

In addition to excessive prices, the restaurant owner became the unwilling outlet for stolen meat, which is the product of systematic and selective hijacking operations. I would add parenthetically here—the underworld does engage in a considerable amount of hijacking activities, but not on a random basis. The products that are hijacked, whatever they are, are usually sold in advance before the hijacking takes place. You order it, they go get it.

They also used this man as an outlet for meat that was unfit for human consumption. In part of the investigation it was found part of the meat was kangaroo meat that had been passed by inspectors corrupted by underworld money. Thus this businessman became a captive outlet for overpriced, stolen, diseased meat that he would not have purchased but for the fact that he had become financially and psychologically indebted to the underworld.

Needless to say, soon his regular liquor supplier, an honest and competitive businessman, was supplanted by a supplier controlled by underworld interests. As with meat, much of the liquor supplied had been stolen or had been brought into New York State in violation of various State and Federal tax statutes. And again, it would not have been sold in quantities to a purchaser other than one who was not—who was in a position where he would not ask too many questions.

Soon a young hoodlum, the son of one of the "investors" was placed in the premises as a headwaiter. The suggestion there was to protect the investment. Needless to say, the headwaiter's sole contribution was keeping a bar stool warm, and acting as a lookout for various bookmakers who had begun to use the premises for their operations.

It is easy to see why the security of a famous and large restaurant would be ideal for a bookmaking operation. In fact, the restaurant soon became a hangout, favored hangout, for the local underworld gentry, who spent quite freely, and never seemed to pay up on their charge accounts.

All this while it should be remembered the borrower was paying and paying and paying on his loan, which was never really diminished very much, because of the high interest rate.

A loan shark never wants his loan paid back. It is quite understandable. Because after a few weeks have progressed in a typical loan shark transaction, the original investment, the original principal, has already been paid back, and everything after that is interest. As long as he can keep it going, he never wants this transaction to end.

I guess this is true of legitimate loan institutions as well. There is nothing really unusual about it.

After 2 years had passed, the underworld decided to have what is called a bust-out. This involves the total leeching of the business—the good will of the business, which still existed—because no one knew about the underworld infiltration—was used to the hilt. Credit was obtained in large quantities through legitimate sources, to the extent that it could be. Products were purchased and then sold without being used in the business. Phony credit cards—the underworld was encouraged to use phony credit cards, and charge up sales in large quantities that were not made, and the money would be paid by the credit card companies. This can only be done for a short period of time—before it becomes discovered. It is done at the brink of bankruptcy.