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MOB TRIAL RILES LAS VEGAS

The Hit on 'Fat Herbie' Provides Window on Local Rackets

May 17, 1999

By Cathy Scott

LAS VEGAS (APBnews.com) -- A colorful trial of two reputed Mafiosi charged with the 1997 execution-style murder of another gangster is spotlighting the very kind of mob activity that officials say doesn't exist here anymore.

Since the early 1990s, the Nevada Gaming Commission has been releasing statements assuring the public that the FBI had forced the last of the mob out of Las Vegas in the late 1980s. And just this week, Oscar Goodman, a Las Vegas mayoral candidate and an attorney who previously represented Meyer Lansky and other mobsters, said the streets of the city were free of traditional organized crime.



Oscar Goodman, mayoral candidate

AP

"For the last 15 years," he said, "there hasn't been a mob presence here."

Murder-for-hire and a bomb

But in U.S. District Court here since April 26, testimony related to the life-and-death saga of Herbert "Fat Herbie" Blitzstein is providing new details about local street rackets. For instance, a 12-count racketeering indictment handed down in February 1998 names 10 defendants charged with offenses ranging from Mafia connections and murder-for-hire to racketeering and possession of a bomb.

The 62-year-old Blitzstein ran a downtown auto-repair shop and, according to prosecutors, previously served as the first lieutenant and enforcer for the late Anthony "The Ant" Spilotro and his Chicago-based "Hole in the Wall" gang. Authorities said that Blitzstein was involved in loan-sharking and insurance fraud.



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Point-blank range

On the evening of Jan. 6, 1997, Blitzstein died of gunshot wounds administered at point-blank range to the back of his head. The murder took place in his home.

Federal prosecutors charge that Stephen Cino, 62, and Robert Panaro Sr., 57, are Mafia soldiers who sanctioned Blitzstein's execution as part of a plan to take over his auto-repair business that prosecutors say was a front for loan sharking and insurance-fraud activities.

Cino is described by prosecutors as a member of a Los Angeles branch of La Cosa Nostra; Panaro is described as a member of a Buffalo branch of the same crime organization. The prosecutors suggest that the Los Angeles and Buffalo Mafia families wanted to take over Blitzstein's loan-sharking operations.

Cino and Panaro have pleaded innocent to the murder charges.

Wearing a wire



Las Vegas Sun

Herbert "Fat Herbie" Blitzstein

Months before Blitzstein was shot inside his Las Vegas town house, the FBI installed electronic surveillance devices at Blitzstein's shop -- Any Auto Repair -- on downtown Fremont Street.

The FBI said it was not aware that Blitzstein was a murder target, despite listening in on hours of secretly recorded conversations from inside the shop where some of the conspirators, including Blitzstein's partner, are alleged to have held discussions about the proposed hit.

Immediately after the shooting, the FBI was also reported to have had Blitzstein's town house under visual surveillance, raising the question of whether agents were outside when the mobster was shot to death inside. The FBI had declined to comment about any aspect of its surveillance activities at the home.

Blitzstein's partner turns

Arrested shortly after that murder, Blitzstein's former friend and partner, Joe DeLuca, pleaded guilty to racketeering and agreed to testify against others charged with planning and executing the hit.

On the stand, DeLuca admitted that he wanted to take over Blitzstein's end of their auto-repair and loan-sharking business because he thought Blitzstein was cheating him out of some of the profits.

In 1987, Blitzstein was found guilty in Nevada federal court of using counterfeit credit cards, receiving stolen government postage stamps and evasion of an estimated \$59,000 in income taxes. The bogus credit cards were used to purchase fur coats at a Caesars Palace shop; the coats were then resold.

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Just three weeks before he was murdered, Blitzstein was nominated by the Gaming Control Board to be added to Nevada's Black Book -- a list of undesirables forever excluded from casinos. The board recommended that Blitzstein's name be added to the 27 underworld figures and casino cheaters already in the Black Book.

Board member Steve DuCharme said on the record at the time that Blitzstein was a member of Spilotro's Hole in the Wall burglary gang in Las Vegas and that he corrupted Las Vegas police and "preyed on the people" of Nevada.

Blitzstein died before his name could be officially included on the list.

Cathy Scott is an APBnews.com correspondent in Las Vegas.

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