



THE

MAFIA'S

MORRISTOWN

FELV

ILLUSTRATION: GETTY IMAGES/GREENSEY CRAIG & NIKOLAY MALZHANOV

LITTLE GIUSEPPE MORELLO had a difficult childhood. He was born in Corleone, Sicily, in 1867 with a significant disfigurement: a shortened right forearm and a hand consisting of little more than a palm and one little finger. His father died when he was four, leaving him to face the cruel taunts of other children until his mother removed him from school to work on a farm. When she remarried, the teenaged Morello gained a stepfather, Bernardo Terranova, who introduced him to a brotherhood known as the Fratuzzi. In his new family—a Mafia crime family—Morello flourished.

Nicknamed “the Clutch Hand” for his deformity, Morello earned a reputation for being cunning and ruthless. At age 22, he murdered police officer Giovanni Vella for threatening to shut down the Fratuzzi’s cattle-rustling business. Shortly thereafter, a witness who said she would identify the killer was shot in the back. Morello plotted to have a local politician, Francesco Ortoleva, framed for the policeman’s murder. Ortoleva was convicted and sentenced to 20 years in prison for the Clutch Hand’s crime. An unfortunate neighbor who overheard a conversation that incriminated Morello was found dead beside a bridge outside Corleone.

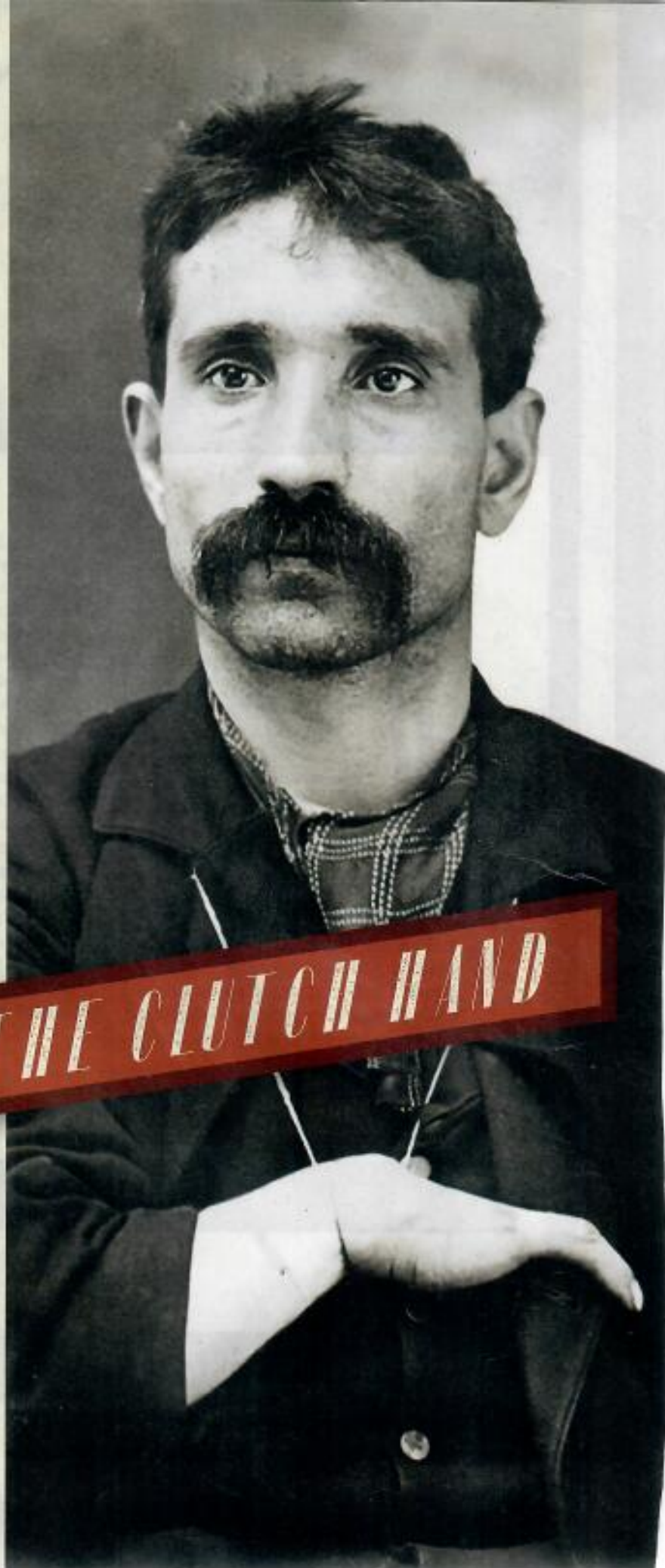
One of the Clutch Hand's big ideas was to introduce counterfeit notes being passed in Palermo to Corleone. Morello's bogus notes were a success, raking in far more money for the Fratuzzi than the family had been making. Unfortunately for Morello, his operation was compromised in 1892, and the police issued a warrant for his arrest. After fleeing Sicily for America, he was convicted of counterfeiting in absentia and sentenced to six years in solitary confinement (which he never served).

The Clutch Hand bounced around America for a few years, eking out a living before settling in New York City's Little Italy neighborhood in 1896. The city was in the midst of an Italian immigration boom—its Italian population surged from just 13,000 in 1880 to nearly 150,000 by 1900, and in the next 10 years, 2.1 million Italians came to America, most of them low-skilled and illiterate. To Morello, America looked like a safe haven from Italian authorities and a land of boundless opportunity.

After failed attempts to run a store and a saloon, Morello returned to counterfeiting. The variety of U.S. paper money that circulated at the turn of the century was surely bewildering to newly arrived immigrants: United States notes, Silver Certificates of old and new designs, Gold Certificates, Treasury notes, and National Bank notes imprinted with the names of thousands of different banks. As his first subject, the Clutch Hand chose a Series of 1891 \$5 Treasury note, redeemable in silver or gold coin, bearing a portrait of Civil War General George H. Thomas.

In the spring of 1899, Morello moved to an East Harlem apartment on East 106th Street, several miles north of Little Italy, where he installed an old printing press. It wasn't capable of the sophisticated engraved intaglio printing the Treasury Department used, but it was the best he could afford. His notes weren't intended to fool bankers anyhow. Rather, Morello sold the notes at a 60-percent discount to small teams of common crooks known as "queer pushers," who passed them in dimly lit shops, saloons, restaurants, and gambling houses. The Clutch Hand's counterfeits were better than some, consisting of two pieces of paper between which silk fibers were sandwiched before being glued together. This was useful in the case of the \$5 Thomas note, which the Treasury had redesigned with open spaces on the back to display silk fibers embedded in the paper. If a shopkeeper candled the counterfeit, the silk fibers were visible.

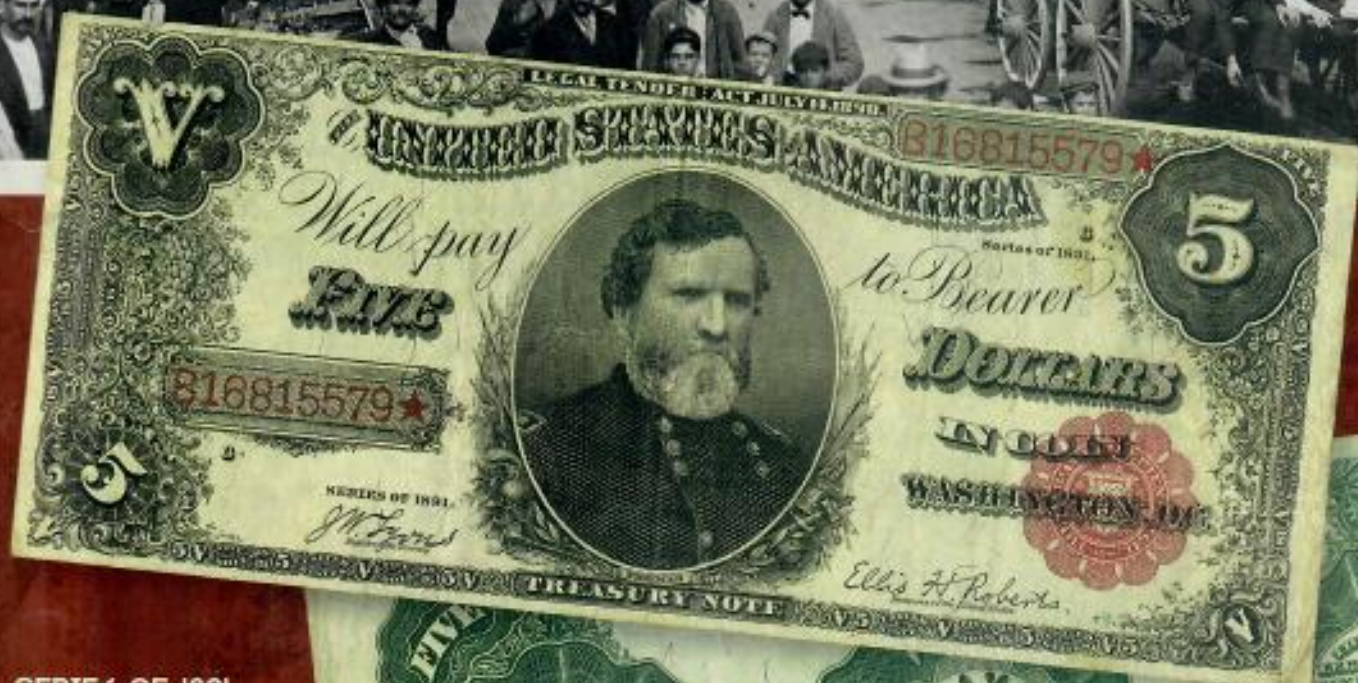
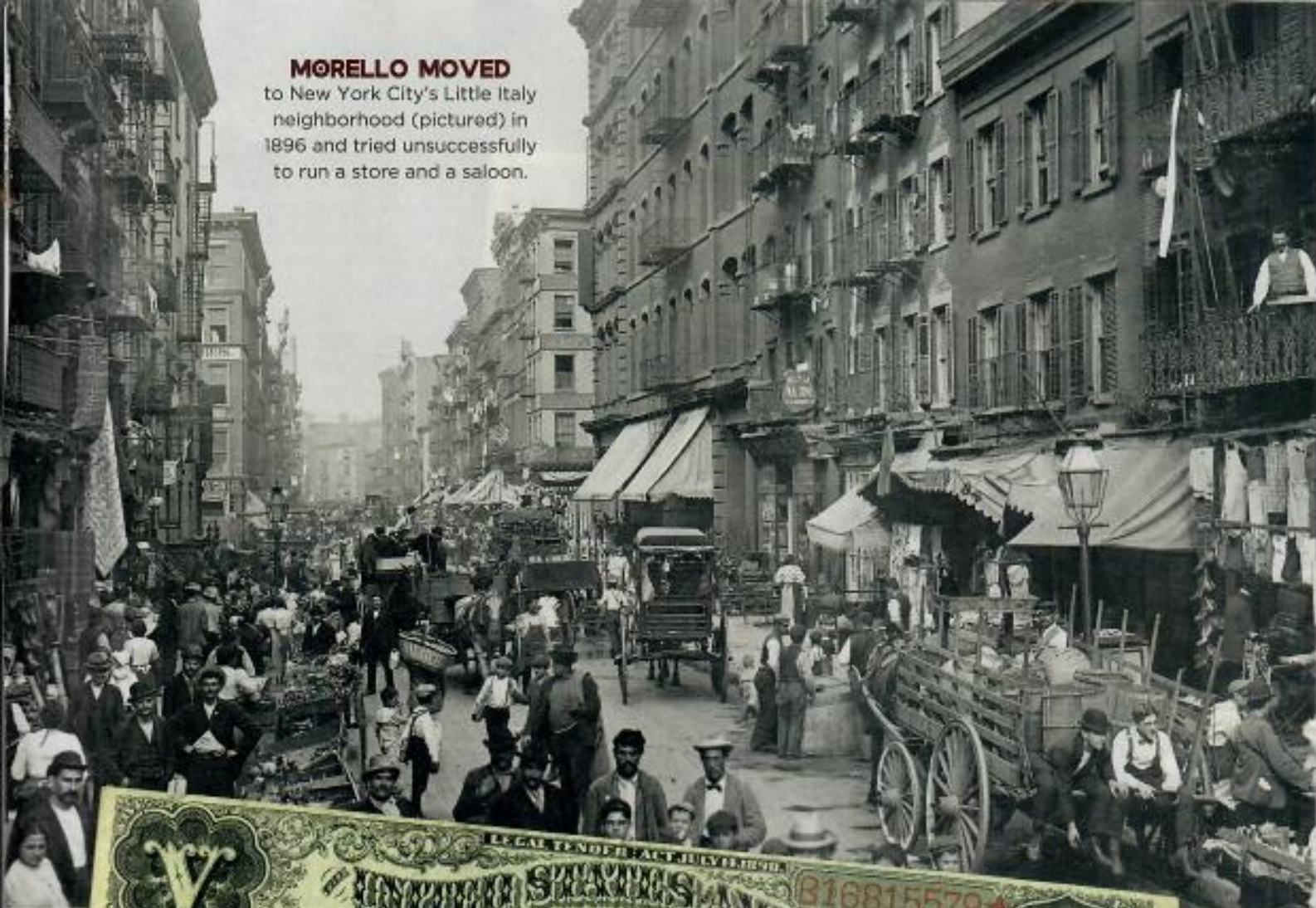
Morello hired an Italian printer in New Jersey to etch copper printing plates, and he put Calogero Maggiore, a 20-year-old from Corleone with no criminal record, in charge of distribution



THE CLUTCH HAND

MORELLO MOVED

to New York City's Little Italy neighborhood (pictured) in 1896 and tried unsuccessfully to run a store and a saloon.



SERIES OF 1891

Treasury notes (shown) were designed with blank areas on the backs so the silk fibers embedded in the notes would be easily visible. Morello accounted for this with his counterfeits.

Not Actual Size



through a gang of paper pushers. While some of them were Sicilian, most were Irishmen, led by a petty crook nicknamed "Dude" Thompson for his dapper attire.

Mollie Callaghan, an Irish maid whom Morello hired to cook and clean for him, learned the hard way of the Clutch Hand's penchant for secrecy. Although she was warned not to pry into a certain room in Morello's apartment, in December 1899, curiosity overcame caution, and she discovered the counterfeiting tools, plates, and press. She vanished on Christmas Day, never to be heard from again.

The police investigation into his housekeeper's disappearance forced Morello to hide his press and lay low until March 1900, when 200 \$5 Thomas notes went out. Since the average daily wage of a workingman was about \$2.50, an enterprising note pusher could make a good living by pocketing a profit of \$3 for each note passed. Typically, a pusher carried



just one counterfeit at a time, together with several genuine notes, while the remainder were held by a "boodle carrier" who watched from a distance. If a merchant detected a counterfeit, the pusher would apologize, pretend that he himself had been unwittingly duped, and offer to replace the note with a good one.

Things went well until the night of May 31, 1900. While attempting to pass a \$5 Thomas note to pay for a 5-cent plate of oysters, two Irish gang members were arrested and handed over to U.S. Secret Service agents for interrogation. In return for a promise of lenient treatment, one Irishman gave a full confession.

Secret Service operatives bought counterfeits from Dude Thompson, tailed him to his haunts, and on June 9, arrested him and several others.

One of them identified Morello's distributor, Calogero Maggiore. In a saloon Morello owned, undercover agents deceived the young Sicilian into selling them \$20 worth of counterfeits. Watching

◆ **IN 1901** Morello shifted the object of his counterfeiting operations to a Series 1882 \$5 Brown Back of the National Iron Bank of Morristown, New Jersey (below). His examples (p. 37) have much less detail and were meant to be used in dimly lit establishments.

Not Actual Size





the transaction from a dark corner, the Clutch Hand fled when he saw Maggione being cuffed. Although he was chased down and caught, Morello had no counterfeits on him. Just one Irishman dared point to Morello as the head of the counterfeiting ring, and a search of his apartment came up empty. Keeping an oath of silence, the 20-year-old Maggione was convicted as the ringleader and sentenced to 6 years of hard labor in Sing Sing. The Clutch Hand walked free.

For Morello, the lessons of his failure were clear. First, he would rebuild, but only with Corleone immigrants or Sicilians vouched for by Mafiosi (men sworn to take their secrets to their graves). They would become his own Mafia family in America. Second, had he been caught with counterfeit notes, plates, or a press, he would be in Sing Sing with the others. He had to distance himself from his counterfeiting operation.

Although the Secret Service had from time to time dealt with gangs of Italian counterfeiters, the Clutch Hand's new crime family did not match the typical profile. Usually, the counterfeiters lived by the engraver's tool, the printer's ink, and the con man's suave veneer of trust. The Clutch Hand's Sicilians carried guns and knives and lived by a strict

code of silence called *omertà*, the ancient Sicilian belief that a person ought never go to, or cooperate with, government authorities, but instead settle disputes with acts of revenge.

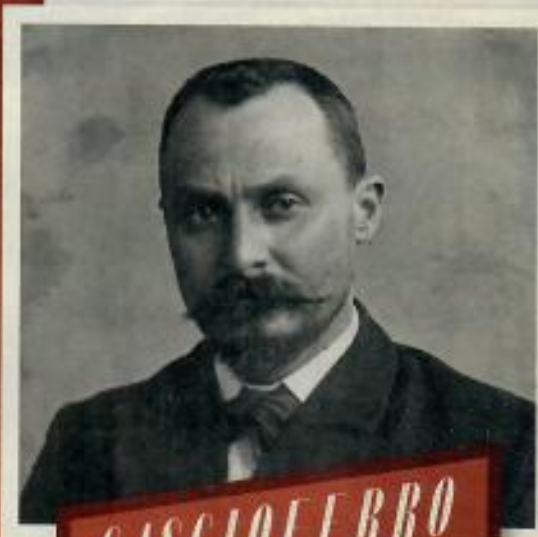
Still, Morello did not take into account the formidable opponent he soon would be up against: William J. Flynn, who in 1901 became chief of the New York office of the Secret Service. Italy had no equivalent to the Secret Service, and Chief Flynn was a relentless, methodical bulldog. Although the Clutch Hand had been acquitted of his first counterfeiting charges, Flynn assigned agents to surveil him and built detailed files on his activities and associates.

ON MARCH 22, 1901, the Secret Service alerted the public about a "deceptive" counterfeit \$5 Brown Back note that claimed to be from the National Iron Bank of Morristown, New Jersey. They described it as being printed on two pieces of paper between which silk fibers were distributed, just like Morello's \$5 Thomas counterfeit. It appeared to be printed from an engraved plate, but the details were inferior to those of a genuine note.

“ THE CLUTCH HAND'S
SICILIANS CARRIED GUNS
AND KNIVES AND LIVED BY A
STRICT CODE OF SILENCE.”



LUPU



CASCIOFERRO

First issued in August 1882, Series 1882 Brown Back National Bank notes (so-called for the ink used to print the backs) had been around for almost 20 years by this time. Such a familiar note hardly warranted a second glance from merchants. Produced in denominations of \$5, \$10, \$20, \$50, and \$100, the \$5 features a portrait of President James A. Garfield, who was assassinated just months after taking office in 1881. A total of 2,655 federally chartered National Banks issued \$5 Brown Backs, each of which received

notes custom-printed with their name and charter number. The notes bear signatures of the bank president and cashier, or their designees. Brown Backs were

issued between 1882 and 1909 with 13 Treasury signature combinations.

Not only were well-worn \$5 Brown Backs ubiquitous, but counterfeits were virtually nonexistent.

Morello's "Morristown fives," as they became known, were "shoved" far and wide, mostly through Italian neighborhoods. As with all counterfeiting operations, the Secret Service set out to seize the gang's printing plates, press, and leader, Chief Flynn grew frustrated by his inability to squeeze information from the

THE CLUTCH HAND'S COUNTERFEITING PLANT WAS IN ITALY



"small fish" arrested for passing Morristown fives. The Sicilians refused to utter a word. Moreover, tailing gang associates to the source of their counterfeits led to dead ends.

An early member of Morello's new gang was Ignazio Lupu, who had fled Sicily to avoid arrest for killing a business rival. In 1901 he opened a wholesale grocery and a saloon on Prince Street, where he probably first met the Clutch Hand. The two had much in common, and Lupu merged his wholesale grocery into Morello's crime family. The Clutch Hand opened a restaurant at the back of Lupu's saloon, which served as his gang's headquarters.

Lupu quickly grew his business through extortion, arson, kidnapping, death threats, and bombings. Nicknamed "Lupo the Wolf," he was so feared that Italian Americans made the sign of the cross at the mere mention of his name. Police estimated that the Wolf murdered 60 people during his reign of terror. The Wolf imported wine, olive oil, and other foodstuffs from Italy under the supervision of Giuseppe "Joe the Grocer" Catania.



MADONIA

PHOTOS: WIKIMEDIA COMMONS (LUPU); UNITED STATES DEPARTMENT OF THE TREASURY (CASCIOFERRO); NEW YORK EVENING WORLD, APRIL 15, 1903 (FLYNN); GUY LAWRENCE (MADONIA); GETTY IMAGES (GARFIELD); JESSICA HYDE

On July 23, 1902, four teenagers alerted police after finding two large potato sacks at the edge of the bay in Brooklyn. One sack contained a set of blood-soaked clothes. The other contained a naked body, bound with rope. The victim had been stabbed repeatedly, all the major bones were broken, and the throat was slit ear to ear—it was Joe the Grocer Catania.

The police investigation revealed that the day before the murder, Catania and Lupo were seen on their way to the Brooklyn customs house to release a shipment of Italian imports. Why was Catania brutally murdered? Was something going on in the Wolf's import business to warrant such an act? The Secret Service heard rumors that the Clutch Hand had ordered the execution because Catania "talked too much."

Lupo replaced his import manager with Giuseppe Di Priemo. On New Year's Eve in 1902, Di Priemo and an accomplice, Isadore Crocevera, were arrested in Yonkers for passing Morristown fives. They were handed over to the Secret Service for interrogation, and as usual, Chief Flynn failed to pry loose even a scrap of information. He decided to fool one of them into thinking that the other had squealed. The chief kept Di Priemo in his office for hours while Crocevera nervously waited outside. When at last Flynn led Di Priemo out of his office, he made a show of patting Di Priemo on the back, shaking his hand and wishing him a good night.

Chief Flynn hoped his act would loosen Crocevera's tongue. Instead, Crocevera sent word of what he saw to the Clutch Hand. Morello immediately suspected Di Priemo had talked and ordered his death. Fortunately for Di Priemo, both he and Crocevera were tried and convicted of passing Morristown fives and locked up beyond the reach of the Clutch Hand.

Di Priemo's brother-in-law was Benedetto Madonia, a Morello lieutenant and distributor of Morristown fives in Buffalo. He raised \$1,000 and sent it to Morello to pay for Di Priemo's defense, but Morello seized the money. Madonia angrily wrote Morello that he was coming to New York to discuss the situation and get his money back.

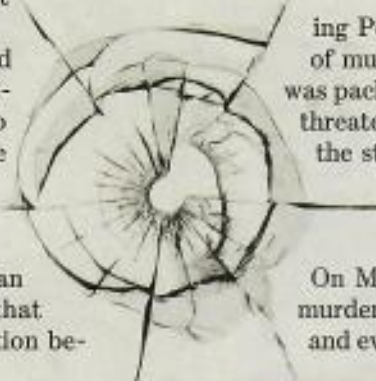
It was a serious mistake—by Mafia tradition, if an offense cannot be settled directly with the offender, then it is settled with the next closest relative.

At dawn on the rainy morning of April 14, 1903, a woman crossing at the corner of East 11th Street and Avenue D came upon a large barrel covered by an overcoat. Lifting the coat to peer inside, she dropped it and screamed. There was a man, doubled over

and crushed, his feet and one hand sticking out over the rim. He had been stabbed 18 times and his throat slit. It was Benedetto Madonia. Police

later uncovered evidence pointing to Morello's bodyguard and enforcer, Tommaso Petto, aka "Petto the Ox."

The police rounded up 13 men, including Petto, Morello, and Lupo, on suspicion of murdering Madonia. The trial courtroom was packed with Sicilians who hissed and made threatening gestures whenever a witness took the stand. Although judge Peter Barlow ordered the court cleared, witnesses either lost their nerve or retracted statements they had given to police. On May 8, a jury ruled that Madonia was murdered by "a person or persons unknown," and everyone was released.



CHIEF WILLIAM J. FLYNN

While the trial was underway, Chief Flynn at last got a major break when he intercepted a telegram to Lupo about a shipment of empty gallon olive oil cans from Italy. Flynn immediately recognized the telegram's sender, Vito Cascioferro, as a man he arrested the previous year during a raid on a coin-counterfeiting operation in Hackensack, New Jersey. Due to lack of evidence, Cascioferro had been released, and he returned to Sicily.

Due to a quirk in the U.S. tariff schedule, olive oil in barrels was taxed at a lower rate than olive oil in gallon cans. The Wolf imported empty cans to fill from barrels. Flynn wondered why this shipment of empty olive oil cans warranted a telegram from Cascioferro. When the cans, labelled Rocco Lupo & Sons, arrived at the port of Brooklyn, Flynn ordered them impounded. Sure enough, a search by Secret Service agents discovered rolls of Morristown fives sealed in empty cans. After two years of fruitless searching, Flynn now knew why

PHOTO: LIBRARY OF CONGRESS (FLYNN) & GETTY IMAGES; NIKOLAY MALISHANDOV



the trail of Morristown fives always led nowhere: The Clutch Hand's counterfeiting plant was in Italy, far beyond the grasp of the Secret Service. Most likely it was run out of Palermo, Sicily, by Cascioferro.

Despite the New York police's failure to convict any of Morello's gang for the barrel murder, the Secret Service doggedly tracked the Clutch Hand's gang. On July 17, 1903, they had a Brooklyn tenement house under surveillance when a suspect recognized Chief Flynn. He tossed a roll of Morristown fives over a fence and fled into the building. Flynn and five agents pursued him with guns drawn. Racing up the stairs to the second story, agents booted in the locked door. They were

confronted by a woman waving a hot iron in their faces while four men scrambled out the windows. Suddenly the woman's husband, a butcher with a shop on the first floor, came from behind and struck two agents, then grabbed a roll of counterfeits and fled out a window. Flynn's men opened fire, and a gun battle broke out when the agents charged downstairs and into the street. Guns, knives, and Morristown fives were seized after the authorities cornered and arrested five suspects.

Days later in Montpelier, Vermont, police warned that "grafters" traveling ahead of Barnum & Bailey's circus were passing Morristown fives. In October the Secret Service arrested Morello's distributor Louis Saffrido for selling 50- and 100-note packets of Morristown fives.

Feeling heat from the Secret Service on all sides, the Clutch Hand became convinced he had informants inside his crime family and decided to shut down his counterfeiting business. Thousands of dollars in Morristown fives were incinerated. Among the victims of the Clutch Hand's purge of suspected informants was Salvatore Especiale, one of those arrested in the Brooklyn tenement raid. He was found in December 1903 on a Brooklyn street corner with two bullets in his chest.

Although no longer counterfeiting, the Morello-Lupo crime family boomed. They had gained a hand in virtually every kind of illegal activity. Corleone immigrants became the core of a criminal network reaching to New Orleans, Kansas City, and Chicago. By 1905 Morello presided over the largest crime family in New York City and was recognized as the first *capo dei capi* ("boss of bosses"). Over the decades, the succession of leadership in Morello's crime family evolved into the Genovese crime family. For his success in shuttering the Mafia's counterfeiting operation, Chief Flynn was promoted to head the U.S. Secret Service in Washington, a position he held until 1917. ♦

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THE MAGAZINE FOR COIN COLLECTORS

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THE Numismatist

DECEMBER 2023



THE MAFIA'S MORRISTOWN FAKES

- ILL-FATED SONS OF ROMAN EMPERORS
- COINAGE ACT OF 1873

