

The morning of May 8, 1965, George and Jack Chiagouris were taken to the Chicago City Bank & Trust Co., 63d and Halsted, Chicago, where Albert awaited them. There were 22 buildings and some vacant land in their trust. The Reliance Federal Savings & Loan, 2000 West Cermak, Chicago, had mortgages on the houses. The Chicago City Bank & Trust Co., held the first assignments of the beneficial interest in the trust. The Chiagouris brothers' attorney held the second assignment for past, unpaid services. A third assignment was then signed over to Mercurio by each of the brothers.

The juice victims were now released from custody. A few days later new promissory notes were executed, totaling \$124,000. The new schedule of payment was \$1,500 a week for the original loan of \$50,000 on which they had already paid back \$70,000. Monthly payments on the \$124,000 would be temporarily suspended but they would resume until the entire sum was paid back in installments, or in toto.

The time arrived when the Chiagouris brothers had difficulty in meeting their legitimate mortgage obligations to the Reliance Federal Savings & Loan. In order to protect their third beneficial interest in the Chicago City Bank & Trust, Messino gave the Chiagouris brothers a \$15,000 cash loan, payable in 90 days, interest of \$900 a month, with a promissory note of \$17,400 as security. Messino's greed again blinded his business acumen.

By July 28, 1965, the brothers were at the end of their rope. They were without any money, and were several weeks behind on their payments. They stayed away from their office and their homes, fearing that any moment either Messino or Lombardi or Bravos would find them and do the worst.

This is when they came to our office and poured out the preceding narrative. They furnished us some documentary evidence and other undeveloped leads which we subsequently verified. However, it was Director Siragusa's wish that we obtain additional, direct evidence to strengthen our case further. Consequently we planned and put into operation an appropriate undercover scheme.

We discussed the investigation with Cook County State's Attorney Daniel P. Ward, who is now a justice of the Illinois Supreme Court, and enlisted his financial assistance. We made a list of the serial numbers of \$1,500. On July 30, 1965, I accompanied George Chiagouris in his automobile to the Red Steer Restaurant at 8800 West Grand Avenue, River Grove, Ill., where he had to keep his regular appointment with collector Lombardi.

In a few minutes Lombardi arrived in his car, parked and walked over to us. In my view George gave the \$1,500 to Lombardi, stating I was his brother-in-law. Other agents of our office watched from vantage points in the parking lot, and took photographs of the event.

On August 2, 1965, a second meeting was held between George and Jack Chiagouris and Lombardi, at the Red Steer Restaurant. Surveillance agents also took photographs of this incident. At that time George and Jack made another payment of \$800.

The Chiagouris brothers tried to delay another meeting with collector Lombardi. Jack and Albert went into hiding. George got himself admitted to a hospital, for a rest. Lombardi left violent telephone messages at Jack's home.