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“For a long time we thought, it’s just pure incompetence. But I never dreamed



GLOBE ILLUSTRATION BY SCOTT HUNT

Whitney Bulger, accompanied by Stephen Flemmi, issued a pay-or-die ultimatum to Francis X. Green, a Dedham restaurant owner, over an unpaid loan.

SPOTLIGHT

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Some potential cases that went nowhere:
■ In 1982, a wise guy turned FBI informant was gunned down after Connolly, according to testimony, told Bulger and Flemmi that the man had implicated them in a string of gangland slayings and the murder of an Oklahoma businessman.

■ In 1984, a Boston police detective told Connolly that Bulger and Flemmi were trying to seize a liquor store owned by the detective's relatives with a "can't refuse" offer. But Connolly did not report the incident to superiors and, within days, Bulger sent word to the victims that he knew they had complained to the FBI and warned them to "back off."

■ In the late 1980s, FBI agents John Newton and Roderick Kennedy failed to document or follow up on a realtor's claim that a gun-toting Bulger threatened to stuff him in a body bag if the realtor didn't pay him \$50,000.

■ In 1988, another FBI agent, supervisor John Morris, who had pocketed \$7,000 in payoffs from Bulger, warned Bulger and Flemmi that the FBI had tapped the telephone of a Roxbury bookmaker who worked for them. While indictments resulted from the wiretap, including some Boston policemen for taking payoffs, Bulger and Flemmi went untouched.

Although there is evidence that Connolly protected Bulger and Flemmi, he was not alone. Supervisors and fellow agents often were swayed by his claim there was insufficient evidence to target the pair or that they were too valuable to the FBI.

For example, FBI agent James Blackburn testified he never pursued allegations that Bulger was shaking down a South Boston drug dealer in 1988 after Connolly told him it wasn't true. And agent James J. Lavitt III testified that in 1987 he ignored evidence that city workers erected guardrails on private property outside the South Boston liquor store controlled by Bulger after Connolly reminded him that Bulger was an indispensable informant.

In the end, Bulger and Flemmi were always suspects, but never defendants; always informants, never targets.

Last April, Connolly refused to testify at federal court hearings exploring the FBI's controversial relationship with Bulger and Flemmi, citing his Fifth Amendment right not to incriminate himself. In interviews, he has accused other agents of lying when they testified critically about his handling of Bulger and Flemmi.

"I'm not a rogue agent," Connolly said recently. "Anything I ever did, I did it for the FBI, all the way to D.C., constant oversight."

But the record now shows that the deal — protection for information — left the bureau short-

changed, co-opted, and compromised.
In a telling aside during recent testimony, one of Connolly's closest associates in the bureau, former agent Nicholas Ganturo, talked about encountering Bulger and Flemmi at his Peabody home. "I felt comfortable having them to the house," he said. "It was not an adversarial relationship."

ALL TOGETHER
IN ONE ROOM

It was an improbable convergence of characters that put two of the region's top prosecutors under the same roof in Dedham with three gangsters while the hoodlums were extorting the owner of the establishment across the

room.
In late 1970, then-Norfolk County District Attorney William Delahunt had just ordered dinner at the Back Side Restaurant and was awaiting the arrival of Martin Boudreau, a law school classmate and federal prosecutor, when he looked up to see another old acquaintance approaching his table.

It was Johnny Martorano, a well-known gangster who had attended grammar school with Delahunt in Quincy. Martorano and two other men had just entered the restaurant. While his companions moved to a cocktail table near the bar, Martorano chatted with Delahunt about the different paths they had taken since their school days, joking that there was more honor in his world than among bankers and lawyers. Flemmi joined the conversation briefly.

After Delahunt went back to his meal and was joined by Boudreau, the number-two prosecutor in the Federal Organized Crime Strike Force, the restaurant owner was summoned to sit with Bulger, Flemmi, and Martorano to talk about a serious ar-

rearrange of \$175,000. According to later investigative reports, it was Bulger who delivered the pay-or-die ultimatum.

A few weeks later, Delahunt learned what really had brought his old schoolmate to Dedham. Delahunt said Edward Harrington, former chief of the New England Organized Crime Strike Force, called to tell him that Bulger and his friends had threatened Green, the restaurant owner, over an unpaid loan. And he said Green feared Martorano had connections to Delahunt after seeing them banter that night.

After reexamining Harrington he had no ties to Martorano, Delahunt said prosecutors assigned to his office interviewed Green and later turned the case file over to the FBI. Green, who declined to be interviewed by the Globe, is quoted in investigative reports as saying Bulger and Flemmi threatened to kill him if he didn't repay a loan from a Boston credit union.

"It's our money," Bulger told Green, threatening to "positively kill him" and mutilate his face, according to an FBI report. Ears off, eyes out, FBI agents Thomas Daly and Peter Kennedy interviewed Green on Oct. 13, 1977, and noted in their report that Flemmi told Green that nobody would get hurt if he made arrangements with the woman at the credit union who handled the loan. They wanted a \$25,000 installment immediately.

In a recent interview with the Globe, Rita Tobias of Belmont confirmed that she loaned Green money through the finance company — but said the amount was closer to \$20,000. She insisted she doesn't know Bulger or Flemmi and hadn't gone to them for help.

The following year, Green became a star government witness, but not against Bulger or his friends. Federal prosecutors used Green's testimony in an unrelated public corruption case to win a tax-evasion and bribery conviction against a Boston official. Bulger and Flemmi went unguiltied and unchallenged.

Months after turning the Green case over to the FBI, Delahunt, now a Massachusetts congressman, said he asked Jeremiah T. O'Sullivan, chief of the New England Organized Crime Strike Force, what became of the investigation and was told: "It just didn't work out." O'Sullivan's lawyer, Hugh Beede, declined comment on the incident, saying it would be inappropriate because of the ongoing federal hearings.

Harrington, now a federal judge, was working as a lawyer for a private law firm in Boston when Green reported his threatening encounter with Bulger and Flemmi in 1976. The following year, Harrington became US Attorney for Massachusetts, a job he held when his public corruption squad used Green to make a case against the Boston official.

Today, when asked about his role in the Green case and why it never led to charges against Bulger or Flemmi, Harrington said: "In view of the fact that I am a federal judge and wish not to be involved in a proceeding before another federal

At odds with the past

In 1988, Whitney Bulger's special relationship with the FBI — an informant who was handled by FBI agent John Connolly — was disclosed publicly for the first time in a Globe story.

During interviews at the time and afterward, three key federal law enforcement officials challenged the account: Connolly, Jeremiah T. O'Sullivan, the region's top organized-crime prosecutor and James Ahearn, the special agent in charge of the FBI's Boston office. The comments of the three officials made a decade ago are now sharply contradicted by this year's release of FBI files and court testimony.

JEREMIAH T. O'SULLIVAN

Then: "I don't buy it," said O'Sullivan in 1988, when asked about Bulger being an FBI informant. "I've heard the stories. I don't know it to be true."

Now: FBI records, testimony, and interviews suggest that, as far back as 1979, agents — including Connolly — discussed Bulger with O'Sullivan. O'Sullivan attended meetings in 1980 with other officials to review the FBI's handling of Bulger, and one agent testified that O'Sullivan urged the FBI not to close out Bulger.

The records and testimony notwithstanding, O'Sullivan last year insisted to FBI inves-

tigators that he was never officially told that Bulger was an FBI informant while he was a prosecutor.

JOHN CONNOLLY

Then: In 1990, two years after the Globe story, Connolly sought out a top Globe editor to denounce the coverage and to insist that, even though he knew who Whitney Bulger was, he had never talked to him.

Now: FBI records, court testimony by other agents, and Connolly's own public comments indicate that Connolly has met and talked with Bulger over a hundred times since 1975.

JAMES AHEARN

Then: "That is absolutely untrue," Ahearn said in 1988, when asked about Bulger having a longstanding relationship with the FBI. "We specifically deny that there has been special treatment of this individual."

Now: Previously-secret FBI files show that Ahearn was intimately involved in defending Connolly and the FBI's use of Bulger. Less than a year after public comments denying the ties between the FBI and Bulger, Ahearn in early 1989 wrote a confidential memo to the FBI director trumpeting Bulger "as the most important organized-crime informant for many years."