Oral History of John M. Dowd, Esq.
Second Interview
June 4, 2024

This interview is being conducted on behalf of the Oral History Project of The Historical Society of the District of Columbia Circuit. The interviewer is David Tobin, and the interviewee is John M. Dowd. The interview took place over Zoom on June 4, 2024. This is the second interview.

MR. TOBIN: You just finished telling me about a couple of cases in the Marine Corps. We were just about to move to your first job out of the Marine Corps. You went to DOJ, right?

MR. DOWD: Yes. I went to the General Litigation Section of the Tax Division. There's a little story in between. I applied to a number of law firms in Washington, not having any standing up there. Carole kept a shoe box full of declinations. They're in the archives upstairs.

MR. TOBIN: I had one of those once too. I had a whole bunch of those declinations.

MR. DOWD: Thank you for applying. You're wonderful.

MR. TOBIN: Exactly. Now hit the road.

MR. DOWD: I went to the General Litigation Section of the Tax Division. The great thing about that section is you get to appear on both sides of the courtroom depending on the action. It handles everything but refunds. If the United States is sued on taxes besides refund, like an injunction action, we would defend it. We would handle all state court proceedings against the United States. And, of course, we enforced IRS subpoenas. That's where I ended up, Dave, traveling across the country, mostly the West and the Southwest. Texas. I was in every city in Texas. The Northwest. I got to see my country.

I was very lucky. It was a highly disciplined section, as you know. The Department has these senior lawyers who are really icons. They were experts. In the General Lit Section, the senior lawyer was George Lynch. He had been in the Solicitor General's Office for years, and now he was the very senior litigator in the Tax Division. The Chief was Fred Ugast, who became a D.C. Superior Court Judge. The subsection chief was a guy named Jack McCarthy, and then Steve Firth was my immediate supervisor.

I just want to remember them because they put me through my rigors. They had red pencils. So, everything we did, we had to write memos on our cases, do our pleadings. We went to court. We didn't hire some assistant. They would come with us, but we were special attorneys hired to handle these things.

I tried cases in D.C., Virginia, Florida, Georgia, Tennessee, Mississippi, Nevada, Louisiana, Missouri, Illinois, Texas, Oklahoma, New Mexico, Utah, Montana, and California.

MR. TOBIN: Amazing. And you had a case that went to the Supreme Court, didn't you?

MR. DOWD: The one that went to the Supreme Court came out of the 4th Circuit.

MR. TOBIN: What was that case?

MR. DOWD: *United States v. Couch*. That's where Mrs. Couch, the taxpayer, intervened in the enforcement proceeding against her accountant and asserted the Fifth Amendment on the records. So, the issue there was compulsion. The District Court held for us. The 4th Circuit affirmed *per curiam*, and then out of the blue the High Court granted *certiorari*. I think Lynch must have sent it upstairs, but

I received notice to report to the Solicitor General's Office which was, you know, for a brand-new lawyer, kind of a treat. I got to help on the brief, which was a great honor. In 1970, I was admitted to the Supreme Court. My dad and mom came. It was a big deal. It was interesting.

On *Couch*, I kept asking why, and what's the big deal here. It's not a question. But the High Court hadn't decided the compulsion issue in some time, and one of his deputies told me sometimes the Court likes to reaffirm. So, they took the case. It was a terrific experience.

MR. TOBIN: You also had a case where you enforced an IRS subpoena against one of the mafia lawyers, is that right? Who was that? What was that case?

MR. DOWD: That was Morris Shenker. That was in St. Louis, Missouri. That's where I got acquainted with the Organized Crime section. Shenker had refused to comply with the IRS subpoena. We took him to court, enforced it, so he took his trucks, and he backed up all his records to a warehouse in San Diego where the agents were. Here we are trying to find everything. That was a good experience. The Court didn't put up with this nonsense.

Carole reminded me of another tax case in Salt Lake City challenging the constitutionality of the IRS Code. The case was assigned to an old judge, Willis Ritter, who was a graduate of Harvard. On the hearing date, I was invited by the Judge to his chambers early in the morning for breakfast. He pulled out a bottle of Wild Turkey and said "Mr. Dowd, I'm glad to have you here. I think we should have a little." I said "No, I don't drink in the morning." He went right ahead. The other departmental lawyers kept warning

me to watch out for this guy. I would cite a case, and he'd say I don't see it. Someone whispered to me, "You've got to go to the library and get the volume." I finally got to the fourth case, and I said "Your Honor, I don't have it. I'm sure it's in your library." The judge said "Well, you've just been held in contempt." They took me down the hall to the Court of Appeals for the Tenth Circuit. The Circuit judge was terrific. I can't remember his name. He said "Mr. Dowd, what's the next flight to Washington?" I said, "Well, I think it's in a couple of hours. He said, "Get on it." The House eventually impeached Judge Willis, but he died before his trial.

MR. TOBIN: So, from there you went to the Organized Crime and Racketeering Section in the Criminal Division, didn't you?

MR. DOWD: They told me that because of my work on *Shenker*, they invited me to come join Strike Force 18, which was a new non-geographic strike force. All the other strike forces were geographical, but this one was first to handle the Lansky tax case, *United States v. Lansky* (S.D. Fl. 1973).

The chief at the time was Robert J. Campbell, who was a very good tax trial lawyer. He had put the case together and asked me to try it with him, and we did. That's the one involving Vinnie Teresa, the great mob witness who testified at 38 criminal trials. We had a very simple case. Vinnie had skimmed proceeds from the Colony Club in London representing the hidden profit interests of Meyer Lansky and Dino Cellini in Miami. Lansky and Cellini didn't report the skimmed profits.

He was represented by a fine lawyer named E. David Rosen. He's one of the finest lawyers I've ever dealt with. We had an issue: Lansky's health. He was very sick. The newspapers thought it was fake, but it wasn't. So, we had a meeting with U.S. District Judge Joe Eaton, and Campbell sat down and said, "I want you to take his deposition. We're going to ask to explore his medical history." Judge Eaton said, "You do it, but if you cross the line, you're going to jail, Dowd." It ended up being a very pleasant conversation about how Lansky got through his day, and one thing that became clear was that by noon, he was out of gas. We filed a brief. The New York cases were very helpful. The essence of those cases was to try him now before he dies, and that's what we did. So, Judge Eaton set up the trial schedule where we would start at 7:00 a.m. in the morning and we would stop at 11:00. He had a restroom adjacent to the courtroom, and he had Lansky signal with a yellow pad if he had to go to the bathroom or take a break. All he had to do was hold it up.

We picked a jury. There was an 18-year-old girl on the panel. They're conducting *voir dire*: "Q. Do you know Meyer Lansky?" She answered: "A. I think he's the mayor of Miami."

We tried the case and put Vinnie on. Vinnie had never testified for under three days. Campbell took him through the direct. David Rosen got up. There were two meetings with Lansky and Cellini, and this is all public record. Vinnie could only remember one, so David jabbed him with his prior testimony in other trials in which had said there were two meetings in which he had passed the skim money. The cross by Rosen lasted twenty minutes. He

got him to admit that he remembered the March meeting, but he didn't remember the May meeting. Then he read him his testimony from a prior trial, and Vinnie said, "Yeah that's right, but I don't remember it." Rosen sat down and said, "That's all Your Honor." "Are you going to call any witnesses?" "No witnesses Your Honor." That was the end of it.

So, the trial was scheduled to last a month. It lasted a week. The jury went out. They were out for three days. Judge Eaton told me, "You're lucky to get by a motion for directed verdict Dowd."

So that was the Lansky tax case. I kept telling Henry Peterson, who was the head of the Criminal Division, that he was right. We should have left Lansky in Israel because that's when they extradited him for that case. It was after that case that they asked me to be the Chief of Strike Force 18 and to undertake a whole new effort, and that was to implement the RICO statute. RICO was enacted in 1970 as part of the Organized Crime Act.

MR. TOBIN: What year was this, John?

MR. DOWD: That would be 1972. We tried Lansky and then in 1973, we tried the *Parness* case, which was the second RICO case. The first RICO case was the labor case on the West Coast handled by the Los Angeles Strike Force. We tried the second one in the Southern District of New York with AUSA Harold F. "Skip" McGuire, Jr., a very senior, fine trial lawyer. Roy Cohn was defending.

MR. TOBIN: Was this Parness?

MR. DOWD: Yes. He was a big loan shark for the Gambino family. Parness engineered a fraud scheme through his wife's travel agency to corner the gambling markers;

deny the owner, Allan Goberman, the receipts; loan him money collateralized by the casino hotel stock; and upon default foreclose on the stock and take control of the hotel casino.

In addition to that, I was starting up the Richmond, Virginia , Small Business Administration corruption cases which were all RICO cases. I had to review all RICO cases coming in, civil and criminal, then make a recommendation to the Chief of the Organized Crime section. Plus, I went on the road for about twenty months teaching the Strike Forces and U.S. Attorneys in the agencies how to use the statute. It became a very significant weapon and helpful to the drive against organized crime and corruption.

So that was *Parness*. And then at the request of the United States Attorney for the Eastern District of Virginia, the SBA corruption cases, seven of those and *U.S. v. Regan*. Regan was the director of the SBA. It was a bribery, fraud, and RICO case, and also Interstate Transportation of Stolen Property, Section 2314, racketeering to take by fraud and corruption the SBA loan proceeds and lease guarantees. I was down to Richmond a lot to put those cases together and trying them before Judge Robert R. Merhige, Jr. It was a great experience.

Then after that, I got a special assignment up in Connecticut. I had just finished the SBA cases and Bill Lynch, who was the Chief of the Organized Crime Section sent me to Hartford. There was a series of cases in the Second Circuit entitled *U.S. v. Housand* that involved the killing of a federal witness. They essentially blew him up in his own house. It was a bunch of guys from Rhode Island. The guys that killed Danny LaPolla had broken into the

National Guard Armory in Rhode Island, and LaPolla became a witness to that. That case was indicted, and then they blew up LaPolla, who was a prosecution witness. That became a new crime. But underlying all that was robbing the National Guard Armory in Rhode Island.

Paul Coffey, who ran the office in Connecticut for the New England Strike Force, had convicted them, and Housand was the chief witness. It was reversed because the Air Force never sent Coffey a disciplinary file on Housand that reflected a summary court martial conviction. So, the Second Circuit reversed because that conviction should have been produced to the defense. The Second Circuit sent it back for a hearing. Judge Clarie was the Chief Judge.

There was a midnight special flight from LA into Dulles, like TWA or American. It would get in early in the morning, and then it would go on to Hartford. So, Judge Clarie asked, "When do you want to start," and I said "Well if I could fly up Monday morning, we would be good to go at 10:00." So, he granted that. This hearing for a motion for a new trial lasted, God, I think at least two months, Dave. There were obviously crimes committed, and someone bribed Housand. There was a defense attorney from Rhode Island, Andrew Bucci, so we had to investigate him for obstruction of justice. I had to run a grand jury on that. I had to run the hearings on the motion for a new trial. Coffey and the Strike Force guys were all off to the side. I had FBI agents helping me. We had three defendants.

One day, it was a Monday morning at 4:00 a.m. The phone rang at home in Virginia. We were living in Reston at the time. A gorilla was on the other end of the line. You knew right away he was mafia. He said “I hope you love your daughter Annie.” I said, well, I won't repeat what I said to him. I hung up.

I was the only person in this case without protection, whereas the judge had a U.S. Marshal next to him. Coffey had protection. The defendants had protection with 35 deputy marshals in the courthouse. One of my other duties was to take care of their morale. I went in the courtroom. The three defendants were at the table as usual. They were all charming as usual. “Hello Mr. Dowd.” “How’s your golf game,” all that stuff. That’s what they usually do. So, I went over and put my hands on their table and said “I got a phone call threatening my daughter Annie, four years old. If I get one more call, I’m going to kill all three of you with my bare hands.” I went back up to the lectern waiting for the judge to appear. They called their ACLU lawyer. He went nuts. They’re telling the press. Judge Clarie and his clerks had been around. The clerk said the judge is going to start at 10:00 like he always does. "Mr. Dowd is out of his mind. You have to lock him up, they're screaming." So, Judge Clarie, you know, pink-faced white head Irishman. You’d want to kiss him if you saw him, Dave. I was standing there at the lectern. He said “John, is there a problem?” I said, “Your Honor, these guys over here are screaming and hollering about something.” So up comes up the lawyer and says, “Your Honor, Mr. Dowd came into this courtroom and threatened to kill

all the defendants.” He said “John?” So, I told him the story, and I told him what I did. He said, "Well, he hasn’t killed them yet." That was it.

I think it was fourteen weeks for the hearing on the motion for a new trial. I didn't do anything else with the Strike Force because I was fully occupied there. The result was the judge granted the motion for a new trial. The United States took an appeal to the Second Circuit. That was affirmed. They did get a new trial, and in the second trial they were convicted of murder and obstruction.

Oh, one other story. In the midst of the hearing, an FBI agent came to me and said, "come on, we’re going to take a ride." We got in the car, and he said "They flipped Billy Marrapese, one of the defendants who was incarcerated in the federal prison in Danbury. We’re going to debrief him. We’re going to drive around Rhode Island, Connecticut, and Massachusetts for the rest of the night." And that’s what we did. We debriefed Marrapese in the car. And no one in the prison knew he was gone. We got him in and out without anyone knowing. The plan was to flip him. We flipped him, we got the information. We weren’t going to put it on record until we got to the end of the hearing, then let the judge know defendant Marrapese wants to plead guilty to blowing up the witness. It was a tough deal. I think he got 20 or 30 years. Anyway, that was one of the great events of that assignment.

MR. TOBIN: From there you went on to investigate internal corruption at the FBI?

MR. DOWD: Yes. Attorney General Levi first assigned it to the internal guys at the FBI, and of course, they covered it all up. He didn't like it at all, so he called Mike Shaheen, counsel on Professional Responsibility. I became special counsel.

The Deputy Attorney General was Harold Tyler, and Giuliani was his associate Deputy. I was to report to Levi and Tyler, but of course Tyler had experience as a federal judge, and so I was assigned twelve of the most senior special agents in charge in the country. The lead guy was Homer Hauer from Mississippi. These were all what they called inspectors because they were so senior, and they were assigned to Washington. That's primarily where all this took place, and it involved Hoover and his crowd, including then-director Kelley, helping themselves to goods and services provided by the Bureau. They took televisions. I mean one guy had a house built at the beach. The deputy director of the FBI. So, we took this on. I was to report to no one, except the AG.

The original allegations came out of a company owned by Joe Tate that sponsored poker games with the top guys at the FBI up in the Blue Ridge Mountains. He sold the FBI electronic equipment. All their wire-tapping stuff. He was taking care of these guys. Plus, we discovered the corruption of the unit that does all the carpentry and building, and that was just rife with problems. The inspectors interviewed 600 employees of the Bureau in that case, and we got it done in nine months. We pulled it all together. Levi didn't want to do anything because he was good friends with then Director Clarence

Kelley. They had lunch and dinner together and all that. Well, Kelley had been on the receiving end of FBI goods and services.

Hoover's house every year was re-outfitted by the Exhibit Section: paint it, fix it, new rugs, spotlights, whatever. New grass every year. And he never paid a dime. It was in the thousands. We did a report on it, and we prosecuted one of the senior supervisors who decided to lie to us, so we prosecuted him for making false statements. Eventually the question was whether Kelley would get fired, and that became a political issue on that campaign with Jimmy Carter.

Levi went over and told Ford about it, and Ford wanted to fire me for bringing it upstairs. I was waiting for the attorney general to get back from the White House, and Tyler called me and said they want to fire you, but we told them you want to take him down. Levi said that if Dowd was fired, they would all resign and have a press conference on the corner of 9th and Penn. That ended that.

So then in the change of administrations, Judge Bell came in, and I reported directly to him. The issue was whether we make our findings public. Then the FBI Special Agents society decided it should never be made public. Judge Bell disagreed and issued a public report.

That was it. It was a hell of an experience. We interviewed Clarence Kelley. This guy was from Kansas City. He sits down. I had the court reporter administer the oath, and one of the senior agents, a guy who specialized in communications, a very senior guy, do the examination. Kelley says before we

start, "Mrs. Kelley has some brownies for Mr. Dowd." I marked the brownies as Exhibit A. He was eventually let go. It was a terrific experience.

Judge William Webster became the new Director. He decided to make my report something that every new employee or agent had to read and sign that they understood.

One thing Judge Bell liked. I'd get a call from his secretary, and it would go like this (in a Southern drawl), "Mr. Dowd, this is Judge Bell's office." I'd say "How are you doing?" "Oh, we're just fine. The judge would like to know if you have some time to see him." I said "Ma'am, I work for him. When would he like to see me?" "Well, any time that's convenient with you." I said "Ma'am, I can be there in fifteen minutes." She said "Well, how about tomorrow morning, and by the way, you're to bring one of your senior agents with you because he wants to get to know them before they retire."

We would have this briefing session, a bullshit session. He loved visiting with the senior agents. He and I formed a terrific relationship. You couldn't have a better Attorney General. And he loved the Organized Crime Section because, he said, "How are the big knockers down there?" It was a terrific experience dealing with him.

MR. TOBIN: Was it under Bell that you did the investigation of Congressman Dan Flood?

MR. DOWD: Yes. Dan Flood. That was another straight report. In other words, Bell was worried about leaks, and when I got the Flood investigation, what nobody knew was, Flood's chief of staff was a snitch. We had him undercover for a while. I reported directly to Bell. Dick Thornburgh was the head of the

Criminal Division, and he was just furious that I didn't report to him. There was nothing I could do. I talked to Bell.

I was getting on the bus one night in front of the Department. Judge Bell pulled up in his car, shotgun seat, down rolls the window, he said "Hey John, how you doing? You got enough help?" I said "Judge I've got 150 FBI agents; I've got 10 IRS agents; I'm in good shape. I've got 6 prosecutors." "All right, well you just let me know. I'll call and get what you want. We're going to get this rascal."

That was a good time. The way that started, Dave, is that the Attorney General's office received 300 phone calls from the members of the House and Senate. I went up and saw Bell, and he said "John, we ought to talk to the President." We got on a scrambled call, which I'd never been on, and on comes Jimmy Carter. He loved Griffin. "Griffin, how are you doing?" "Oh, pretty good. No Wild Turkey today. I haven't been fishing in a while." Back and forth. The President said "What can I do for you?" We told him about the 300 calls, and he said, "What are you going to do?" Judge Bell told him we just want to be clear with you because we're going to go see Jim Eastland, and we're going to go see Peter Rodino of the House Judiciary Committee. And Carter said "Fine, and it's funny you called. Tip O'Neill was just in here and I signed off on something he needed, and O'Neill said to me, 'Mr. President, you've got the boys over at the Department chasing my friend Dan Flood. If you don't call them off, your stuff is going nowhere in the House.'" Threatening the President of the United States. He said, "Don't worry about it. You guys just

do your job." That's like music to your ears. The President of the United States, and that's why I've always loved Jimmy Carter.

So, we did. We saw Jim Eastland. It turns out he and Bell are old fishing buddies. He's got a cigar like a foot long coming out of his mouth. "What can I do for you?" "John's got Flood." He looks at me and says "John, I don't want all the facts. Just tell me, have you got 'me?" I said "I got 'em." "Alright, what can I do for you?"

We gave him all the messages from the members. People were walking off the Senate floor and calling me in my office. And then we went to see Pete Rodino, Chairman of the House Judiciary Committee, and he was the same way. He asked me, he said "Well, we are going to need our own counselor. Do you have anyone to recommend?" I said "Yeah, get Elliot Goldstein out of Atlanta." A terrific lawyer. And they hired him. The first thing we did was give them what we could. We couldn't give them some grand jury material, but we gave them enough. In a month, they stripped Flood of all his power. He was the chairman of subcommittees Appropriations, Defense, HEW, and Labor.

By that time, we had five kids in a three-bedroom townhouse. They had assigned Mark Tuohey to the case, so it was clear they wanted to plead out.

Flood eventually pled out and resigned. But what we uncovered was just incredible. He had a cash window, Dave, in his office. We had Steve Elko as a chief witness. That was a terrific experience. It doesn't hurt to have the attorney general staffing you. The agents loved it. I had agents from D.C.,

Philadelphia, New York, Los Angeles, and overseas. One hundred and fifty FBI agents, ten IRS agents, and six prosecutors. They all worked together like a charm.

MR. TOBIN: You also did a corruption investigation of the governor of Tennessee while you were there?

MR. DOWD: I think by that time Ben Civiletti had become deputy attorney general under Bell. Tyler and Giuliani moved on. I guess he knew about the result of the Flood case, so Ben called me and he said "John, we've got this problem in Tennessee. Public Integrity's got it, but they've just come to no conclusion, and the FBI is raising hell." He said "I talked to Judge Bell. Would you kindly review it? Judge Bell has recused himself because he knows the governor, and he just doesn't like the looks of it." I said "Sure." I ended up reviewing it with the FBI team out of Tennessee. There's actually a book about it by one of the agents called TENPAR. I have the book here.

In any event, what they were doing was, and this is honest to God truth, the guys on death row were funneling money to the governor through friends in Chattanooga. Like eight of them. Marie Ragghianti was on the parole board and got a leak that the governor was on the take. He was pardoning guys on death row. He pardoned like six of them. And the Public Integrity Section said there's no case here. I wrote it up. Tom something, a tall guy, was the head of Public Integrity. He was furious. Another circumstantial case but really well done.

I guess the final chapter of the Organized Crime Section is the judge asked me to become one of his special assistants, and I said “Judge, I’ve got five kids and a three-bedroom townhouse, so I have to go make a living.” I got a beautiful letter from him. I invited him to a party. You know those saloons on E Street, those bars that have parties upstairs and so forth. I invited him, and he said, "I think I’m going to be out of town." We went to the party, and all the Strike Force chiefs came. It was a hell of a party. The party is like an hour old, and a guy walks in, one of the bar guys, and says "Is John Dowd here?" and I said, "Yeah, I’m right here." He said, "I’ve got some old guy here walking around looking for you." I went with him, and it was Judge Bell. He said he decided to fly back. He didn’t want to miss a party with the big knockers. And he meant it. All of them. You talk about wowing a bunch of people. These guys were so impressed. He was a very personable guy. He loved the Section because it did such good work. We stayed in touch. He’s an absolutely first-rate guy.