liquor wholesaling firms. ZWILLMAN has also been alleged to be the backer of two liquor retail store chains in the Newark area.

March 3, 1959

Mr. Tolson
Mr. Boardman
Mr. Nichols
Mr. Belmont
Mr. Mohr
Mr. DeLoach
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Mr. Tele. Room
Mr. Holloman
Miss Gandy

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Washington, D. C.

Dear Mr. Hoover:

I had the opportunity several days ago to meet [redacted] of the "Camden Courier Post," and [redacted] of that paper, [redacted]

They were both very friendly, and [redacted] spoke at length of her visit with you within the past year. She commented at length how very impressed she was with you and how much she appreciated your generosity in affording them so much of your valuable time.

[redacted] requested that I give you her kindest regards.

In connection with the suicide of Abner "Longie" Zwillman, [redacted] news reporter for the "New York Daily Mirror" covering New Jersey, told me that she had been at the funeral parlor on the evening before Zwillman was buried. She stated that talk amongst Zwillman's friends and associates who were there was not friendly toward the Bureau.

According to this reporter, Zwillman's friends quote him as saying shortly before his death that for years the politicians took his money and said everything would be all right but, "when I need them not one bastard is around."

I thought you would be interested in the above. With kindest regards and best wishes,

Sincerely,
25 MAR 17 1959

William G. Simon

William G. Simon

58 MAR 24 1959

REC-67

62-36085-57
NOT RECORDED
145 MAR 18 1959

ack 3-10-59
WMS

ORIGINAL COPY FILED IN

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT *awh*

DATE: May 1, 1959

FROM : MR. W. M. MOONEY *WMM*

SUBJECT: [REDACTED]
 MISCELLANEOUS INFORMATION CONCERNING

Tolson _____
 Belmont _____
 Mohr _____
 Nease _____
 Parsons
 Rosen _____
 Tamm _____
 Trotter _____
 W.C. Sullivan
 Tele. Room _____
 Holloman _____
 Gandy _____

67C, 67D

Captioned individual, residing at [REDACTED] telephone [REDACTED] and employed as [REDACTED] Larimer's Market, 1722 Connecticut Avenue, N. W. both Washington, D. C., telephonically contacted the writer at 12:45 a.m. instant. He advised that he had been perusing the March 9 issue of "Life" magazine wherein there appeared pictures of Abner "Longie" Zwillman, former leader of the New Jersey underworld, who recently committed suicide by hanging in his New Jersey home. Captioned individual indicated that Zwillman was not dead but purchased meat at his market weekly, in amounts approximating \$100 and was a lavish tipper. [REDACTED] asked if it were not possible that there could be another individual closely resembling Zwillman who was purchasing at his market. He said, "No, I am sure it is Zwillman."

DeLoach _____
 McGuire _____
 W.C. Sullivan _____

A check with Division Six indicates that both the local coroner's office and the police officials have attested to the fact Zwillman is dead and in fact committed suicide. [REDACTED] advised that the Director also purchased his meat from Larimer's Market. Based on available information Bureau indices negative re [REDACTED]

ACTION:

67C, 67D

That this memorandum be referred to the Investigative Division for their information.

- 1 - Mr. Belmont
- 1 - Division Six
- 1 - Mr. Mooney

REC-46

62-36085-58

EX-113

MAY 6 1959

WMM:wlg
 (4)

60 MAY 13 1959

[REDACTED]

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. TROTTER *to Mr. Trotter*

DATE: 11-19-59

FROM : C. S. VOELKER *CSV*

SUBJECT: [REDACTED]

INFORMATION CONCERNING

Tolson	_____
Boardman	_____
Belmont	_____
Mohr	_____
Nease	_____
Parsons	_____
Rosen	_____
Tamm	_____
Trotter	_____
W.C. Sullivan	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

At 2:30 p.m., 11-19-59, an individual who identified himself

as [REDACTED]

[REDACTED] came to the Identification Building. At his request he was interviewed and furnished the following information.

A friend of [REDACTED] who desires his identity be protected, works at Larimer's Market, 1727 Connecticut Avenue, Northwest. [REDACTED] friend, while looking through an old issue of "Life" magazine, noticed a photograph of Abner Zwillman, also known as "Longie" Zwillman, the caption of which indicated that Zwillman had hanged himself at his mansion in West Orange, New Jersey. [REDACTED] related that an individual whom he knows as [REDACTED] is the "spitting image" of Zwillman. [REDACTED] comes to Larimer's Market approximately once a week and picks up an order of \$150 worth of choice meats which he insists be wrapped in plain paper then he departs from the store in a taxi cab. [REDACTED] reportedly phones the order to the market and picks it up several hours after he makes the phone call. According to [REDACTED] is supposed to have told his [REDACTED] friend that he tried to commit suicide in New Jersey and spent a considerable amount of time in a hospital as the result.

[REDACTED] has not seen [REDACTED]. He cannot personally identify him. He states his friend is fearful he will lose his job if directly contacted in this matter. [REDACTED] left the photograph that had been clipped from "Life" magazine with the writer and it is submitted as an attachment.

Enclosure

- 1 - [REDACTED] Room 5640 J. B.
- 1 - [REDACTED] Room 4712 J. B.

CSV:dbop *dbp*
(4)

REC-117

(Continued next page.)

62-36085-59

18 NOV 24 1959

62 DEC 1 1959

ENCLOSURE

Memo to Mr. Trotter

Re: [REDACTED]

[REDACTED] was aware that the FBI might not have any interest in this information. He was thanked for bringing this to the attention of the FBI and was advised that if the FBI had any interest in the status of this individual that he, [REDACTED] would be contacted in the near future. [REDACTED] did not desire that the clipping be returned to him. Supervisor [REDACTED] Crime Records Division, was telephonically advised of this information as was Supervisor [REDACTED] of the Investigative Division.

RECOMMENDATION:

Forward to the Investigative Division for appropriate action.

*We have had this story before -
from same original source.*

WORLD'S WEEK CONTINUED



LAST PORTRAIT OF AN UNDERWORLD KING

Abner Zwillman stood recently in his vending machine office in Hillside, N.J. looking every inch the patriotic, prosperous businessman for LIFE Photographer Alfred Eisenstaedt. This was his last portrait. Last week "Longie" Zwillman, ex-bootleg king whom

the FBI called "leader of the New Jersey underworld," hanged himself in his 20-room mansion in West Orange, N.J. Zwillman, 54, had been depressed by federal investigations into the vending machine industry and possibly his waning influence in the rackets.

62-36085-59
ENCLOSURE

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. DeLoach	✓
Mr. Casper	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. Felt	✓
Mr. Gale	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Mr. Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

Newark, New Jersey
January 12, 1960

Personal

Dear Mr. Hoover:

Reporter [redacted] of the Newark Star-Ledger, stopped by to see me and, among other things, commented on the Jury-Bribery case of Abner "Longie" Zwillman, who, as you know, was found dead in the basement of his home shortly after we had arrested several of his closest associates.

[redacted] commented, "I wonder if you people in the FBI realize fully what you did when you cleaned up the Zwillman mob." He went on to state that in his opinion, there has been a noticeable change since the death of Zwillman, and he pointed out that for as long as he has been in Newark, each Christmas, cases of whiskey would arrive at the various newspaper offices in Northern New Jersey; and that while there was no indication as to its source, everyone knew that the whiskey was a present from "Longie" Zwillman.

He stated that this year there was no whiskey delivered to the newspapers and that there was considerable comment amongst newspaper people over this change.

I thought you would be interested in the above.

With kindest regards,

Sincerely,

W. B. Simon
W. G. Simon

162-36085-
NR
NOT RECORDED AFTER
191 FEB 5 1960 59

Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation
Washington, D.C.

NO FEB 5 1960

67C
[redacted]
ack
1-20-60
167 FEB 8 - 1960

The Attorney General

January 21, 1960

Director, FBI

ABNER "LONGIE" ZWILLMAN

I thought you might be interested in the following story.

The Special Agent in Charge of our Newark, New Jersey, Office has advised me that recently a reporter of the "Newark Star-Ledger" newspaper stopped by to see him and, among other things, commented on the Jury-Bribery case of Abner "Longie" Zwillman. As you know, Zwillman was found dead in the basement of his home shortly after Agents of this Bureau had arrested several of his closest associates.

The reporter commented, "I wonder if you people in the FBI realize fully what you did when you cleaned up the Zwillman mob." He went on to state that in his opinion, there has been a noticeable change since the death of Zwillman, and he pointed out that for as long as he has been in Newark, each Christmas, cases of whiskey would arrive at the various newspaper offices in Northern New Jersey; and that while there was no indication as to its source, everyone knew that the whiskey was a present from "Longie" Zwillman.

He stated that this year there was no whiskey delivered to the newspapers and that there was considerable comment among newspaper people over this change.

1 - Mr. Lawrence E. Walsh
Deputy Attorney General

62-36085-2ND
NR AFTER
59

NOT RECORDED
191 FEB 5 1960

MAILED 8
JAN 21 1960
COMM-FBI

~~NO FEB 5 1960~~

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MAIL ROOM TELETYPE UNIT

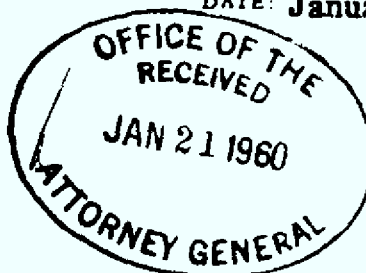
67 FEB 8 - 1960

Ho Office Memorandum • UNITED STATES GOVERNMENT

TO : The Attorney General

DATE: January 21, 1960

JA FROM : Director, FBI



SUBJECT: ABNER "LONGIE" ZWILLMAN

I thought you might be interested in the following story.

The Special Agent in Charge of our Newark, New Jersey, Office has advised me that recently a reporter of the "Newark Star-Ledger" newspaper stopped by to see him and, among other things, commented on the Jury-Bribery case of Abner "Longie" Zwillman. As you know, Zwillman was found dead in the basement of his home shortly after Agents of this Bureau had arrested several of his closest associates.

The reporter commented, "I wonder if you people in the FBI realize fully what you did when you cleaned up the Zwillman mob." He went on to state that in his opinion, there has been a noticeable change since the death of Zwillman, and he pointed out that for as long as he has been in Newark, each Christmas, cases of whiskey would arrive at the various newspaper offices in Northern New Jersey; and that while there was no indication as to its source, everyone knew that the whiskey was a present from "Longie" Zwillman.

He stated that this year there was no whiskey delivered to the newspapers and that there was considerable comment among newspaper people over this change.

1 - Mr. Lawrence E. Walsh
Deputy Attorney General

*Edger - Complimenting re
was he this a complaint*

NOT RECORDED
191 FEB 5 1960

NO FEB 5 1960

Director
A Joke

*Wm
1-22-59*

-67 FEB 9- 1960 -

subject: ABNER ZWILLMAN

file number: 5-199

section number: 1 ONLY

serial(s): 1 AND NEWS ARTICLES

XXXXXX
XXXXXX
XXXXXX

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Document(s) originating with the following government agency(ies) DEPARTMENT OF JUSTICE, was/were forwarded to them for direct response to you.

_____ Page(s) referred for consultation to the following government agency(ies); _____ as the information originated with them. You will be advised of availability upon return of the material to the FBI.

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
5-199-1.

XXXXXX
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XXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

Tolson _____
 Ladd _____
 Nichols _____
 Belmont _____
 Clegg _____
 Glavin _____
 Harbo _____
 Rosen _____
 Tracy _____
 Laughlin _____
 Mohr _____
 Tele. Rm. _____
 Holloman _____
 Gandy _____

File

[Handwritten signature]

6

Longie Fights Tax Claim of Half Million

By the Associated Press

The Government is seeking to collect more than half a million dollars in back taxes and penalties from Abner (Longie) Swillman, New Jersey underworld figure.

This was disclosed yesterday in records of the United States Tax Court here. Swillman has appealed against the Revenue Bureau claims.

Other appeals that turned up in court records yesterday were from Thomas W. Briggs, head of the national advertising firm called Welcome Wagon, and Joseph Friedlander, Miami, Fla., night club operator.

Briggs appealed against claims of \$391,835 that the Government says he owes as taxes on expenses deducted from Welcome Wagon income and on undistributed profits of the company in 1949 and 1950.

The Revenue Bureau claimed \$45,276 income taxes for 1947 from Friedlander, alleging he failed to report some income and disallowing bad debts Friedlander reported in that year.

The claims against Swillman were for 1933 through 1946. The Tax Bureau said Swillman failed to report income in all those years and alleged that he intended to defraud the Government of taxes.

In his petition, Swillman denied there was any fraud and sought to limit the Government's case to 1937 and onward. The statute of limitations prevents the Government from making claims more than eight years back unless fraud can be proved. Some of the claims against Swillman were first entered in 1944, which would allow claims back to 1937 without proof of fraud.

15-199-A
 NOT RECORDED
 98 NOV 18 1952

Times-Herald _____
 Wash. Post 2
 Wash. News _____
 Wash. Star _____
 N.Y. Mirror _____
 N.Y. Compass _____

Date: NOV 11 1952

215
 60 NOV 15 1952

Tolson _____
 Boardman _____
 Nichols _____
 Belmont _____
 Harbo _____
 Mohr _____
 Parsons _____
 Rosen _____
 Tamm _____
 Sizoo _____
 Winterrowd _____
 Tele. Room _____
 Holloman _____
 Gandy _____

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file

6

U. S. Indicts Zwillman as Tax Evader

NEWARK, N. J., May 26 (AP). Abner (Longie) Zwillman, one of the most notorious rum runners of the prohibition era, was indicted by a Federal grand jury yesterday on charges of evading \$46,000 in income taxes for 1947 and 1948.

Zwillman, who announced recently he planned to put up \$250,000 toward a one-million-dollar slum clearance project, was indicted after a nine-week investigation.

The 49-year-old former racketeer was charged with listing his income in 1947 as \$10,785, on which he paid a tax of \$2116. The Government said his income that year actually was \$50,034 on which he owed taxes of \$24,134.

The Government charged that in 1948, Zwillman listed income of \$20,548, on which he paid a tax of \$4411. He allegedly made \$70,966, on which he owed taxes of \$28,494.

5-199-A

NOT RECORDED
JUL 1 1954

Wash. Post and Times Herald _____
 Wash. News _____
 Wash. Star _____
 N. Y. Herald Tribune _____
 N. Y. Mirror _____
 Date: 27 1954

1-358

Mr. Tolson	_____
Mr. Nichols	_____
Mr. Boardman	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Parsons	_____
Mr. Rosen	_____
Mr. Tamm	_____
Mr. Nease	_____
Mr. Winterrowd	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

See

6
6/18/56

Zwillman Tax Trial

Jury Being Chosen

NEWARK EVENING NEWS
Newark, New Jersey

Date 1-18-56 Page 1

Edition Wald St.

SUBMITTED BY THE
NEWARK FIELD DIVISION

SE 43 5-199 - A
138 JAN 26 1956

77

64 JAN 27 1956

4 Alternates Going on Panel

Selection of a jury to try Abner (Longie) Zwillman on charges of income tax evasion began today before Federal Judge Reynier J. Wortendyke Jr.

The court announced that because the case was expected to take several weeks, and "because this is the season of colds," he had decided to take the unusual step of choosing four alternate jurors in addition to regular 12. The four alternates would serve in the event any regular jurors became ill or were otherwise disqualified.

Zwillman, prohibition era figure who has been active in many fields since those days, is accused of evading payment of \$46,100 in taxes for 1947 and 1948. He lives at 50 Beverly Rd., West Orange.

When a 1 p.m. recess was called for lunch, the defense and the government each had used two peremptory challenges. The defense is entitled to 10, and the prosecution to six.

Excused for Opinions

Several prospective jurors were excused by the court when they said they had formed prejudicial opinions about the case. One man was dismissed after he told the court that he had formed "a firm opinion" after seeing Zwillman on television, testifying before the Kefauver Senate Crime Investigating Committee.

Before the calling and examination of jurors, Judge Wortendyke denied several motions made by Morris Shilensky of New York, who is associated with John E. Toolan of Perth Amboy in Zwillman's defense.

Shilensky asked the court to direct the prosecution before the trial started to represent that testimony of expenditures by persons other than Zwillman will be connected with the defendant and his income. He specifically referred to any money spent by the defendant's wife, Mrs. Mary Zwillman, and her father, Eugene Mendels, who lives in the Zwillman household.

Wortendyke said he could not commit himself in advance to any general ruling that he would first have to hear testimony and any

(Continued From First Page)

objections made against any part of it.

In response to a question by the court concerning direct or circumstantial evidence of expenditures, U.S. Attorney Raymond Del Tufo Jr. said he would adduce all evidence of expenditures the government has as having been made by Zwillman, members of his family and others. He said the prosecution will have to connect expenditures by others with the defendant or those expenditures will fall.

Del Tufo also said the government's order of proof "cannot be dictated by the defense."

Dismissal Refused

Other defense motions denied by the court were for a dismissal of the indictment, an inspection of grand jury testimony of witnesses to appear in the trial and a hearing to take testimony concerning a lawn party given by the grand jury 10 days before the jury indicted Zwillman. In argument of pretrial motions, the court had ruled against motions of a similar character.

Shilensky argued that Zwillman was indicted on his own testimony as given to Internal Revenue Service agents in October 1947 in net worth and question and answer statements. He also contended that it was improper for the grand jury to hold a party attended by members of the U.S. attorney's office while Zwillman's case was under consideration.

The government's charges are based on an investigation begun June 10, 1952, by John J. O'Hara, special agent, and John G. Cassidy, revenue agent, both of the Internal Revenue Service.

They reportedly have interviewed more than 1,000 persons. More than 300 witnesses were examined by the grand jury in a nine-week probe which ended with Zwillman's indictment May 26, 1951.

Prosecution of the charges is being handled by Del Tufo and Asst. U.S. Attys. Wilfred W. Hollander and Pierre J. Garven.

Long Trial Predicted
Predictions are that the trial may run about two months, even though the prosecution and the defense have made preliminary efforts to shorten it by stipulating testimony of some witnesses and eliminating their examination. The defense is expected to argue many legal points concerning the government's evidence, which will be time-consuming, and to call a number of witnesses in Zwillman's behalf.

The panel from which the jury and probably two alternates is picked began service last week. The Zwillman trial is the first criminal case in which the jurors are being examined for duty. The defense is allowed 10 challenges, the prosecution six.

In a net worth-expenditure case, a taxpayer's returns are used by the prosecution in respect to gross and net incomes reported, together with exemptions and deductions, and compared with what the government says his net worth was at the beginning and end of the year. This is determined by the government through testimony on expenditures, savings, loans, earnings, dividends, profits and losses, or lack of them, as made by the taxpayer or by somebody else in his behalf.

Indictment

The indictment has two counts. One charges that Zwillman and his wife, in a joint return, should have reported a net income of \$50,033 for 1947 and should have paid a tax of \$24,133, instead of reporting a net income of \$10,785 and paying a tax of \$2,115. The other alleges that Zwillman's joint return for 1948 should have shown a net income of \$70,965 and a tax of \$28,493 instead of a net income of \$20,547 and a tax of \$4,411.

In an amended bill of particulars, the government has represented to the defense that Zwillman's net worth was \$574,268 on Dec. 31, 1946, and Jan. 1, 1947; \$486,466 on Dec. 31, 1947, and Jan. 1, 1948, and \$528,966 on Dec. 31, 1948.

The prosecution also proposes to prove that Mrs. Zwillman's net worth was \$33,976 on Dec. 31,

1946, and Jan. 1, 1947; \$99,689 on Dec. 31, 1947, and Jan. 1, 1948, and \$99,199 on Dec. 31, 1948.

The defense also was told by the prosecution that the government will show that great expenditures made by Zwillman, or by others in his behalf, were \$110,401 for 1947, and \$73,294 for 1948. Zwillman is being allowed the deductions claimed in his returns, plus \$10,781 for 1947 and \$2,581 for 1948.

ARK EVENING NEWS
ark, New Jersey

Page

MITTED BY THE
K FIELD DIVISION

Zwillman, Abner

Zwillman's Habits Told

'Extravagant,' 'Generous' but Not 'Cheat,' Says His Lawyer

John E. Toolan, counsel for Abner (Longie) Zwillman today described his client as a man who not only was devoid of any intent to cheat the government but had actually overpaid his income taxes.

Toolan painted this picture in opening for the defense in Zwillman's trial on charges of having evaded payment of taxes of \$46,100 for 1947 and 1948. Toolan presented this opening after Assistant U.S. Attorney Wilfred W. Hollander, opening for the government, told the jury they would be given enough facts to draw the fair inference that the defendant had deliberately cheated on his income tax returns in those years.

Toolan said that Zwillman had overpaid his 1947 taxes by more than \$18,000 and his 1948 by more than \$20,000. His client, he said, got refunds in those amounts. He added:

"A Man of Means"

"This is not a man with a criminal intent to cheat. The record shows that he estimated his taxes generously.

"He was a man of considerable means. Perhaps he was extravagant but it is no crime to spend money. He made no illicit expenditures. He spent the money on his wife and two children, on his home (50 Beverly Rd., West Orange) and on his father-in-law, Eugene E. Mendels, who lives with them.

"The government has kept a magnifying glass on what Mr. Zwillman paid for his groceries, on his bills for the butcher, the baker and candlestick maker. This man has lived in a glass cage."

Toolan emphasized that the government must prove beyond a reasonable doubt that the sums Zwillman spent in excess of his reported income was income earned "from some likely source in those particular years." He said the government would fail to present such proof.

All One Pocket

In the government's opening, Hollander said that the prosecution would show the money spent

by Zwillman's wife and by his father-in-law came essentially from Zwillman and therefore must be treated as a unit.

"As an example," he said, "in 1941 the defendant made a gift of the Public Service Tobacco Co. of Hillside to his wife. But the defendant draws a \$13,000 salary from that company, borrows money from it and personally lends the company's money to his friends without notes and without interest."

Hollander told the jury that the government had made an exhaustive investigation to make sure that the large sums spent by Zwillman in 1947 and 1948 had not been lent or given to him or inherited by him. He explained at length the net worth theory on which the government is basing its case. He added:

"John J. O'Hara, special internal revenue agent, made a model investigation. He inquired of every stock broker on the New York Stock Exchange. He went from store to store in certain towns. He covered every bank in the state.

"In 1947 the defendant spent \$110,000 on clothing, furniture, remodeling his house and sumptuous vacations. Some of these expenditures were made by Mrs. Zwillman. After allowing the defendant credit for all funds available to him in those years, we have \$40,000 unaccounted for in 1947 and \$50,000 in 1948."

The trial started today with a jury of 12 and three alternates in the box. One of the original jurors, Harry P. Anson of 19 King St., Morristown, was taken sick immediately after he was sworn in last Wednesday. He was still ill today and was excused by Judge Wortendyke. His

place was taken by Alexander Livingstone of 135 W. Pierrepont ave., Rutherford, the first of four alternates selected last week.

Defense counsel took depositions Friday from Mendels, 82, who is at the Zwillman home while recovering from an operation. Government lawyers attended and cross-examined Mendels. Depositions were authorized by the court on a plea by defense counsel that Mendels, a key witness, might not be able to come to court to testify.

Mr. Tolson	_____
Mr. Nichols	_____
Mr. Boardman	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Harbo	_____
Mr. Hendon	_____
Mr. Pennington	_____
Mr. Quinn	_____
Mr. Nease	_____
Miss Gandy	_____

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NEWARK EVENING NEWS
Newark, New Jersey

Date 1-27-56 Page 1
Edition Wall St

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- Mr. Tolson _____
- Mr. Nichols _____
- Mr. Boardman _____
- Mr. Belmont _____
- Mr. Mason _____
- Mr. Mohr _____
- Mr. Parsons _____
- Mr. Rosen _____
- Mr. Tamm _____
- Mr. Nease _____
- Mr. Winterrowd _____
- Tele. Room _____
- Mr. Holloman _____
- Miss Gandy _____

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May Quiz Longie's Relative

U.S. Might Seek Shift of Trial to W. Orange

The government will ask that the court and jury in the income tax trial of Abner Longie Zwillman go to the home of the defendant to take testimony from Zwillman's father-in-law, Eugene E. Mendels, 82, unless a deposition by Mendels is admitted into evidence.

Asst. U.S. Atty. Pierre P. Garven made this statement today to Federal Judge Reynier J. Wortendyke Jr. He disclosed the government's intention after defense counsel objected to the introduction of the deposition, which was taken Jan. 20 by court order at 50 Beverly Rd., West Orange, where Mendels lives with the Zwillmans.

Both sides conceded that, on the basis of letters from two physicians, Mendels is too ill to be subjected to an appearance in court. It was to guard against the possibility that he would be unable to make a courtroom appearance that the court granted the defense the right to question Mendels and the government to cross-examine him.

Says Prosecution Barred

The defense argued that under the federal code only the defense, and not the government, had the right to take depositions and to use them.

The judge, after hearing prolonged argument, indicated he would read pertinent cases before deciding the point.

Zwillman, a public figure since prohibition days, is accused of

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NEWARK EVENING NEWS
Newark, New Jersey

Date 2-8-56 Page 1

Edition Wall St.

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evading \$46,100 in income taxes for 1947 and 1948.

A government charge that Zwillman concealed sources of income and a defense charge that the prosecution was dealing in "half-truths" also marked the trial today.

Over defense objections, Asst. U.S. Atty. Wilfred W. Hollander read into the record today from Zwillman's 1946 tax returns a \$30,000 entry under "income from other sources—state nature." Hollander brought out that the nature of the other sources was not stated on the return.

Accountant Testifies

On the stand at the time was Israel M. Pogash, an accountant, who testified that he merely prepared Zwillman's returns on figures supplied by the dependant. Under questioning by Hollander, Pogash said that Zwillman did not tell him where the \$30,000 came from or did he ask him.

Hollander made it clear that the government was not disputing the net worth figures which Zwillman gave the Internal Revenue Service as of Dec. 31, 1946. He said the purpose of the testimony was to show that Zwillman could do business under somebody else's name and that the records of those concerns would not show Zwillman's interest in such business.

However, when Morris Shilensky of defense counsel, attempted to cross-examine Pogash further, Hollander objected to any questions that went beyond the scope of the direct examination. The court upheld the objection and Shilensky at once charged that the court was letting the witness leave the stand "with half-truths" in the record.

Crime Probe Cited

The Kefauver Senate crime committee investigation of "six years ago was brought into the trial yesterday." Over defense objections, Judge Wortendyke permitted the government to bring in committee testimony for the purpose of testing the credibility of I. George Goldstein, an accountant for Zwillman interests.

Zwillman contends that his wife Mary, and not he, owns a one-half interest in Public Service Tobacco Co. of Hillside.

Goldstein backed up this contention on the stand. He was then confronted with a statement he made before the Kefauver committee that "basically" Zwillman was a "50 per cent partner" in that enterprise. He admitted he had given that answer.

Later, when Shilensky took over questioning, Goldstein explained that the Senate probers had before them at the time company records which clearly showed that Mrs. Zwillman, and not her husband, was a co-owner. Goldstein said that when the committee counsel asked him, "Basically, that is Zwillman's company?" he answered Zwillman was a 50 per

cent owner because he interpreted it to mean ~~whether~~ basically Zwillman's family was the co-owner. The committee counsel could not have meant the legal ownership, he added, because that was set forth in the records before the probers.

Hollander demanded: "You were stating that Mr. Zwillman was a 50 per cent owner although his name did not appear in the company records?"

"Positively not," Goldstein replied.

Diamond T Case

Goldstein distinguished this from the case of the three Diamond T companies, in which he said loans totaling \$20,000 and a 60 per cent stock investment totaling \$5,000 all appeared on the books in his name—but "in trust for Mr. Zwillman." He explained ^{as} Zwillman had been concerned lest if he appeared openly as the ^{ey} real party in interest, the Diamond concerns might not get a ^{ge} GMC truck franchise.

Defense counsel repeatedly made the point that the actual status of the Zwillman interest—or lack of it—in the two companies appeared clearly in other ^E documents, and in any event was ^{ION} irrelevant to the question of whether Zwillman had falsified his 1947-1948 income tax returns.

A trust agreement between Goldstein and Zwillman was offered in evidence by the defense, but the court ruled it could not be introduced while the government is presenting its case.

Shilensky read into the record another portion of the Kefauver committee transcript which showed Goldstein gave the Senate investigators the same account of the Zwillman Diamond T interests as ~~he~~ presented in court here.

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Mr. Tolson	_____
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Mr. Boardman	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Nease	_____
Mr. Parsons	_____
Mr. Rosen	_____
Mr. Tamm	_____
Mr. Winterrowd	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

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6-10

Toolan Hits 'Assumption'

Zwillman Counsel Raps Calculations Made by Revenue Agent

The question of whether the government's expert witness knows, if not his onions, at least his potatoes, was injected into the income tax evasion trial of Abner (Longie) Zwillman by defense counsel today.

John E. Toolan, counsel for Zwillman, in cross-examining Leo Ascher, Internal Revenue agent and expert witness for the government, attacked Ascher's calculations that Zwillman had failed to report about \$45,000 in 1947 and about \$43,000 in 1948 as income.

Zwillman is on trial before Federal Judge Reynier J. Wortendyke Jr. and a jury on charges of having evaded \$38,911 in taxes for those years. The government bases its accusation on the contention that Zwillman spent far more in the two years than can be accounted for by his declared income and by changes in his net worth.

Attacks "Assumption"

Toolan concentrated his fire today on what he termed the "assumption" by the witness that

Continued Page 2, Column 3

NEWARK EVENING NEWS
Newark, New Jersey

Date 2-23-52 Page 1

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any unaccounted for expenditures were necessarily unreported income for the particular years.

"Suppose," Toolan asked, "that in 1947 the defendant had 109,594 potatoes and you took away from that 63,723 potatoes. You would have left, wouldn't you, 45,871 potatoes?"

The witness nodded. "But," Toolan went on, "you converted expenditures into so-called unreported gross income?"

"That's right," the witness said.

Adding and Subtracting

Toolan continued to attack the witness's conversion of unaccounted for expenditures into unreported income. The witness had testified that in 1947 he calculated that Zwillman had spent \$109,594, of which only \$63,723

could be accounted for by income or net worth changes.

Under cross-examination, Ascher also conceded that most of the schedules he had prepared required no particular expert skill because they involved merely adding or subtracting figures in Zwillman's tax returns and others testified to in the trial.

After the cross-examination, the redirect and the re-cross are completed, and Ascher finally steps down, the government will rest.

Then lengthy debate is anticipated—a full day or more—on a flood of defense motions, including one asking the court to acquit the defendant without further ado on the ground that the government has failed to make out a prima facie case.

While this legal argument continues the jury will be excused. The trial began Jan. 12, five weeks ago yesterday.

NEWARK EVENING NEWS
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