

MEMO TO: Curtis K. Marcum #2029, Commander, Organized Crime Bu:
FROM: Elizabeth A. Leupp, Analyst, Organized Crime Bureau
DATE: June 6, 1991
SUBJECT: SHAPIRO HOMICIDE INVESTIGATION

Sir:

An analytical project was opened in 1985 as a result of the mob-style murder of Arthur Shapiro, a local attorney in the law firm (then) of Schwartz, Shapiro, Kelm and Warren.

Because of the strong similarities between this homicide and a Mafia (L.C.N.) "hit", the analysis included an in-depth study of major L.C.N. groups having contact in/near the central Ohio area. These groups seem to include crime "families" in Chicago, Detroit, Cleveland, Pittsburg, and to some degree, the Genovese family in New York City.

There seems to be very little reliable investigative literature concerning the Chicago and Detroit groups. However, we do have access to reports from MAGLOCLIN, the Pennsylvania Crime Commission and the New Jersey Commission of Investigation with reference to groups in Ohio and areas to the east of us. The attached L.C.N. information was lifted (and in many cases, blatantly plagiarized) from those sources.

Over time, the analysis of the Shapiro homicide became greatly expanded and more complex with the development of unusual interactive relationships between the following business organizations:

- (a) The Major Chord Jazz Club and its parent/investment groups (now defunct),
- (b) The Limited and its investment interests,
- (c) The Walsh Trucking Company and the alleged relationship between owner Frank Walsh and the Genovese crime family,
- (d) The law firm now known as Schwartz, Kelm, Warren and Rubenstein (homicide detectives report that the name was changed within hours of Shapiro's homicide),
- (e) Omni Oil Company (dba Omni Petroleum, Omni Exploration),
- (f) The Edward DeBartolo Corporation, of Youngstown, Ohio, and the alleged relationship between owner Edward DeBartolo and the Genovese crime family;
- (g) John W. Kessler, local developer.

The attached link diagram illustrates these apparer relationships.

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The primary source(s) of our information are intelligence summaries from investigators in our bureau, intelligence from MAGLOCLLEN, the Pennsylvania Crime Commission, and the New Jersey Commission of Investigation, and published reports from major media (newspapers, periodicals). Copies of relevant reports are available for reference.

I. Historical Data (does not necessarily reflect current conditions):

A. The Major Chord Jazz Club and Jesry II Limited Partnership (now defunct).

1. Jesry II Limited Partnership was formed to own and manage the jazz club. This partnership is operated by Jesry II Corporation, of which Jerry Hammond was president. Mr. Hammond was also president of Columbus City Council at the time.
2. SNJC Holding, Inc. is named as an investor in the jazz club. It was incorporated August 6, 1987 by James H. Balthaser, attorney with Schwartz, Kelm, Warren and Rubenstein. This law firm is/was legal counsel for The Limited.

The address for SNJC Holding is Suite 3710, Huntington Center, the same address as Wexner Investment Company.

3. W & K Partnership was not registered and its owners could not be positively identified, but it is listed as an investor in the jazz club.

It is noted, however, that Wexner and Kessler are co-developers of "Wexley", and there was an annexation dispute involving the city of Columbus and "Wexley" land. It is possible that W & K Partnership was the forerunner of the New Albany Company through which Wexner and Kessler developed "Wexley".

4. The Smith-Hale Partnership was the investment of Ben W. Hale, Jr., and Constance Smith in the jazz club. Mr. Hale and Mrs. Smith's husband, Harrison W. Smith, are partners in the law firm of Smith and Hale, who represented "Wexley" developers Wexner and Kessler in the land annexation dispute.

B. Other Related Entities:

1. The law firm now known as Schwartz, Kelm, Warren & Rubenstein represented The Limited. Prior to his death, Arthur Shapiro managed this account for the law firm; Stanley Schwartz, senior partner, took over the account when Shapiro died.
2. Wexner Investment Company was incorporated December 31, 1987 by Stanley Schwartz as agent.
3. Samax Trading Corporation, a company Wexner controls, was incorporated in July 1985 by Stanley Schwartz who described the purpose: "the privately held company is engaged in business liquidation."
4. Through Samax, Wexner acquired 70 percent of Omni Exploration (dba Omni Oil) in August 1985. Stanley Schwartz was elected to the board of directors with Wexner.
5. Walsh Trucking Company is/was the major trucking company for The Limited. Francis "Frank" Walsh, owner and president, allegedly has strong ties to the Genovese crime family.

In July 1984, National Westminster Bank of New York notified Frank Walsh Financial Resources (Company) that the New York Department of Law Organized Crime Task Force had issued a subpoena for Walsh's bank records. The notice was addressed to Frank Walsh Financial Resources at One Limited Parkway--the address of The Limited.

6. Leslie Wexner and the Youngstown, Ohio developer, Edward J. DeBartolo, have a long history of partnership in business dealings. Mr. DeBartolo allegedly has strong ties to the Genovese/LaRocca crime family.

C. Other Data Supporting Linkage:

1. Harold L. Levin, president of Wexner Investment Company, is also vice-president of P.F.I. Leasing Company. The two companies share a common telephone number on the 37th floor of the Huntington Center office building.
2. The 37th floor of the Huntington Center is also the address for the John W. Kessler Company and the New Albany Company.

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3. The Wexner Investment Company also has an office in Suite 1675 of the Huntington Center, as does First Intercontinental Realty and Omni Exploration. The 16th floor is also one of two offices for the law firm of Schwartz, Kelm, Warren & Rubenstein.
4. In April 1986, Richard W. Rubenstein (Schwartz, Kelm, Warren & Rubenstein) was cited for speed in a vehicle registered to P.F.I. Leasing Company.
5. In Bexley, Leslie Wexner and Stanley Schwartz are/were next door neighbors. Harold Levin lives across the street from them.

D. Robert Morosky

1. Arthur Shapiro was reportedly in direct contact with Vice-Chairman Robert Morosky ("Number Two") at The Limited.
2. It has been noted that Les Wexner and Edward DeBartolo have a long history of business partnerships.
3. In June 1987, Robert Morosky abruptly and inexplicably left his employment with The Limited amid rumors of friction with Les Wexner.
4. Morosky then appeared in the hierarchy of Campeau's Allied Stores amid rumors that Wexner had planned to acquire the stores.
5. DeBartolo had loaned financial backing to Campeau's investment in Allied and Federated.

II BASES FOR CONCLUSION

A.

Arthur Shapiro, a local attorney in the firm (then) Schwartz, Shapiro, Kelm & Warren, was murdered March 6, 1985 in a homicide having strong marks of a Mafia (L.C.N.) "hit". The homicide remains unsolved at this date.

While all alternatives remain open for investigation, the homicide is considered to be and is being treated as a "hit".

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The motive is unknown. Homicide Squad investigators interviewed a number of associates, including the immediate family of the victim. Consensus was that Shapiro was a quiet, shy, private, secretive person and tended to be a "loner". No one could suggest a reason for his murder.

It was learned that Shapiro was the subject of an investigation by the Internal Revenue Service because he had failed to file income tax returns for some seven years prior to his death, and he had invested in some questionable tax shelters.

The homicide occurred one day prior to Shapiro's scheduled appearance before a Grand Jury in the I.R.S. investigation, and there was some conjecture that Shapiro was in position to provide information to the Grand Jury that would have been damaging to some other party. The identity of that party and the nature of that information, however, could not be determined with any certainty.

Given the Mafia "hit", another question is the identity of an individual who had the necessary contacts in the L.C.N.--and the personal financial resources--to buy the contract.

Thus, while the motive remains unclear, the suspect is an individual who (a) knew Shapiro and had some personal/professional contact with him; (b) would benefit from his death or from ensuring his silence; (c) had close contact with L.C.N. figures or trusted L.C.N. associates; and (d) had the personal financial resources to afford the cost of the contract ("hit").

B.

Edward DeBartolo is a real estate developer out of Youngstown, Ohio, and is associated with Les Wexner of The Limited in Columbus. These subjects have a well-known history of business and investment partnerships, and in 1986, attempted jointly to acquire Carter-Hawley-Hale Department Stores.

Francis J. "Frank" Walsh is owner and chief executive officer of Walsh Trucking Company out of New Jersey. Walsh Trucking is/has been primary transporter for The Limited in Columbus. In July 1984, Walsh was being investigated by the New York Organized Crime Task Force; notices to this effect were addressed to Walsh at One Limited Parkway, Columbus.

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Both DeBartolo and Walsh have been identified as associates of the Genovese-LaRocca crime family in Pittsburgh (now called simply the Pittsburgh Family).

Thus, it can be determined that Les Wexner, through The Limited, is associated with at least two (2) organized crime figures who are associated with the Pittsburgh crime family.

C.

In 1990, a follow-up analytical study found that Mr. Hammond's jazz club and investment company were no longer doing business, and Mr. Hammond had retired from City Council. At Mr. Hammond's recommendation, the vice-president of his jazz club, Ms Les Wright, was seated in his vacancy in City Council.

DeBartolo and Walsh were still considered associates of the Genovese-LaRocca crime family, and Walsh was still providing truck transportation for The Limited. Robert Morosky had moved from The Limited to Allied Stores now owned by Robert Campeau with financial backing from DeBartolo.

All other entities in the original study had co-located in close proximity in the Huntington Center office building.

III CONCLUSION: HYPOTHESIS

From the predicate facts presented, it appears that Les Wexner had established contact with associates reputed to be organized crime figures, one of whom was a major investment partner and another was using The Limited headquarters as a mailing address.

It is not known whether there are other such figures among Wexner associates, but it can be hypothesized that the Genovese-LaRocca crime families might consider Wexner a friend.

Like Arthur Shapiro was, Wexner is considered a very secretive, very private person, and little is known about his business transactions that might raise questions of ethics and legality. For example, while it cannot be proved, it is hypothesized that W & K Partnership was an investment of Wexner and Kessler in Jerry Hammond's jazz club hoping to influence favorable zoning and annexation considerations for "Wexley". At the very least, there would be some question of ethics in this transaction.

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It was reported that Jerry Hammond purchased suite 405 in Waterford Tower in August 1988, and there was some question of whether Mr. Hammond's income at the time would support the mortgage payments. Within the next 18 to 24 months, Mr. Hammond left his position with City Council and with the gas company, and the jazz club closed. According to the 1991 Haines directory, Mr. Hammond still resides at Waterford Tower.

While transactions such as this would be questionable for homicide, it is transactions such as this--and business associates with organized crime ties--that lead to a question of ethics and legality of other unknown transactions and associates with which Wexner may be involved.

While there is no question of ethics or legality on the surface, it is noted that some business organizations and individuals have co-located and become submerged without merging with Wexner and his varied business interests. Most notable is Stanley Schwartz and the large Schwartz, Kelm, Warren and Rubenstein law firm. It is not clear, for example, why Stanley Schwartz would join the board of Omni Oil with Les Wexner whether or not the law firm represents The Limited. While The Limited would be an important client, the large law firm seems to remain independent of corporate bondage.

Thus, the concluding hypothesis is that Arthur Shapiro could have answered too many of these sorts of questions, and might have been forced to answer them in his impending Grand Jury hearing; Stanley Schwartz might now be able to answer some of the same questions for the same reason, but does not face a Grand Jury, is immersed in the pattern himself, and now has a powerful incentive to maintain discretion.

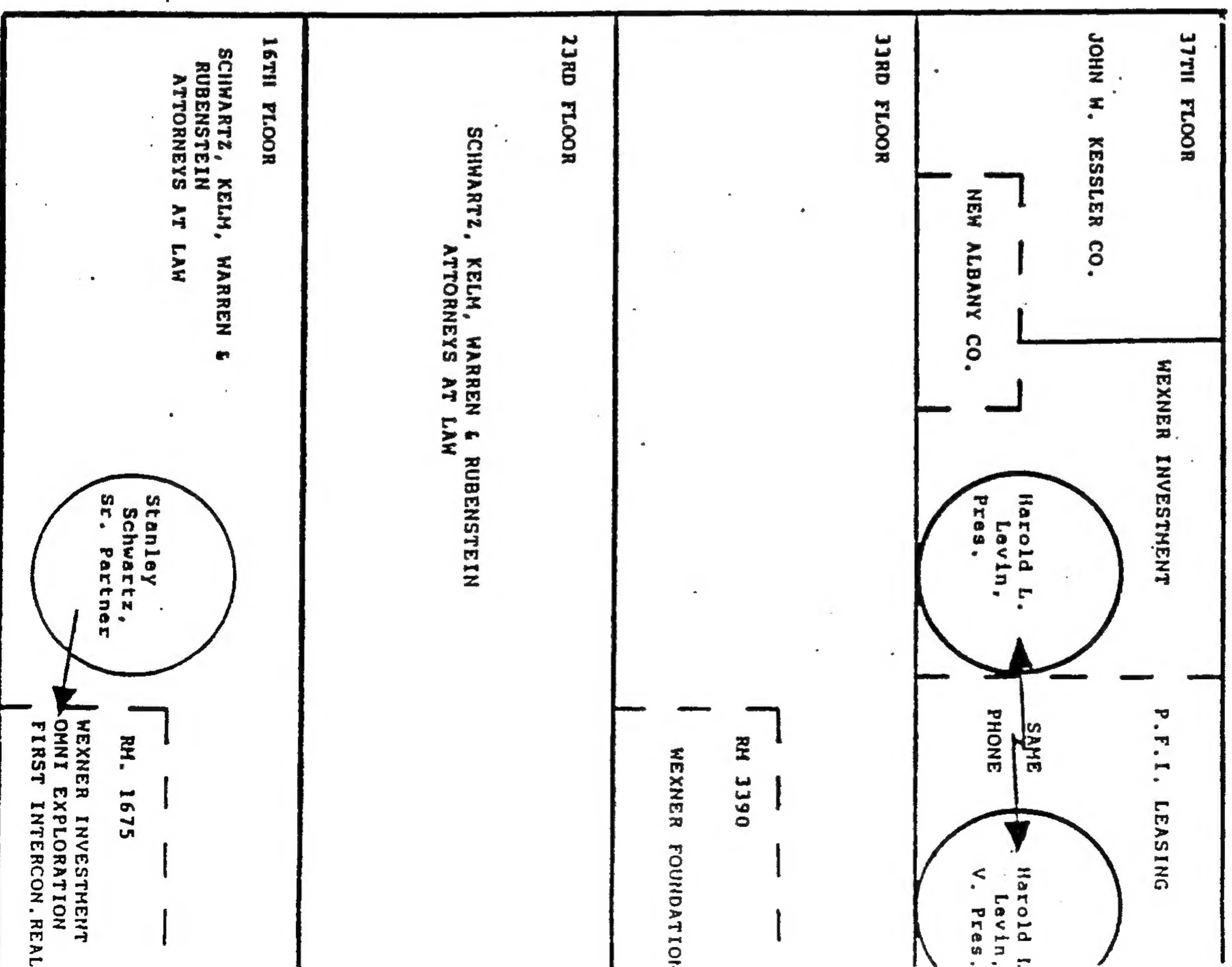
While the motive for the Shapiro homicide remains unclear, the suspect is an individual who (a) knew Shapiro and had some personal/professional contact with him; (b) would benefit from his death or by ensuring his silence; (c) had close contact with L.C.N. figures or trusted L.C.N. associates; and (d) had the personal financial resources to afford the cost of the L.C.N. contract ("hit").

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HUNTINGTON CENTER OFFICE BLDG.
41 SOUTH HIGH STREET

AUGUST, 1990

AUGUST, 1990



WEXNER INVESTMENT
OMNI EXPLORATION
FIRST INTERCON.REAL