Dark Quadrant

Organized Crime, Big Business, and the Corruption of American Democracy From Truman to Trump

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In 1958, the US attorney for the southern district of New York told an audience of his peers:

'In this country today, we have a second government . . . eating at the democratic and moral foundations of our society. This *invisible government* has millions of dollars at its disposal. It issues its own edicts. It enforces its own decrees. It carries out its own executions. It collects its own revenues. It includes the major criminals of the country, and it has as its allies some public officials tempted by the lure of money and power, as well as short-sighted business and labor leaders.' (p. 17) (emphasis added)

This book tries to describe that 'invisible government'. Or, as Marshall puts it in his introduction:

'It tells a largely neglected story of how well-protected criminals systematically organized the corruption of American politics and business at a national level in the post-World War II era.' (p. 2)

To do this, he goes a fair way off the main historical road. One example is the inclusion of the TFX affair from the 1960s, in which the US government allegedly² spent billions on an inferior aircraft because the procurement process was corrupted. If you are going to be digging in those kind of obscure corners you'll end up synthesising a lot of fragments. As a result, 120 of

¹ So that is one 'invisible government'. Six years later David Wise and Thomas Ross published their ground-breaking book about the world of intelligence and also called it *The Invisible Government*. The text is online at https://tinyurl.com/37atentp or https://archive.org/details/HourOfTheTime11012013TheInvisibleGovernmentDavidWise.

² I write 'allegedly' here because not everyone thinks there was a scandal at all. See, for example, James DiEugenio, who argues that the TFX was the appropriate plane at the time. https://kennedysandking.com/john-f-kennedy-articles/was-the-tfx-case-a-scandal Even if this is so, Marshall shows the bribes at work.

Marshall's 383 pages are notes, documentation. You can get a feel of how the book has been constructed by reading an essay of Marshall's which is in *Lobster* 73.³ That is included in this book.

Marshall began in the early 80s, inspired by Peter Dale Scott's notion of parapolitics.⁴ However he abandoned that concept for Scott's subsequent 'deep politics'.

'In this book, I examine deep politics as a form of *organized and* systematic corruption, or covert influencing of policy and administration, on a scale that subverts national democratic norms.' (p. 18) (emphasis in the original)

This is generally ignored by contemporary historians.

'If most general chroniclers of modern US history slight [i.e. diminish] the issue of corruption, their works render virtually invisible one of its causes, organized crime. There is no legitimate reason for this aversion, which borders on abdication.' (p. 4)

'[B]orders on abdication' is about right. To cite just one example he highlights: Robert Caro's quartet of books about LBJ, Arthur Schlesinger's account of the Kennedy administration, A Thousand Days, and Robert Dallek's recent much praised two volume Lyndon B. Johnson: Portrait of a President,⁵ all ignore the TFX affair which straddled the Kennedy and Johnson administrations – and which was reported on at the time.

Marshall works his way from the Truman administration through to Nixon in great detail.

'Using a wide range of original archival materials, declassified intelligence files, and other sources, I describe ways in which political and business actors, all the way up to presidents and major corporate chieftains, developed alliances with sophisticated criminals during the Cold War. To illustrate the nature of these alliances, I focus selectively on the criminal associations of three presidents—Harry Truman, Lyndon Johnson, and Richard Nixon—and their administrations.' (p. 18)⁶

Of the Truman period's scandals he notes:

^{3 &}lt;https://www.lobster-magazine.co.uk/free/lobster73/lob73-blackmail-deep-state.pdf>

⁴ Examples of Marshall's newsletter, *Parapolitics/USA*, in those pre-computer days, are on his Scribd feed at https://www.scribd.com/user/79032933/Jonathan-Marshall/uploads.

⁵ See, for example, https://tinyurl.com/2h4t5nyf or https://tinyurl.com/2h4t5nyf or <a href="https://bestpresidentialbios.com/2017/10/06/review-of-lyndon-b-johnson-portrait-of-a-president-by-robert-dallek/.

⁶ The focus on 'criminal associations' is why Marshall ignores the Billie Sol Estes story in relation to LBJ: there were no organised crime links. Email from Marshall to the author.

'The only scholarly volume on those scandals, by Andrew J. Dunar, calls them "tempests from teapots" resulting from "minor flaws in Truman's makeup." As chapter 2 explores in detail, such assessments hardly seem valid ways to characterize revelations that rocked the Internal Revenue Bureau, Reconstruction Finance Corporation, Democratic National Committee, and the White House itself, leading to dozens of resignations, indictments, and convictions and contributing to Truman's humiliating defeat in a 1952 presidential primary race.' (p. 3)

It is hard not to conclude that academics have mostly omitted the organised crime-politics connections either because they simply haven't read widely enough, or because they regard it as potentially bad for their careers.

Famously, the FBI's J. Edgar Hoover was also not interested in the pursuit of organised crime. This is generally thought to be because Hoover was obsessed with the 'communist threat'. Even after the 1957 accidental discovery of the meeting of the Mafia's upper echelons at Apalachin, in New York State,

'... as of 1959, the bureau's New York office still assigned more than four hundred agents to Communism, but only four to organized crime'. (p. 14)

But the real explanation may be more banal: he was probably being paid off. Bobby Baker, LBJ's bag-man, said of the Murchison family from Texas, who spread their oil money around Washington:

'Murchison owned a piece of Hoover . . . Rich people always try to put their money with the sheriff, because they're looking for protection . . . That's why men like Murchison made it their business to let everyone know Hoover was their friend. You can do a lot of illegal things if the head lawman is your buddy.' (p. 149)

In large part this is the story of people like Bobby Baker: the go-betweens and the five percenters, as they were sometimes called. It is the story of the influence peddlers in American politics. These men – and they do seem to have all been men – often lawyers, were the link between the political system and organised crime. They knew who would take a bribe and who would give the politicians cash. As the cost of fighting elections rose, politicians took money from wherever it would come; and some of it came from crime. Equally, as the American economy grew in the post-war era and the US government spent hundreds of billions of dollars, largely on military projects, there were enormous opportunities for what used to be called graft.

Marshall's research suggests that this corruption of the political system reached some kind of post-war peak under Bobby Baker and LBJ. Baker opened a nightclub-cum-brothel in Washington, the Quorum, where the

people with the money and politicians with the contracts to award could meet, get hammered, get laid and get rich. But it was all becoming too open and too gross. Inquiries into Baker's deals with Mob figures, that began while LBJ was vice-president, were not discouraged by the Kennedys as they wanted LBJ off the ticket for the 1964 election. This simmering scandal threatened to end LBJ's political career, but JFK was killed. When he was eventually prosecuted, Baker kept his mouth shut and LBJ just managed to keep the lid on things

The Nixon regime which followed LBJ continued doing deals with the Mob, notably through Nixon's old friend Murray Chotiner⁷ and the Teamster's union, which had been taken over by the Mob and was being asset stripped by it. Even so, the Nixon government didn't try to block the Organized Crime Control Act of 1970,8 promoted by Senator John McClellan. One part of that was the Racketeer Influenced and Corrupt Organization (RICO) Act. Marshall quotes Clark Mollenhoff's claim that the 1970 act was used by the Nixon administration mostly to target the criminal funders of Democratic politicians. RICO eventually led to the prosecution of many Mafia figures and the old Mob slowly ceased to be a major force in the funding of politicians, eventually being replaced in that role by corporations and rich individuals.

The chapters on Bobby Baker, Nixon and the Mob, and the road to Watergate, contained much that was new to me; and even the few sections with which I was familiar are treated in enormous detail and thus felt fresh. For example here's a paragraph on the Nixon White House and journalist Jack Anderson, who was reporting on Watergate.

'Meanwhile, others in the White House sought simply to discredit Anderson. They called in investigators from the FBI, the IRS, and even a high-powered private eye service, which at the same time was investigating [Robert] Maheu on behalf of the [Howard] Hughes organization. The CIA's Office of Security assigned sixteen agents to surveil Anderson's every move, in blatant violation of the agency's charter.James McCord—recently retired from the CIA's Office of Security to become the security director for the Nixon reelection campaign—assigned one of his own employees to infiltrate Anderson's office. Among other

⁷ Marshall's footnote 4 of chapter 8 reads:

^{&#}x27;Chotiner was appointed special counsel [by Nixon] on January 13, 1970. He resigned in March 1971 to represent Jimmy Hoffa and other private clients. However, he continued to advise the president and worked on Nixon's 1972 reelection campaign. Some of Chotiner's political memos may be found in the White House Central File, Alphabetical Name Files, Chotiner, Murray, Nixon papers, Nixon Library.'

⁸ This act is not indexed in Nixon's memoirs at https://archive.org/details/rnmemoirsofricha00nixo.

things, McCord learned about Anderson's personal and business connections to Larry O'Brien, Hank Greenspun, Edward Morgan, and even to Irving Davidson, the Mafia-connected lobbyist for Jimmy Hoffa. It was enough to prove that even a paranoid like Nixon really did have enemies.' (p. 213)⁹

In Marshall's view,

`. . . the scandal we call Watergate was not one single conspiracy by Nixon, nor a simple conspiracy by his opponents to run him from office. Rather, it was the culmination of many smaller plots and pressure campaigns mounted over the years by influential power brokers, drawing on their knowledge of the country's darkest political and national-security secrets. Watergate was like an eruption of pus from a sore on the body politic that had been festering for more than a decade.' (p. 217)10

The final chapter is mostly about Donald Trump, portrayed by Marshall as one of the transition figures between the old (Mob) corruption and the new.

'As a young real estate developer in the 1970s, Donald Trump hooked up with New York mob attorney Roy Cohn—described by Trump biographer Wayne Barrett as "a walking advertisement for every form of graft, the best-known fixer in New York"—to fight federal charges of discriminatory housing rentals. Cohn became a mentor to the up-and-coming property magnate. Both were attracted to the challenges of working political angles and underworld connections to defeat business competitors. To build his landmark Trump Tower and Trump Plaza in Manhattan, Trump hired demolition workers controlled by the Genovese crime family and purchased concrete from companies owned by bosses and associates of several New York Mafia families. Trump knew exactly what he was doing; one associate of Cohn recalled a meeting the attorney arranged between Trump and Genovese family underboss Anthony Salerno at his town house in 1983. In addition, Trump used Cohn to deal with John Cody, a convicted racketeer and Gambino family associate who headed Teamster Local 282, a mainstay of the building trades unions. As a goodwill gesture, Trump sold six prime units near the top of Trump Tower to a beautiful Austrian

⁹ Like Irving Davidson, Morgan was a five percenter.

¹⁰ This can be neatly illustrated by the group of clients of 'super lawyer' Edward Bennett Williams as presented by Marshall. From the CIA there was sometime Agency director Richard Helms; from the Teamsters union came Dave Beck and Jimmy Hoffa; from the Mafia Sam Giancana and Frank Costello; and from the political world came Joe McCarthy, Bobby Baker, the *Washington Post* and the Democratic National Committee.

friend of Cody's and provided her with extraordinary assistance in making renovations. Such relationships helped Trump avoid potentially crippling work stoppages on his building projects.' (p. 226)¹¹

And then came all the money from Russia. Marshall quotes Masha Gessen, at the height of the special prosecutor's investigation of Trump and Russia, in early 2019:

'What we are observing is not most accurately described as the subversion of American democracy by a hostile power. Instead, it is an attempt at state capture by an international crime syndicate. What unites [the various players] is that they are all crooks and frauds. This is not a moral assessment, or an attempt to downplay their importance. It is an attempt to stop talking in terms of states and geopolitics and begin looking at Mafias and profits.' (p. 231)

Added to which, changes in the last twenty years to the rules of the political game mean there is virtually no regulation of legal political spending in US politics.

'As a result, money now rules American politics. A *New York Times* investigation found that a mere 158 families and their companies contributed nearly half of all the early money to presidential candidates in the 2016 election, reflecting both the rapid rise in wealth of the top 0.1 percent and the dismantling of most campaign funding laws. Another analysis determined that just seven Republican superdonors—collectively worth an estimated \$142 billion—invested more than \$350 million into federal and state campaigns in 2016.' (p. 234)

The ongoing court cases against Trump and inquiries into his activities may fill in some of the details; and some of the background chatter in the Democratic Party of reform of campaigning funding laws may come to something. But I don't think anyone is holding their breath for that.

One of Ronald Reagan's speechwriters had him describe the U.S. as 'the

¹¹ Marshall's note at the end of that paragraph is this:

^{18.} Barrett, *Trump*, 131, 195–201; Craig Unger, *House of Trump, House of Putin: The Untold Story of Donald Trump and the Russian Mafia* (New York: Dutton, 2018), 24–25; Robert O'Harrow Jr., "Trump Swam in Mob-infested Waters in Early Years as an NYC Developer," *Washington Post*, October 16, 2015; David Cay Johnston, "Just What Were Donald Trump's Ties to the Mob?" May 22, 2016, http://www.politico.com/magazine/story/2016/05/donald-trump-2016-mob-organized-crime-213910; Linda Qiu, "Yes, Donald Trump Has Been Linked to the Mob," March 2, 2016, https://www.politifact.com/truth-o-meter/statements/2016/mar/02/ted-cruz/yesdonald-trump-has-been-linked-mob/; Jeff Stein, "Donald Trump's Mafia Connections: Decades Later, Is He Still Linked to the Mob?" January 10, 2019, https://www.newsweek.com/2019/01/18/donald-trump-mafia-connections-decades-later-linked-mob-1285771.html.

shining city on a hill'. Marshall's dazzling account shows that this had as little connection with reality as the 'Soviet threat' which accompanied the rise of the American empire in the first four decades of the post-WW2 era.