

Chapter Eight

BARS

In late 1970 and early 1971, the Commission conducted a concentrated investigation into police involvement with drinking establishments. It found that payoffs from bars licensed by the state to sell liquor, along with those from construction firms, were the most common source of illegal outside income to uniformed policemen, and that unlicensed premises, operating completely outside the law, were paying substantial amounts to plainclothesmen and detectives.

Like the construction industry, the business of selling liquor by the drink is governed by a complex system of state and local laws, infractions of which can lead to criminal penalties, as well as suspension or loss of license. Thus licensees are highly vulnerable to police shakedowns. The licensed premises most commonly solicited for payments were found to be lucrative bars, such as popular singles bars and dance halls, and establishments which played host to ancillary illegal operations, such as bars which catered heavily to prostitutes and their customers, to drug pushers and addicts, to gamblers, or to homosexuals soliciting partners. Payoffs were also made by establishments operating completely outside the law, such as bars which served liquor without a license, or after legal hours, and "juice joints"—informal unlicensed spots which sell liquor by the bottle after midnight or on Sundays, when liquor stores are legally closed.

Although police officers receive free meals, drinks, and Christmas presents from legitimate restaurants, Commission investigators did not turn up evidence that such establishments were solicited by policemen for regular payments to avoid summonses.

At the time of the Commission's investigation, the responsibility for inspection and supervision of licensed premises was the duty of patrol sergeants in each sector. In October, 1971, the Department took these duties away from uniformed policemen and turned them over to

plainclothesmen and detectives. However, there are some indications that the system of shakedowns and payoffs has continued, with plainclothesmen and detectives taking over where the uniformed force left off.

The Investigation

When the Commission began its investigation it was aware that one area in which it was likely to find patterns of systematic and widespread police corruption was the enforcement of laws relating to bars and restaurants licensed to sell liquor by the drink. Over the years, there had been periodic scandals involving bar payoffs to police officers. On at least two occasions, these had been triggered by the discovery of policemen's notebooks listing amounts due monthly or biweekly from licensed premises to various police officers. And the Commission itself had received complaints that such payments were in fact being made. Moreover, bars are especially vulnerable to pressure from corrupt police officers because of the wide range of regulatory statutes to which they are subject, some of which are anachronistic and others overly vague.

The Commission undertook to ascertain whether these allegations of corruption with respect to bars were true, and if so, to determine the extent and nature of that corruption. The Commission decided to focus its investigation on the Nineteenth Precinct on the East Side of Manhattan and the Sixth Precinct in the West Village. The Nineteenth Precinct was chosen because of its convenient location and high concentration of bars (it contains over 100 bars and restaurants), and its selection is not meant to imply that corruption there was any worse than in other precincts. In fact, as Patrolman Phillips testified, "The Nineteenth is not a big money precinct." The Sixth Precinct was chosen for its large number of completely unlicensed bars.

In conducting their investigations, Commission investigators sought information from a variety of sources. Thus, in the Nineteenth Precinct they followed officers to bars and noted the frequency of their visits, interviewed owners, managers, and bartenders, used confidential

informants, and generally observed activities in and about the premises. Based upon these investigations, it became evident that the allegations of a systematic pattern of police corruption in connection with licensed bars and restaurants were substantially accurate. Furthermore, it is significant that these patterns changed abruptly, when, two months after the investigation in the Nineteenth had begun, the police became aware that Commission investigators were in the area. At that point, the officers who had previously been observed barhopping ceased such activities and warned bar owners and bartenders that, if they were questioned, they were to tell Commission investigators only that police sergeants came in occasionally to check licenses.

These police efforts to conceal the previously observed patterns had some measure of success. When the Commission held its executive hearings, it subpoenaed police officers responsible for bar inspections and directed them to bring with them their financial records and memo books covering the period of surveillance. Bar owners, managers, and bartenders were also subpoenaed along with their account books. Without exception, both police and bar personnel denied any knowledge of payoffs made to policemen by bars, and some even went so far as to deny having had various meetings and corruption-related conversations which had been observed, and in some cases overheard, by investigators.

In the Sixth Precinct in the West Village, the Commission used similar techniques of surveillance, undercover work, and interrogation of owners, employees, and informants to gather information about payoffs to police from both licensed bars and the large number of openly-operated unlicensed bars in that precinct. Here, too, the Commission's investigation confirmed the accuracy of allegations of systematic patterns of police corruption.

Patterns of Police Payoffs by Licensed Bars

As discussed in Chapter Fourteen, virtually all bars were found to provide free food and drinks to policemen and also made Christmas and vacation payments to police.

In addition, investigators found that many bars doing a substantial volume of business customarily made regular biweekly or monthly payments to the police. During the Commission's investigation such payments were usually initiated by the sector patrol sergeant who, bar owners said, would pay a visit to the premises and point out various violations or suggest that he could always flush the soap down the toilet and write out a summons for "no soap in the men's room." The next step would be negotiations as to how much the bar owner would pay—a sum to be split among the sergeants to insure protection from summonses. Finally, an agreement would be reached, a pad established, the down payment made, and from then on for as long as he stayed in business, the bar owner continued to pay. If the bagman was retired, promoted, or transferred, a new one soon took his place.

Although pad money was almost always paid to sergeants in the areas under investigation, other officers received payoffs from bars on a less regular basis. Radio car patrolmen picked up \$5 to \$10 apiece from certain bars on weekend nights when bar crowds were heaviest and trouble (and violations) most likely, and some captains were reported to have contracts with the busier bars.

In one bar, Commission investigators were mistaken for detectives, and the owner told them, in a tape-recorded conversation, that he had recently paid the precinct captain. As a result of that incident the precinct captain, now a deputy inspector, has been brought up on departmental charges of unlawfully accepting \$300 and then attempting to persuade the bar owner not to testify against him.

According to information received by the Commission, pad payments made to sergeants began at \$60 a month, and ascended to a high of \$2,000 a month reportedly paid by one large establishment in the Village. In smaller bars, the pick-up was generally made once a month, usually on or near the first, and in larger ones biweekly on the first and fifteenth.

Behavior of supervising patrol sergeants in the Nineteenth, who were responsible for licensed premises inspections, was consistent with a pattern of biweekly and monthly payoffs to them by bar owners. Duty schedules in the precinct were arranged so that the three sergeants who were alleged to act as bagmen were always assigned to different shifts. They turned out to be a bar-hopping lot. The sheer volume of their visits to bars was out of all proportion to law-enforcement problems posed by licensed premises.

The most glaring example was one sergeant who invariably showed up in one bar or another ten minutes after going on duty and ordered a V.O. on the rocks, then proceeded to go from bar to bar for the rest of his tour. His pattern of visits, like that of the other two alleged sergeant-bagmen, changed sharply on the first and fifteenth of the month, when payoffs were collected, in that he went to more bars than usual and spent less time in each. On the first of one month, Commission investigators observed the sergeant make the following ten visits to eight different bars, of which only two visits were recorded in his memo book:

<i>Investigators' Observations</i>		<i>Sergeant's Memo Book Entries</i>
<i>Time</i>	<i>Bar</i>	
4:35 P.M.	Rowan's	1620-1730 [4:20-5:30] Patrolling 1st, 2nd, 3rd Aves.
4:40	Dangerfields	
5:30	Muggs	
8:00	Uncle Charlie's	2000 [8:00] Brandy's B&G no viol. observed
8:12	Brandy's	
8:20	Merry Ploughboy	2020 [8:25] Ploughboy Pub
8:35	Sam's	2030-2100 [8:30-9:00] Patrolling
8:40	Tittle Tattle	
9:05	Tittle Tattle	
11:00	Uncle Charlie's	

In the four months from July 1, 1970, through November 2, 1970, this sergeant recorded a total of at least eighty-five official visits to bars.* In the same period he did not file a single licensed premises inspection form or issue a single summons. When questioned before the Commission and confronted with the disparity between his actual and recorded visits to bars, the sergeant attempted to explain his unreported bar visits by saying that he went into bars simply to use the toilet. He claimed he had to do this frequently because of a "urinary condition," which, however, he had never reported to the Department.

As in other precincts, honest enforcement of the law in relation to bars seemed to be the exclusive province of certain foot patrolmen. For example, one bar noted for permitting open gambling, drug-dealing and prostitution, and for staying open after legal closing hours, received ten summonses in one seven-month period, all issued by patrolmen.

In addition to ordinary pad payments, other opportunities for payoffs also arose. Fairly typical is the experience of one bar owner in the Twentieth Precinct on Manhattan's Upper West Side, who was approached by the police for payoffs in March of 1972. At this time, supervision of licensed premises had been taken away from uniformed sergeants and turned over to detectives and plainclothesmen, and the incident indicates that this organizational change may have had little impact on the basic operation of the system.

Four detectives entered this man's bar one night, announcing that they were there to inspect the premises, which they proceeded to do. After searching the men's room, one detective produced a small aluminum foil package which he said he had found in the men's room, and

* As might be expected of someone who spent so much time in bars, the sergeant's memo book entries became increasingly illegible as the night wore on, deteriorating to an undecipherable scrawl toward the end of a tour. Eighty-five represents the number of entries relating to bars that Commission investigators were able to read.

which he alleged contained cocaine. He told the bar owner that he was "in trouble," and that this incident would have to be written up and reported to the State Liquor Authority (SLA). The detectives then left, but a half-hour later, a patrolman known to the bar owner appeared and said he had seen the detectives writing up papers in the station house. He said that he would talk to the detectives and "see if anything could be done." It was clear that he was talking about a payoff. Later in the week, the patrolman telephoned the owner and told him he had arranged a meeting between the two of them and one of the detectives, to take place three days later in a neighborhood bar.

At this point, the incident became highly atypical because the owner got in touch with the Commission, which, no longer having an investigative staff, contacted the Police Department's Internal Affairs Division, which arranged to supply the bar owner with \$100 in marked money and to cover the meeting.

At the meeting, the detective asked for \$500 for changing his report on the bar so that the licensee wouldn't get in trouble with the SLA. The owner said he had only \$100 with him, which the policemen took as partial payment, after which they left the bar and walked straight into the hands of IAD. Both the detective and the patrolman have been indicted for receiving a bribe.

Another kind of score situation develops whenever there is a fight in a licensed premises, or any other disturbance which leads to arrest. All arrests made in bars must be reported to the SLA, which takes a dim view of the kind of activity which leads to arrest (fighting, for example), and which may revoke a bar owner's license on the grounds that he is running a "disorderly house." At the very least, if the SLA receives a report of an arrest in a bar, it will hold a hearing to determine the licensee's culpability.

So, while bar owners frequently need police help to break up fights or get rid of obstreperous drunks, they have a strong interest

in making sure that these things are not reported to the SLA. And the police are only too happy to oblige. For a fee which commonly ranges from \$200 to \$400, police officers will either not report a fight at all or will report that it took place on the street in front of the bar instead of inside. They will also make the arrest outside. Such a procedure insures that no records are sent to the SLA, and the licensee is off the hook.

Patterns of Police Payoffs by Unlicensed Bars

The Commission's investigation of unlicensed bars centered in the Sixth Precinct in the West Village, primarily one seventeen-square block area which is dominated during the day by the Gansevoort Meat Market. At night it becomes a haven for homosexuals who are drawn by the large number of completely illegal, unlicensed bars which cater to them. These establishments have been identified by local and federal law enforcement agencies as being owned or controlled by members of organized crime, and they are the scene of substantial illegal activity.

The unlicensed bars in the Village (usually euphemistically called "after-hours clubs" because they stay open long after the 4:00 a.m. legal closing time for licensed premises) are located in sizable lofts which accommodate as many as 700 men at a time. These bars generally consist of a large open space containing a bar and dance floor, and a connected "sex room" or "orgy room" where men practice homosexual acts on each other.

The Commission found that many of these unlicensed bars made payoffs to division plainclothesmen and detectives who were charged with enforcing laws against them, to insure that the bars would be allowed to operate virtually unhindered by police action. The payments were substantial, ranging up to \$2,000 a month for the largest and most lucrative club. The understanding between bar owners and police was that occasional token arrests would be made to keep up a

facade of police alertness, but that the arrests would be handled in such a manner that they did not seriously disrupt business. Arrests were generally limited to a handful of minor employees, and were made quietly, so that customers were not harassed or intimidated. Seizure of liquor generally consisted of police taking two or three half-empty bottles for evidence and leaving the main supply intact.

Despite their completely illegal status, the Sixth Precinct's after-hours clubs operated so openly—even blatantly—that their existence was obvious even to the most casual passerby. On weekend nights, Commission investigators saw long, often noisy, queues of patrons lined up outside the clubs, waiting to get in. Numerous citizen complaints were received by the First Division, uniformed officers filed endless suspected premises reports, and on occasion complaints were forwarded from the SLA. Yet division personnel took little action. When plainclothesmen and detectives were sent to check on after-hours clubs, they usually filed reports indicating that they had observed no illegal activity.

At the time of the Commission's investigation, the largest after-hours club in the Sixth Precinct occupied the entire third floor of a block-long building on West 13th Street. The street floor of the same building housed a licensed bar, also catering to homosexuals, which was under the same management as the after-hours club. This club, like most others in the neighborhood, was operated openly. On weekend nights, large numbers of patrons lined up in the street outside the club to wait for the elevator to the third floor.

According to an informant, the owner of this bar paid plainclothesmen from the First Division \$2,000 a month for being allowed to operate, with the understanding that no substantial action would be taken against the club, but that it would have to be "raided" occasionally. The club was indeed "raided" seven times in twelve months, with the raids consisting of plainclothesmen entering the premises and quietly

arresting a handful of minor employees (porters, doormen, and the like) and seizing a few half-empty liquor bottles for evidence, all without disturbing the regular operations of the club or embarrassing its patrons. According to a witness at one of the raids, even this was too much for the manager, who yelled at one of the plainclothesmen during a raid, "You dirty _____, after I just gave you \$2,000 and you go pull this _____! I have shoved so much money down your throat and you raid me the next day!" The witness added that the plainclothesman looked embarrassed and said nothing.

During this club's existence, the First Division received many citizen complaints about it, and additional complaints were forwarded from the SLA. Also, numerous uniformed sergeants from the Sixth Precinct filed suspected premises reports. Yet plainclothesmen from the division sent down to look into the complaints generally reported that the club was closed or that they were refused admittance.

A review of Police Department records reveals that, several days after the club was opened in mid-April of 1970, a uniformed sergeant filed a suspected premises report. Over the next six weeks, plainclothesmen sent to investigate either reported the club closed or said they had been refused admittance. On June 6, 1970, plainclothesmen finally entered the club and made several token arrests. From June 6 to June 17, they made five visits, reporting each time that the club was closed. Another raid was made on June 18. However, the police handled the raids with enough discretion to avoid interfering with the club's operations, as was evidenced by the fact that the club leased additional space, doubling its size, eleven days after the June 18 raid. Over the next two months, despite the filing of suspected premises reports by uniformed sergeants, plainclothesmen from division claimed they could find no violations. Over the following five months, they made four raids, claiming in between raids either that the club was closed or that they were refused admittance. (Despite the numerous reports of being refused entrance to the club, the division at no time

attempted to get a search warrant.) During the periods when division plainclothesmen claimed that the place was closed, uniformed police and Commission investigators observed it open. And during periods when plainclothesmen claimed they were refused admittance, Commission investigators had no trouble getting in.

Eventually, the Investigation Unit of Patrol Borough Manhattan South was called to investigate. Among other things, their report on the matter cast considerable doubt on plainclothesmen's claims that they were refused admittance. The investigating officers' report stated, "The officers while entering and leaving the premises were not asked for membership cards; nor was there any evidence of security either at the door nor inside the premises proper."

After the presence of Commission investigators in the area was publicized, a reliable informant told the Commission that supervisory police officers advised the owner of the club to close down "until the heat is off," which he did. At the time of the investigation, the owner of the club had reportedly already signed the lease on new space around the corner and refurbished it as an after-hours club at a cost of \$40,000.

Another unlicensed club notable for the number of policemen who frequented it, both in and out of uniform, operated equally openly and with little police interference. Arrests at this club were exceedingly amicable. On one occasion, a Commission informant was on the premises when a raid took place. Plainclothesmen mentioned to the doorman on their way in that there would be a raid that evening, and that they needed two people. They then went on upstairs to the club and ordered drinks. When they had finished drinking, they said, "Okay, let's go," and walked out with the doorman, one of the bartenders, and two half-empty bottles of liquor. A former employee who had been arrested several times said that all the raids followed the same pattern, with arrested employees being taken to court the following morning, where they pleaded guilty to "disorderly conduct."

As with most of the after-hours clubs, suspected premises reports filed on this one by uniformed men were largely ignored at division level. During one month, five reports were filed. Plainclothesmen took no action on the first four, then, after the fifth, paid a visit one night at 1:00 a.m., when they reported the bar closed. However, a uniformed sergeant who passed by two and a half hours later reported it open and operating.

Not all uniformed officers were so diligent about filing suspected premises reports, though. For example, Commission investigators observed six different patrol cars cruise past the club one night between 3:00 a.m. and 5:00 a.m. During this period, large numbers of patrons were entering and leaving, yet not one suspected premises report was filed—perhaps because uniformed men saw little point in filing reports which they knew would be ignored.

In some cases, uniformed police officers shook down afterhours clubs. One owner of such an establishment told the Commission the following story, which was later corroborated by another source. Shortly after his bar opened, the local precinct captain paid a visit and asked the owner if he was running an after-hours bar. The owner admitted he was, whereupon the captain produced a neatly typed list of payments the owner was to make to the police for the privilege of operating. Listed were captains, lieutenants, sergeants, and sector car patrolmen, with the amount to be paid to each.

Afterhours bars were not the only unlicensed premises found to make systematic payoffs to the police. Officers Phillips and Droge both testified that they, their fellow patrolmen, and in some cases, their supervisors, had accepted regular payments from bottle clubs and "juice joints."

Bottle clubs are drinking places, supposedly open only to members who bring their own liquor. In fact, most bottle clubs are open to anyone, and they sell liquor by the drink. Because they posed as private clubs, these establishments were exempt from regulation by

the State Liquor Authority until 1969, when a law was passed requiring bottle clubs to register with the SLA and to obey the laws applicable to public taverns, including the curfew rules. As of late 1972, not one of the City's hundreds of bottle clubs had applied for a license from the SLA, each apparently preferring its informal "licensing" arrangements with the local police. An informant who had operated a bottle club in Brooklyn in the late sixties told the Commission that he had made biweekly payments of \$30 to two sergeants, and had also made regular payments to two detectives assigned to the Youth Squad. After he stopped making payments, his club was raided and cash and liquor confiscated.

Juice joints, which are essentially unlicensed and untaxed package stores operating out of hallways or private apartments, sell liquor and wine by the bottle when licensed liquor stores are closed. Patrolman Droge testified that the daily payoffs from juice joints in one precinct where he had been assigned amounted to \$10 per sector car from each establishment. The sergeants in that precinct, Droge testified, usually made their own contracts with the proprietors of juice joints.

If a juice joint is very conspicuous, an accommodation arrest may occasionally be necessary, as Patrolman Phillips explained in his testimony before the Commission. Phillips described an incident involving a very active and conspicuous juice joint in Harlem, where Phillips and his partner made an arrest one Sunday morning at 9:00 a.m. The hallway where the liquor was being sold was full of cases of whiskey, rye, gin, and wine. Phillips testified:

"So we told him [the proprietor], 'We're going to arrest you for selling liquor in violation of the ABC laws.' So he says, 'Well, I can't go, you have to take my wife. I'm too busy.' So he says to his wife, 'Sweetie, get dressed, you're taking a pinch.'

"So his wife got dressed and packed a little lunch and we took his wife. We also took a few hundred dollars and took liquor for evidence. So his wife went to court and pleaded guilty and [paid] a small fine and she walked out."

Comments

The most visible evidence of police toleration of illegal conditions in and around bars at the time of the investigation were the long lines of double- and triple-parked cars outside bars along the East Side avenues. Patrons of the bars were instructed to put matchbooks or menus from the bars on their dashboards. These acted, in effect, as parking permits. Patrolmen would walk along the lines of illegally-parked cars, looking at the dashboards and issuing summonses only to cars without matchbooks or menus. The bars themselves were of course immune from summonses for violations of the various laws, and those bars which permitted open prostitution, drug-pushing, gambling, and soliciting by homosexuals were left alone to pursue their lucrative operations. Unlicensed premises were permitted to operate openly, subject only to occasional token arrests.

More serious was the effect of police corruption with respect to licensed and unlicensed bars on overall law enforcement efforts. In the Nineteenth Precinct, Commission investigators were struck by the visible lack of police patrols. During the six-week period of intense surveillance, investigators rarely saw a police car on patrol west of Lexington Avenue (almost all of the bars in the precinct are east of Lexington). According to the FBI index of serious crimes for the period covering the investigation, the Nineteenth Precinct ranked fourth highest of the seventy-eight precincts then in the City in the number of crimes reported, and the third lowest in the number of arrests per 100 reported felonies. Furthermore, a high percentage of the crimes committed in this precinct, like robbery, larceny of \$50 and over, and auto theft, take place outdoors, where a strong police presence would act as a powerful deterrent.

The Department has taken steps to restore uniformed men to more productive tasks by ordering that no uniformed men are to enter bars except in emergencies or for meals. This step was apparently directed not merely at corruption but also at reducing public perception of it

by shifting responsibility to non-uniformed men. Plainclothesmen may enter bars only in answer to specific complaints, or to take their meals. The change in policy has apparently had limited effectiveness in curtailing bar-related corruption, as illustrated by the incident related above, in which four detectives shook down a West Side bar shortly after the change went into effect.

The laws regulating drinking establishments are so numerous and so all-encompassing that virtually every licensed premise is guilty, at least sporadically, of technical violations. Drinking places are licensed by the State Liquor Authority, which is also empowered to revoke or refuse to renew licenses, and they are subject to regulation under numerous laws including the Alcoholic Beverage Control (ABC) Law, the Administrative Code, the Building Code, and the Health Code.

The New York City Administrative Code prohibits dancing in any bar that doesn't have a cabaret license, a regulation that has led to the issuance of at least one summons to a bar in which a patron was stepping in time to the music as he put coins in a juke box. Under §106 of the ABC Law, no licensed premises may have a "screen, blind, [or] curtain" covering any part of any window on the premises; under the same section, booths, partitions, and swinging doors are also prohibited. Other commonly violated provisions of the ABC Law are those 1) prohibiting lighting too dim to permit the reading of a newspaper; 2) requiring separate sanitary facilities for men and women (violated by very small bars and by those patronized solely by men); 3) stipulating that for every three feet of bar there must be at least one seat at a table.

A licensee may be issued a summons if he "suffers or permits" certain activities among his patrons over which he may, in fact, have limited control: A bar is violating the law if its patrons use "indecent, vile or vulgar" language or if they are "disorderly." Some of the laws police officers are called on to enforce in relation to licensed premises are sound in principle but are so vague and ill-defined that

they lend themselves to abuses in practice. Bars are prohibited from serving persons "under the influence of liquor," but the law in no way defines "influence." Does one drink create influence? Three? Five? In enforcing this provision of the law, the police have established no objective standard and use no objective tests, such as those given to motorists suspected of drunken driving. To confuse the issue even more, the law states that a bar is in violation if a drink is served to someone who is "apparently" under the influence. Of the nuisance laws, those most commonly mentioned by bar owners are Health Department ordinances requiring that kitchen garbage cans be covered at all times and that there be soap in the men's room.

The Commission concluded during its investigation that the interests of both the police and the public would best be served by divesting the Police Department of responsibility for enforcing these laws except in response to specific complaints. The Department has effected this change in policy, which has diminished the number of bar visits and thus cut down the opportunities for police shakedowns. The police should be removed still further from enforcing minor ordinances affecting bars by shifting such responsibility to other agencies like the SLA or the Health Department. Any corruption which may exist in such agencies is a lesser evil than corruption among policemen for the same reasons set forth above with respect to the construction industry.