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This Week In Gang Land

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By Jerry Capeci

Lottery Lawyer Has A \$10 Million Defense Going For Him; Feds Have Texts, Tapes, & Testimony Of His Codefendants Working For Them



Jason (Jay) Kurland, the Lottery Lawyer who is contesting allegations that he took part in an \$80 million fraud scheme against his clients is armed with \$10 million to pay for his defense at trial by the "white shoe" Manhattan law firm of Morvillo Abramowitz Grand Iason & Anello, Gang Land has learned.

Kurland's mob-connected codefendants, including two business partners who have received cooperation agreements and have testified against him, have all copped plea deals.

The wealthy lawyer's top-shelf legal services will cost him *only* \$500,000, according to a ruling two weeks before trial by Brooklyn Federal Court Judge Joan Azrack. The judge



ordered the Fireman's Fund Insurance Company to make good on a \$10 million legal insurance policy that Kurland's former law firm had in place when he was arrested back in August of 2020.

But it remains to be seen whether the high-powered firm's lead trial attorney, former federal prosecutor Telemachus (Tim) Kasulis, will be able to neutralize the numerous text messages and taped calls that the FBI picked up about the alleged fraud between [Kurland](#) and his two business partners who have taken the stand to testify against him.



Attorney Gerald McMahon, who represented Genovese soldier Christopher (Chris) Chierchio but dropped out before the wiseguy copped a [plea deal](#) last month calling for five years behind bars, told *Bloomberg News* reporter Simon van Zuylen-Wood that Kurland was "dead in the water" in a 5000-word takeout about the case that ran on July 1.

"I've been at this for 40 or more years," said McMahon, "and I've never seen a guy that was deader in the water with the evidence against him than Jason Kurland." McMahon had boldly predicted he would win an acquittal for the wiseguy in the months after he was charged, but bowed out of the case a few weeks before Chierchio pleaded guilty.

Kasulis will also be hard pressed to convince the jury that the embattled Kurland played fair and square with his clients by investing their money in lending companies in which he had financial interests without their knowledge, and by receiving a 1% fee for every investment they made into his own businesses.

The prosecution's leadoff witness, Nandlall Mangal, the Staten Islander who won the \$245 million Powerball jackpot in 2018 said he was surprised and angered to learn from FBI agents in 2019 that \$17 million of his money was invested in a businesses that Kurland owned, even though Mangal had made millions of dollars in interest.

"I was paying him to put my best interests first," Mangal told [Kasulis](#), adding that if he had known that Kurland was going to get a 1% fee, what prosecutors say was a \$170,000 kickback, "it would have made a difference" to him. "If he was getting paid," Mangal said definitively, "it wasn't because of my best interests."



Testifying under the pseudonym Beth Smith, a South Carolina woman who won \$1.5 billion in 2018, in the largest Lottery jackpot in U.S. history, agreed with Mangal. Smith testified that she would not have invested



Telemachus Kasulis GL

\$12.6 million into a company Kurland recommended if she had known that he owned it. She was also upset that Kurland was also getting a 1% "finders fee" for their investment.

Kasulis asserted that Smith, a former insurance underwriter, should have known there were risks to investing in lending companies. But Smith said she was led to believe hers was a "conservative investment."

"I understood loaning to small businesses carried slightly more risk," she said, "but not to the point that we would never get our money back, or there was even a chance of that happening."

According to trial testimony, Kurland and his cohorts lost more than \$60 million of the money that they ostensibly invested for his Lottery winning clients to a Ponzi scheme by Long Island gem merchant Greg Altieri.

Kurland investing the Smiths' money in his company was also "a conflict," she testified. "And we didn't believe that any additional money should be going to our attorney."

The Smiths paid Kurland a \$200,000 flat fee when they hired him in December of 2018, and in 2019 began paying him \$50,000 a month for all their "legal and consulting needs," according to their agreement with Kurland.



Francesco Russo G L

Kasulis got Francesco [\(Frankie\)](#) Russo, the grandson of the late Mafia boss Andrew (Mush) Russo, to admit that he and Francis (Frank) Smookler had skimmed \$4 million from \$19.5 million that Kurland had snagged from the Smiths without telling Kurland about it. The two crooks had called Kurland a "duck" and "prey" in talks that were taped by the FBI.

But Russo, who completed two days on the stand Monday, held fast under cross-examination that Kurland had taken the \$19.5 million from the Smiths without their permission. That account was backed up by texts and taped talks that prosecutors placed into evidence, as well as by Smith's testimony.

That happened in April of 2020, four months before the FBI [arrested them](#), Russo testified, when Chierchio, who had brokered a California-based PPE deal, told them that he needed a second \$19.5 million payment to finalize the deal, and Kurland took the money out of the couple's account without telling them.



Chris Chierchio G L

"He was frantic," Russo testified. "He wanted it back in the account before his clients were aware it was missing." Russo explained.

Smith confirmed that [Kurland](#) had taken the money without permission, and stated that "the only explanation" she could come up with for him doing that, "is theft."

She also testified that Kurland never told her or her husband that they were investing \$1 million in three thoroughbred racehorses that Russo and Smookler owned in May of 2019

through an entity they created, *B & B Stables*. The horses, which were later owned by Kurland, Smookler, Russo and the Smiths, were purchased for about \$600,000.

But a year later, when "things started to go South," Russo testified, the trio agreed to sell the horses back to the Smiths, "for a dollar each."

"Jay explained that this would just look bad," Russo testified, "that we had an ownership in this business" and that it would "look good if we just gave them back the horses" because they were "losing money everywhere else."

Yesterday, [Smookler](#) completed his second day of testimony against Kurland and essentially backed up the testimony of his admitted partner-in-crime, as well as that of the two Lottery winners who have completed their testimony. The third Lottery winner victim began testifying yesterday.

The trial is moving more quickly than had been anticipated. Rachel Scharf, who has been covering it gavel-to-gavel for LAW360, wrote yesterday that the government is expected to rest its case today.

On Monday, The Fireman's Fund appealed Azrack's ruling that ordered the insurance company to pay all Kurland's legal bills despite an exclusion in the policy that denies coverage for "any dishonest, fraudulent, criminal or malicious act or omission, or deliberate misrepresentation."



Three years later, only the horse is still smiling

Unless and until Kurland is found guilty, he is presumed to be innocent, though. Judge Azrack ruled that the "plain language" of the insurance policy "obliges Fireman's Fund to 'provide a defense of such actions until such time as the act is ruled either by trial verdict, court ruling, regulatory ruling, or legal admission as dishonest, fraudulent, criminal, or malicious.'"

Jerry Shargel Was 'Good,' Not a Potato; Alfie McNeill Lost His Voice, But Got The Job Done



The Grim Reaper called out two larger than life heavyweights in the world of organized crime this month. Both died at the same age, 77. But one of them, the high-powered, high profile defense attorney, Gerald (Jerry) Shargel, was far better well known. The other was a legendary but little-known player on the other side of the criminal justice system, former deputy marshal Alfred (Alfie) McNeill, who ran the federal Witness Protection Program (WPP) in New York for two decades.

Shargel, who won an acquittal in federal court for Salvatore (Sammy Bull) Gravano in 1985, the same year he and John Gotti whacked Paul (Big Paul) Castellano, and who was a key factor in the Dapper Don's state court acquittal in 1990, died Saturday after a long battle with Alzheimer's Disease.

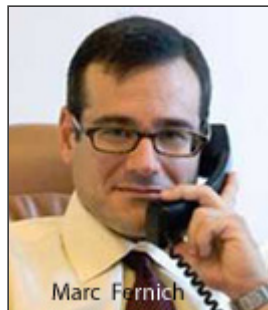
A Brunswick, NJ native, [Shargel](#) was a 1969 Brooklyn Law School graduate. He was eulogized during funeral services at the Temple Israel in Manhattan Monday as a great lawyer and mentor for young barristers, a wonderful and loving husband, father, and grandfather, and as an all around good guy who loved listening to jazz, Bruce Springsteen and Bob Dylan.

In his eulogy, his son David put smiles on the faces of mourners who were crowded into the temple, including John A. (Junior) Gotti, the erstwhile Junior Don whom Shargel defended in 1997, when David recalled going to court with his dad and meeting the [late Mafia boss](#).

During a break in the trial, after [Shargel](#) introduced them, Gotti referred to his father's in court remarks that morning and jokingly asked David whether his dad was "good or a potato." Even at his young age, David smiled, "I knew enough to say he was good."



Many defense bar colleagues Shargel worked with over the years — Stacey Richman, James Froccaro, Judd Burstein, Evan Lipton, Isabel Kirshner, Henry Mazurek, Andrew Weinstein, Susan Necheles, Alan Futerfas, and Marc Fernich, were also in attendance.



Fernich told Gang Land that [Shargel](#) was always "the best prepared person in the courtroom" and that his outstanding in-court "performances resulted from tireless work, not by magic or osmosis."

"Most lawyers in our little niche are one-trick ponies, (either) flamboyant courtroom showmen or bookish legal scholars," said Fernich. But Shargel, he continued, was "the rare dual threat. He combined a magnetic persona that was catnip to jurors with an encyclopedic knowledge of the law that made him an even more formidable trial adversary."

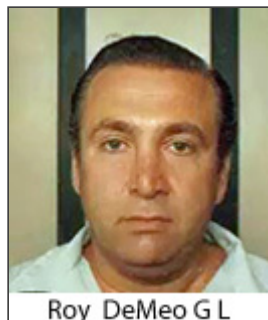
"Jerry had a remarkably agile mind, monumental eloquence and a withering sense of humor," said Fernich. "He practiced and carried himself with class and integrity, dignity and grace, understanding that a defense lawyer's role is to zealously represent people often accused of doing awful things —not win popularity contests. Although prosecutors and judges respected, admired and loved him anyway."

Most judges did, but not two he encountered in two major mob cases involving the Gambino family. In Brooklyn, Judge I. Leo Glasser tossed him from the 1990 case against Gotti, [Gravano](#) and Frank ([Frankie Loc](#)) [Locascio](#). In Manhattan, Judge Abraham Sofaer stated he was "house counsel" to the family and stopped him from representing member of the [Roy DeMeo crew](#) who were on trial with Castellano when he was killed.



"On a personal level," said Fernich, "Jerry was endlessly curious, filled with both a sense of childlike wonder and the deepest cynicism. He had a massive appetite for life and a rich appreciation of human nature's contradictions. He loved music and books and was a joy to be around. He was the greatest criminal defense lawyer of our era hands down. He was everything a defense lawyer should be, and belongs in any dictionary defining the term."

"Jerry was exceptionally comfortable in his own skin, betraying little trace of insecurity," said Fernich//, noting that "his ego was quite small for a lawyer of his stature and accomplishment, another extraordinary rarity in our



Roy DeMeo G L

field. He had better mastery of his emotions — greater emotional control — than anyone I've ever met, personifying the phrase 'grace under pressure.'"

"And he taught and mentored a whole generation of some of this town's most esteemed defense lawyers," said Fernich. "He leaves a huge hole in the world — one that can't be filled. And that's no exaggeration. He leaves impossible shoes to fill."

In addition to his son David, Shargel is survived by his wife Terry and daughter Johanna, who also delivered eulogies, and by six grandchildren, his mother, and a sister, Judy.

McNeill was hired as a deputy U.S. Marshal in Brooklyn in 1970 after serving six years with the Army in Vietnam. He retired in 1996 as Chief Inspector of the Witness Security Program for the New York Metro Area, a job he performed for almost two decades without the official title. He died on July 3 after a long illness.

"Alfie always tried very hard at any assignment he was ever given, and he never gave up," said former U.S. Marshal [Michael Pizzi](#), who hired McNeill and later assigned him to the WPP. "He was a bit awkward in his appearance and his mannerisms," [said Pizzi](#). "But as one of the bosses said to me, 'I don't care if he steps in every garbage can, or trips over every desk, he tries very hard and he gets things done.'"



Alfred McNeill G L

McNeill, who was wounded in Vietnam and exposed to Agent Orange, suffered numerous health problems as a result of his military service. He developed laryngeal cancer and had his voice box removed. He was using a mechanical larynx when Gang Land spoke to him about the WPP ten years ago while researching the book that Tom Robbins and I wrote about Alfonso (Little Al) D'Arco in 2013.

"It was brand new. There was no play book, so we had to improvise, make it up as we went along," he laughed. "Once we used a silver dollar to come up with an official seal that some pain in the ass prosecutor or defense lawyer said he needed."

When the idea possessed him, sometimes to disarm new attendees, other times to get a feel for the mood of the room, McNeill would bring up the elephant in the room at the start of meetings by asking everyone to stand up and check under their seats to see if anyone could find his voice.



Michael Pizzi G L

"Alfie and I were very close," said former federal prosecutor Walter Mack, recalling that in the 1980s and 1990s when he headed the Manhattan U.S. Attorney's Organized [Crime Strike Force](#), he "had the distinction of having more people in the WPP than anyone else in the country."

"Alfie would call me regularly and say, 'I am the only person that has a chance of getting you what you want,' because the Marshals service hated my guts because I was so demanding."

"He was a buffer with the Marshals Service which never admitted any mistake," said Mack. "Every screwup was always someone else's fault, never theirs. He did this for other people, not just me even though he was extremely loyal to the Marshals Service."

"Many thought he was an obstacle," Mack continued. "But he would use immense efforts, Saturdays, Sundays, nights, early mornings, to get it done. He was a teammate. He did it in a very rough, often profane, and very direct and demanding way. But if it weren't for him, a lot of cases would not have ever happened."



Patricia McNeill G L

"My dad was a big hearted, hard-working, humble man, who didn't need or want recognition," said McNeill's daughter Trish, an assistant district attorney in Brooklyn. "He loved his family to death, especially his three grandchildren, Vanessa, Aiden, and Austin, whom he affectionately called Princess, Killer and Bamm-Bamm, who miss him terribly."

One of her dad's great qualities, she said, was that he always gave "the little guy, the man working the coffee truck on the corner the same respect he gave the heads of state he met while working on international terrorism cases."

"He was proud of us, and we are proud of him," she said.

In addition to his daughter Trish, whose given name is Patricia, and his three grandchildren, McNeill is survived by a daughter Kim, a son Anthony Joseph, who goes by A.J., and his brother Harry.



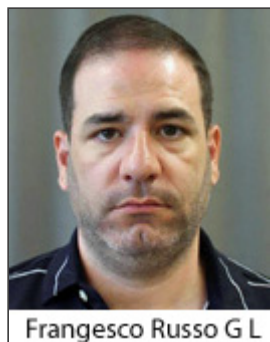
Walter Mack G L

Tough Darts When The Schemers Get Scammed

If you ignore the notion that they were involved in an \$80 million fraud, you just might feel sorry for the very frustrating times that the owners of two lending companies had when they finally came to grips with the fact that they were victims of a Ponzi scheme by gem merchant Greg Altieri. The hapless saps filed a useless Confession of Judgment seeking \$68 million from him.

"It came to a point where myself, Jason Kurland, and Frank Smookler just started not to believe Altieri," said Frangesco (Frankie) Russo, as he did his best to point a damning finger at Kurland and earn a nice letter of recommendation from the feds that just might earn him a time-served sentence of 21 months in prison for his role in the \$80 million fraud scheme.

"We were already invested into tens of millions of dollars," [Russo](#) continued, noting that their "relationship was already two years old, and we were just at the point of being fed up" after ignoring several "red flags" that they had noticed since they loaned his company, *LNA Associates*, \$1 million in October of 2018.



Based on documents the feds have submitted into evidence, Russo and his co-schemers missed a red flag about the first loan, which was marked paid in full — \$1.35 million on the March 15, 2019 due date. Eight days earlier, on March 7, the punch drunk lenders loaned Altieri \$15 million, which enabled him to pay off his \$1.35 million, with lots of cash left over.

And while they kept loaning him money, Russo testified, "we never got an understanding of who the (actual) receivable (person) was, or where his office was." And "we never really understood what he was actually buying," said Russo. Altieri gave them "pictures" of jewelry, he said, but they never saw any real gems and "never knew what the actual orders were."

During the whole time, he testified, they never met the person, and he turned out to be non-existent.

"At one point," Russo testified, he went to an address "in the diamond district" and managed to get into the building despite heavy security. "I went to every one of the seven floors looking for this (guy)" and "I knocked on every door, went into every office, and I left the city feeling disgusted because I couldn't find the receivable or the location that he explained to us."

"Each door to each business has a punch key and an intercom," said Russo. "I basically covered my hand, kept hitting intercom at every single door. Eventually they opened, and after about three hours, I had gone to every

single office and in every single room on every single floor, and there was no business with this name. There was no receivable."

"I called Jason. I called [Frank Smookler](#). I called Greg. I was disgusted," said Russo. "I left there knowing that it was just more lies (even though) Greg kept assuring me, 'No, no, you're at the wrong building. It was a different building.' So the very next thing to do was take the steps that we did, which was file the COJs and to go from there."

They never saw any money from Altieri, and while their \$68 million COJ against him is still pending, they'll never see any of that money, and neither will the Lottery winners who hired Kurland to protect them from losing their winnings to unscrupulous scammers.



Mafia Women/a>

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