

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
OF FLORIDA IN AND FOR THE COUNTY OF DADE

FALL TERM A. D. 1966

FINAL REPORT OF THE GRAND JURY

Filed

May 9, 1967

Circuit Judge Presiding

JAMES W. KEHOE

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CAPITAL AND OTHER CRIMINAL CASES PRESENTED TO THE GRAND JURY

<u>Defendant</u>	<u>Charge</u>	<u>Disposition</u>
JOHN W. ROZIER	Rape	True Bill
JERRY REID	Rape	True Bill
HARRY CLYDE SELLERS	Rape	True Bill
GLENN BARON	Bribery (Two Counts)	True Bill
ALLEN JAY COTTON and MICHAEL MILES BELSKY	First Degree Murder	True Bill
MARCIA LENETTE BETHEL, NORMAN PARKER, JR., MATHEW LEE DIXON and RONALD RANDOLPH	First Degree Murder	True Bill
NATHANIEL WASHINGTON	Second Degree Murder	True Bill
JOHN WESLEY SLONE	First Degree Murder	True Bill
THOMAS G. RICHARDSON	Rape	True Bill
GEORGE LEO MANON	First Degree Murder	True Bill
BOBBY ALLEN BYNUM, LAWRENCE FRANKLIN and WOODROW WILLIAMS, JR.	First Degree Murder	True Bill
JAMES WILLIE GRAYER	Rape	True Bill
ROY LEE YOUNG	First Degree Murder	True Bill
ROBERT STANLEY HERDZIK	First Degree Murder	True Bill
JACQUELINE HUGHES	Perjury	True Bill
RAYMOND RHOME	Rape	True Bill
JAMES A. HADDAD	Accepting a Bribe (3 Counts) Prostitution (3 Counts)	True Bill
JOHN ADAMS, JAMES EDWARD LENARD, THEADORE PENDERGRASS and DONALD ROBINSON	Rape	True Bill
EDWARD HERMAN SMITH	First Degree Murder	True Bill
H. T. RAINWATER, also known as "RED" RAINWATER	Perjury	True Bill
JAMES DEMETREE	Operating a Building for Prostitution	True Bill

<u>Defendant</u>	<u>Charge</u>	<u>Disposition</u>
GEORGE VIZENTHAL	Perjury	True Bill
RALPH J. SELLERS, JR. and RUE GEWERT	Tapping a Telephone Line	True Bill
JAMES C. DAYTON and GEORGE VIZENTHAL	Conspiracy to Commit Grand Larceny and Grand Larceny	True Bill
ROBERT PAUL ELLIOTT	Rape	True Bill
ROBERT PAUL ELLIOTT	Rape	True Bill
ALBERTO SARMIENTO	Soliciting Bailbond Business and Paying a Fee to a Jailer	True Bill
ALBERTO SARMIENTO	Soliciting Bailbond Business and Paying a Fee to a Jailer	True Bill
MICHAEL GONZALEZ and JOSEPH A. GONZALEZ, also known as JOSEPH GUNNE	Conspiracy to Commit Bribery Accepting a Bribe	True Bill
MICHAEL GONZALEZ	Perjury	True Bill
JOSEPH A. GONZALEZ, also known as JOSEPH GUNNE	Perjury	True Bill
JOSE ABBAY	Unlawful Practice of Medicine	True Bill
JOSE ABBAY	Unlawful Practice of Medicine	True Bill
WALTER J. EDMONDS	Perjury	True Bill
ELENA EDMONDS	Perjury	True Bill
ANTHONY CICERO	Perjury	True Bill
AL ROBINSON MOORE	Perjury	True Bill

TO THE HONORABLE JAMES W. KEHOE, CIRCUIT JUDGE
OF THE ELEVENTH JUDICIAL CIRCUIT OF FLORIDA

The Fall Term 1966 Grand Jury of Dade County, Florida, submits herewith its Final Report.

The control of crime does not lie solely in successfully apprehending and arresting suspects and/or the impartial meting out of punishment to offenders, no matter how unrelentingly these may be pursued. These are admittedly essential. The control and eradication of crime require that more fundamental attention be given to the conditions favorable to the breeding and spreading of crime. Conditions which breed crime must be attacked as vigorously as the punishment thereof.

It has not escaped our attention or concern that the densely populated slum-ridden areas account for a disproportionate share of the crimes committed in this community. The number of capital offenses involving juveniles presented to this Jury has been the source of more than nominal concern.

Crime not only reflects the effectiveness with which law is enforced, but reflects as well the quality of education, availability of employment, comprehensiveness of family welfare services, density of population, adequacy of housing, and recreational facilities a community provides.

There is also incumbent upon each citizen the responsibility not only to be aware of the total community social problems, but personally to participate in the reporting of crimes, and in developing youth programs that foster good citizenship.

We have focused our attention on bribery and corruption. Our investigations have taken us into the substantive areas of tax assessment, prostitution, gambling, abortion, jail procedure, etc. We have investigated these areas to the extent of determining what corruption, if any, exists

and how law enforcement can be made more effective.

In addition to the 18 Capital Cases processed by this Grand Jury, many other matters affecting the welfare of our community were investigated, some of which resulted in indictments. The following is a summary of our work:

COORDINATION

The responsibility for investigating crimes is divided among a multitude of federal, state, county and local law enforcement agencies. There is a concurrent, or at least overlapping jurisdiction between many agencies in most areas of criminal investigation. We find that there is a general lack of communication and cooperation between these agencies on most overlapping investigations.

The time has come to unite against a common enemy. Crime and the moral decadence it spreads pose a serious threat to the citizens of Dade County. Each citizen is threatened by this menace, regardless of his or her political affiliation or primary allegiance to any particular city, county, state or other governmental subdivision.

We call upon our elected and appointed officials of all parties at all levels to join hands and enforce the laws together. So long as there is a fight for personal credit and publicity, there cannot be effective law enforcement.

BOLITA

Illegal services provided customers by organized crime yields the financial profits necessary for organized crime to purchase power. Frequently this power is used to place public officials in office, thereby nullifying the political process. Often this power is used to bribe public officials, thereby nullifying law enforcement. While many regard Bolita

as an innocuous penny ante diversion for low income groups, it is really a lottery of sizeable proportions. It is estimated that the gross yearly take in this area is in excess of seventeen million dollars.

This Grand Jury devoted a considerable portion of its resources to conducting an investigation of alleged widespread Bolita operation in Dade County. We believe that Bolita exists and thrives only under the following conditions:

1. Public Involvement - Gambling is a service offered by criminals to the public. The financial success of the criminal is dependent upon public acceptance of the service. Purchasers of Bolita are no less guilty than vendors!
2. Public Apathy - The citizenry does not appear to comprehend the magnitude of this offense or the disrespect for law that gambling fosters.
3. Lack of Proper Law Enforcement - We are aware of the difficulty encountered by honest and efficient law enforcement agencies when attempting to investigate gambling. However, we cannot attribute the continued success of a vast gambling enterprise solely to legal difficulties. Part of the blame for this evil is due to either inefficient and/or dishonest law enforcement.

TAX ASSESSOR'S OFFICE

This Grand Jury undertook an investigation into the alleged irregularities and corruption in the Tax Assessor's Office with a view to putting an end to rumors and innuendoes which were not based on fact, and to take positive action in those areas where irregularities and corruption had such basis in sound fact and documentation.

The morale of the Tax Assessor's Office prior to the dismissal of the former Tax Assessor, was at an all time low. The honest, hard-working employee's incentive was sapped by a system which permitted free and easy access within the office itself to confidential information to favorite tax consultants, and to a system which, for no apparent reason, rejected or ignored field reports made by tax office employees.

More specifically, in those areas where indictments were not returned, the Jury found as a basis of fact that:

1. Several employees, some of them under the order of their superior officer, and others on their own, spent a great majority of their time, or all of their time, while on the County payroll, making available and photostating documents for certain tax consultants. These employees were being paid as public employees while servicing the private business of a tax consultant.

(a) Some consultants supplied the employees of the Tax Assessor's Office with either bottles of liquor or perfume each Christmas and in spite of a memorandum forbidding employees on the County payroll from accepting gifts, some of the employees accepted these gifts.

(b) A consultant had his business card displayed on desks of employees in the Tax Assessor's Office.

(c) Ironically, there is no law or ordinance with any teeth in it making any of the above acts a violation.

2. A Committee headed by Certified Public Accountant Robert M. Morgan, cooperating with this Grand Jury, rendered a temporary report. The pattern found in Mr. Morgan's report indicated that in many areas, especially Beach hotels, the personal property tax had been assessed at a certain figure in 1961; that in 1964 taxes were assessed at a double figure consistent with the so-called 100% evaluation. That in 1966 certain tax consultants were able to get these assessments reduced to the 1961 or 1962 figures. On the surface, there would appear to be some suspicion of irregularity; however, it was found that actually these hotels and businesses were being assessed in 1961 and 1962, in reference to personal property at a 100% evaluation, or an evaluation close to it, and, therefore, should not have been assessed at a double evaluation in 1964. Changes were made and should have been made, but what appears to be a flagrant abuse is the failure by the Tax Assessor's Office to reduce all the personal property assessments for the great majority of the people who did not have a tax consultant or were unaware of this gross inequity and OF WHICH THE TAX ASSESSOR'S OFFICE AND THE TAX ASSESSOR WERE AWARE.

3. In spot checking certain businesses represented by tax consultants, it was found that their figures for the valuation of personal property were accepted without any means of checking the accuracy of the figures presented. In checking the true value of the property, and by admission of the owners of these businesses, the estimates presented in their personal property tax returns were grossly below the true values reflected in their books. As a result, the County is being bilked of hundreds of thousands of dollars.

4. It is most difficult to delineate with any specifics every business which has received unwarranted tax reductions. To illustrate some of the worst abuses for the purpose of giving added incentive to the next Grand Jury to continue this investigation, the following are pointed out:

(a) A large furniture store, represented by a tax consultant, had personal property assessed in 1966 at \$120,000.00 while a competitor with lower quantity or quality merchandise located across the street, was assessed at approximately \$750,000.00. An investigation disclosed that proper evaluation for this single piece of property should have been \$1,500,000.00.

(b) In North Dade, a property which for a period of twelve years had been assessed as industrial property was suddenly changed to agricultural property at a reduction of approximately \$900,000.00 in tax assessments for the year 1966. This was done in spite of the fact that some Tax Assessor's employees had a financial interest in this new agricultural development in which a few cattle were placed on the property to give it agricultural status. These employees are no longer with the Tax Assessor's Office.

(c) The City of Coral Gables, through its Tax Review Officer, made known to the Tax Assessor's Office of Dade County hundreds of businesses which were not on the County tax rolls or which he felt were grossly underassessed. Granting to the Tax Assessor's Office the right to dispute the philosophy of how to assess, nevertheless the County in 1966 did nothing about placing on the tax rolls those properties which were not on the tax rolls.

(d) Field men assigned by the Tax Assessor's Office evaluated the property of a South Dade tract at twice the figure at which it was assessed in 1965. This assessment meant thousands of dollars for the tax rolls of Dade County, and yet the prior Tax Assessor, for no apparent reason, and in spite of the recommendation of his field men, reduced the figure back to the 1965 level.

(e) Tax consultants put in hundreds of applications for changes

in the assessments on realty involving both land and buildings. Very few of these were reviewed by the Board of Equalization hearing to consider these changes. Many changes were made on applications which were not sworn to under oath, nor were they notarized, and were therefore improper. In some of these applications, no reason whatsoever was given why a change should be made. Yet, someone in the Tax Assessor's Office approved the changes and lowered assessments on these applications. There is no way of knowing who made these changes.

The foregoing are just a few instances of gross neglect and mismanagement by the Tax Assessor's Office during the administration prior to this report.

5. Some key men in the Tax Assessor's Office during the past year or two would spend many hours in a tax consultant's office.

6. Thousands of dollars in penalties were waived by the Deputy Tax Assessor in charge of personal property.

The Grand Jury makes the following recommendations:

1. That the next Grand Jury continue the investigation into irregularities and corruption which may exist in the Tax Assessor's Office.
2. Based on preliminary reports, an auditing investigation be directed into taxes paid by the airlines, public utilities, large businesses, and industries in Dade County.
3. That laws or ordinances be enacted which:
 - (a) Would make it illegal for any person doing business with the Tax Assessor's Office to offer any gratuity to any County employee and make it illegal for any employee to accept such gratuity.

- (b) Would make it illegal to give any documents or information to any tax consultant which should not be available to the public.
 - (c) Would make it illegal for any County employee to be engaged in any business which may fall within the purview of the Department by which he is employed, either directly or indirectly.
4. That the following rules and regulations be put into effect by the Tax Assessor's Office;
- (a) No documents or copies be given to any tax consultant directly, either before or after they become public, but only to the property owner whose property is involved, except for properties which are subject to condemnation procedures and properties falling under the jurisdiction of the Probate Court.
 - (b) That personal property returns be required to be filed under oath.
 - (c) That the Tax Assessor's Office have authority to check the books of all businesses against the returns made by these businesses.

The Grand Jury wishes to commend Mr. Robert M. Morgan and Mr. W. Wirt Culbertson, Acting Tax Assessor, for their efforts.

CITY OF MIAMI BEACH

In 1957, the City of Miami Beach retained private investigators, George Wackenhut and Associates, to conduct an investigation into crime and corruption in that city. Their report was subsequently known as "The Miami Beach Report." The Grand Jury (Spring Term 1957) considered this report and the testimony of witnesses. Positive action on the many allegations was impossible by that Grand Jury due to the insufficient time remaining prior to adjournment.

"The Miami Beach Report" was brought to the attention of this Grand Jury (Fall Term 1966). Further investigation was undertaken, including the testimony of additional witnesses.

Many nationally known criminals and hoodlums who were mentioned in "The Miami Beach Report" and numerous others are presently associated with, and residing in, the Miami Beach area.

Further investigation of these matters and circumstances is clearly indicated, especially as to the existence of corruption, organized vice, improper law enforcement and the influence of nationally known criminals upon the official actions, if any, of any law enforcement officers or public officials in the Miami Beach area.

We have prepared a summary report of our investigation and are passing this on to the 1967 Spring Term Grand Jury with our strong recommendation that this investigation be continued by that body.

CITY OF MIAMI POLICE DEPARTMENT

A Miami police officer was motivated to appear before the previous Grand Jury. After receiving immunity, he testified that he and three other members of the Miami Police Department had become involved in the unlawful practice of soliciting and accepting sums of money from certain garage operators to insure their receipt of wrecker service permits. The issuance of these permits was controlled by the Traffic Service Division, headed by Assistant Chief of Police Glenn L. Baron. Two other officers were involved, both of whom were also previously granted immunity. A continuance of this investigation was an early order of business by this Grand Jury. After careful review of extensive testimony from those directly involved, and also other witnesses, an indictment was returned against Assistant Chief of Police Glenn L. Baron for bribery.

This Jury denounces the lax administrative and supervisory procedure that permitted collusion and malfeasance in the issuance of auto wrecking permits, or in any other function of the Miami Police Department. In the name of the community we charge the proper authorities to enact necessary corrective measures.

SHERIFF'S DEPARTMENT

Our community was duly shocked last November when the previous Grand Jury found sufficient cause to return indictments against administrative officers of the Department of Public Safety, including the Director of Public Safety.

This Grand Jury's continued investigation confirmed that a thorough overhaul was necessary to correct existing operational deficiencies and to rid the department of inept and undesirable employees who, in sharp contrast to the dedicated, trustworthy majority, remained as a detriment.

Last November, the voters discarded the elective system for office of Sheriff. This enabled County Manager Homer to install E. Wilson Purdy, a nationally recognized executive lawman with an excellent record. Under his direction, Captain Clyde N. Paul of the Internal Affairs Squad is making good progress at methodically weeding out those who can not or will not contribute to the goal of over-all excellence - a new concept for our Sheriff's Department.

It is the feeling of this Grand Jury that Sheriff Purdy in a comparatively brief span has amply demonstrated his fitness. We urge his strong support at every turn.

STATE ATTORNEY'S OFFICE

During our term in office, we have received allegations regarding the State Attorney's Office. We have independently investigated each of said allegations and have found no evidence in these accusations of wrongdoing.

State Attorney Richard E. Gerstein and his able Assistants have demonstrated to the Grand Jury that they are professionally competent and sincere in the performance of their duties as prosecutors of violators of the law.

CITY OF MIAMI MUNICIPAL COURT

A review of the Municipal Court, which included testimony from the five presiding Judges, caused this Grand Jury to issue an Interim Report on February 14, 1967. This report was critical of many practices of this court in the area of vice cases. It decried the method of appointing Municipal Judges and advocated much stiffer penalties for prostitution and bolita offenders. A copy of this report was sent to the City of Miami Commissioners with recommendation for prompt remedial measures. It is pleasing to report that the Commission's response was both prompt and meaningful. City Attorney Rice was instructed to conduct an immediate study and investigation. A complete and painstaking report of this effort reached the Grand Jury on April 17, 1967. In the early interim, recognizing the urgency, the Commission on February 24, 1967, adopted a resolution providing for the revision and upgrading of court records, and for procedure to obtain additional pertinent information deemed necessary for just and equitable sentencing. This resolution provided further that all future Municipal Judges have at least five years experience in the active practice of law in the State of Florida, and that each proposed appointee be screened by the Legal Ethics Committee of the Dade County Bar Association.

A second resolution was adopted requesting the County Commission to empower Municipal Courts with the authority to impose more severe penalties as recommended in the Grand Jury report. An ordinance to this effect was recently prepared by the City Attorney and forwarded to the County Commission.

HYMAN MARTIN

One of the first acts of this Grand Jury as it entered its term was the filing of contempt charges against Hyman Martin for his refusal to testify. We have been confronted with many witnesses who were reluctant to testify, but none were more adamant than Hyman Martin. He could have provided much valuable information concerning gambling and bolita operations had he chosen to cooperate with the Jury.

There is still the idea prevailing throughout the underworld and organized crime that being a stool pigeon is a violation of the "Code."

We point to the legal procedure against Hyman Martin as notice to future Juries and witnesses that the Code of Justice is even more extensive and will be fully utilized.

PROSTITUTION

Prostitution is one of the most sordid crimes which plagues this community. It is virtually impossible for a house of prostitution to operate without its existence being known to the police agencies who have jurisdiction over these violations. We are not convinced that the police have given adequate effort to the fight against this crime.

This Grand Jury has returned a series of indictments involving prostitution operators and others affiliated with this activity. Arrests and indictments are not enough. Jail sentences, rather than fines, must be meted out by the Courts. A fine represents an additional cost of business and will not deter prostitution.

In addition, continued cooperation between the Beverage Department, Hotel Commission, and other State agencies is necessary if these violators are to be successfully removed from their legitimate "fronts."

ABORTIONS

The abortion racket in Dade County has been widespread and has flourished with the knowledge of some law enforcement officers. There has been some public acceptance which unfortunately has contributed to this situation. Recent improvement has been brought about by the special abortion squad composed of hand picked officers from the police forces of the City of Miami and Coral Gables under the direction of the State Attorney's Office.

The Jury has brought in indictments and such investigations should continue.

FLORIDA RACING COMMISSION

Late in our term, we received a complaint concerning wrongdoing in the operation of the Florida Racing Commission.

At the direction of the Grand Jury, the State Attorney subpoenaed the records of the Commission covering the last two years. Some forty witnesses have been interrogated but since many potential witnesses are no longer in the State of Florida, the investigation has not been completed.

This investigation will continue and its results will be presented by the State Attorney to the next Grand Jury.

WAIVER OF IMMUNITY

During the course of our term, we had occasion to call two police officers of North Bay Village before the Grand Jury to testify in an investigation involving prostitution and bribery. The police officers refused to sign waivers of immunity and thus they could not be interrogated without the danger of immunizing them from prosecution for crimes they might have committed.

We strongly urge that every municipality immediately enact legislation which will make it mandatory that all public officials, appointees, or employees be required to waive immunity when called before the Grand Jury or the State Attorney. The penalty for refusal to waive immunity should be forfeiture of employment.

In recommending this, we are not unmindful of the requirements of the United States Supreme Court decisions on this subject, and are complying with them.

MIAMI HOUSING AUTHORITY

During the term of this Grand Jury, serious accusations were made relative to a conflict of interest within the membership of the Miami Housing Authority.

Since this reported conflict of interest appeared to warrant investigation, the Grand Jury did investigate the matter and heard witnesses relative to the same.

The Grand Jury found no legal conflict in this matter.

SCHOOL BOARD

The Grand Jury investigated allegations that certain candidates for the Dade County School Board were offered political support - financial as well as ballot influence - in exchange for an appointment as School Board Attorney.

Florida Statute 838.10 clearly and specifically reads that such overtures constitute bribery. In this instance, the evidence obtained did not warrant an indictment.

We commend those who brought the allegations to our attention, and encourage citizens to notify the Grand Jury whenever election laws are being violated.

BAIL BONDSMEN

Indictments have been returned and investigation will continue, but it is not considered to be in the best interest of the public to elaborate at this time.

ACKNOWLEDGMENTS

This Grand Jury wishes to express its appreciation to the Honorable James W. Kehoe, Circuit Judge. We appreciate his courtesy, advice and counsel which have been of immeasurable assistance.

We appreciate the cooperation and assistance of State Attorney Richard E. Gerstein and his Assistants and their guidance during this term.

This Grand Jury is deeply indebted to our Special Counsel and Assistant State Attorney Robert C. Josefsberg for his dedicated leadership and professional ability in helping this Jury carry out its duties and responsibilities.

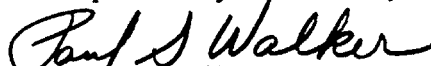
We are grateful to Captain Clyde N. Paul and the Sheriff's Internal Affairs Squad for the manner in which they diligently investigated for this Grand Jury.

Special Counsel Max B. Kogen has been of great assistance in guiding our investigation of the Tax Assessor's Office.

Every Grand Jury depends on an efficient system of records, correspondence and reports. Our Administrative Assistant, Eleanor M. Robinson, handles these matters with utmost efficiency and ability.

The members of this Grand Jury would also like to thank all other officials and persons whose names are too numerous to mention who assisted this Grand Jury in carrying out its duties and responsibilities to the citizens of this County.

Respectfully submitted,


Paul S. Walker, Foreman
Dade County Grand Jury
Fall Term 1966

Attest:


Mary E. McGahey
Clerk

Dated: May 9, 1967