Washington and Lee Law Review

Volume 24 | Issue 2 Article 23

Fall 9-1-1967

The Great Salad Oil Swindle, by Norman C. Miller

Follow this and additional works at: https://scholarlycommons.law.wlu.edu/wlulr

 Part of the Criminal Law Commons, and the Legal Biography Commons

Recommended Citation

The Great Salad Oil Swindle, by Norman C. Miller, 24 Wash. & Lee L. Rev. 394 (1967).

Available at: https://scholarlycommons.law.wlu.edu/wlulr/vol24/iss2/23

This Book Review is brought to you for free and open access by the Washington and Lee Law Review at Washington and Lee University School of Law Scholarly Commons. It has been accepted for inclusion in Washington and Lee Law Review by an authorized editor of Washington and Lee University School of Law Scholarly Commons. For more information, please contact christensena@wlu.edu.

BOOK REVIEWS

THE BOSTON STRANGLER. By Gerold Frank. New York: The New American Library. 1966. Pp. 364. $5.95.

The strangling of fifty-five year old Anna Slesers in June, 1962, set off a chain of events that kept Boston terrified and the rest of the world attentive for the next three years. As Gerold Frank's vivid account of these events develops, the story of Boston and its elusive strangler becomes intensely real. The citizens, the police, the victims, and the seemingly endless line of suspects are portrayed in intimate detail, and every pertinent fact, no matter how distasteful, is recounted exactly as it happened.

In recreating the man-hunt the author examines certain problems, which ran thread-like through the hectic investigation. First, a series of coincidences created what appeared to be a maniacal pattern: the first five victims were elderly women, living alone, and with common interests. Also their bodies were left in startlingly similar positions, apparently having been attacked in the same manner. Since so many facts coincided, it appeared that the killings were all steps in a fiendish and brilliantly contrived plan. Such a conclusion could not have been more incorrect, since, it is now all but certain that the man thought to be the strangler chose his victims completely at random.

Further confusion resulted from another series of coincidences. The authorities deduced that the strangler would be solitary, strong, of athletic build, and mentally disturbed. In addition, it was thought that he would have a peculiar relation with his mother, and a burning desire to get rid of energy. Of the more than 5,000 sex offenders investigated, an alarming number fitted this description, and some of them could be linked by a series of coincidences to some of the slayings, but none of them could be connected with all the deaths. Frequently it seemed that there was more than one murderer, especially after the pattern of elderly victims was broken. Coupled with this, few clues were found in the apartments where the crimes took place.

In November, 1964, Albert De Salvo, the man now generally conceded to be the strangler, became a suspect. Mr. Frank introduces De Salvo just as he did the other suspects by relating his personal history and objectively discussing his connection with the circumstances surrounding the stranglings. If the author has any opinions, he keeps them to himself. De Salvo is pictured as a kindly, yet troubled man with an insatiable sexual appetite. Even before the stranglings, he

had acquired a reputation around Boston as the Green Man, because he wore green pants, and the Measuring Man, because he posed as a representative of a modeling agency. With this cover and his knowledge of Boston he was able to gain entry into apartments and get sexual gratification from measuring unsuspecting women. According to De Salvo, an important causal factor in both these activities and the stranglings was the fact that his wife had ceased paying attention to him and had reserved most of her time for their disabled daughter. As a result of her behavior, De Salvo turned elsewhere to satisfy his desires. Ironically, he was not discovered earlier because the computers had only been given information relating to sex offenders, and, though De Salvo had been booked numerous times, he had only been booked for breaking and entering.

As his sexual urges grew strong, De Salvo says he stopped by apartments at random and inexplicably committed the outrageous crimes. He has confessed out of court, relating details which only the strangler himself could know. Yet, because of his questionable mental condition these confessions presented an acute problem for the prosecutor's office since, as a mental patient, De Salvo had to have his rights strictly protected. Therefore, his attorney and the authorities agreed that he would be interrogated to determine if he had been telling the truth, and then examined by psychiatrists to ascertain if he had been insane when he committed the murders. If they concluded that De Salvo had been insane, he would make a formal confession and plead not guilty by reason of insanity. He could then be committed to a mental institution for life. If, however, it appeared that he had been legally sane at the time of the murders, all interrogation would cease and, De Salvo would not formally confess. Since there would be no evidence to indict him as the strangler without his formal confession, he could then only be tried for the lesser offenses he committed as the Green Man.

The psychiatrists found De Salvo to be legally sane at the time of the murders and in July, 1966, he was adjudged competent to stand trial for his crimes as the Green Man. Subsequent to publication he was convicted and given a life term in January, 1967, for assaults on women, burglary, and robbery. A motion for a new trial has been denied by the Superior Court of Massachusetts and De Salvo was remanded to Bridgewater State Hospital pending appeal of his life sentence.

Though the reader may not be completely convinced that De Salvo is the strangler, Mr. Frank has presented all facts known about the

stranglings. His thoroughness, attention to detail and fast-moving narrative make for an engrossing account of one of history's most infamous series of crimes. If the reader is left feeling that there is more to be known, that the authorities are not quite satisfied, it is only because such is the case.

CARROLL S. KLINGELHOFER, III

COMPUTERS AND THE LAW. Edited by Robert P. Bigelow. Chicago: Commerce Clearing House, Inc. 1966. Pp. ix, 144. $5.00.

The profound impact of computer technology upon contemporary society will become even more pronounced as better computers and new uses are developed. The effect computers have and will continue to have upon the legal profession is examined in *Computers and the Law,* a sweeping introduction to this area. Editor Robert Bigelow, who is to be commended for a well organized and comprehensive treatment of the subject, has divided the book into five distinct areas: Introduction to Machine Methods, Contracts for Computers, Uses in Legal Practice, Symbolic Logic, and Substantive Law Aspects of Computers.

Introduction to Machine Methods explains the various computer programs and systems in non-technical terms. Such knowledge is essential to all attorneys, even slightly involved in this area, not only because of the involvement of their clients with computers and the questions of law which may arise from the use or failure to use such equipment, but also because of the speed with which a computer will be able to provide legal information. Some law firms are already using data processing equipment in such areas as record keeping, law research, estate planning, and contract preparation.

Contracts for Computers. Two short sections analyze the computer contract itself and the economic considerations involved in the decision as to whether to use a computer. Among the questions discussed are: why should a computer be used? If used, what kind of computer service is best? What are the contractual considerations with which an attorney must concern himself once the decision to use a computer has been made?

Uses in Legal Practice. Nine contributing writers concern themselves with nine different applications of computers to the legal profession. The discussion is short and designed only to introduce the attorney to the possible use of computers in such fields as estate plan-

ning, case law searching by machine, court congestion, and the analysis and prediction of judicial decisions.

The computer's unique ability to effectuate the recent "one man, one vote" decisions concerning legislative redistricting is of special interest. If programmed correctly, the computer can ignore racial, religious, and political factors in drawing the boundaries and the compositions of new districts. Thus the computer can function more efficiently and impartially than a human. The voluntary use of computers in this field is probably far off since competing political forces are reluctant to disrupt vested interests. The authors suggest, however, that if vying forces become deadlocked, the computer may provide the only realistic answer.

The subsection on "Educational Uses of the Computer" is the most speculative in this chapter and has the most tenuous relation to the practice of law. The writer suggests that law students might advantageously use the "game theory" to unlock, through legal analysis, the computer's storehouse of information. The idea is appealing, not because of any improved training in legal analysis which it can provide, but because of the expanding use of computers in the legal profession. An introductory course familiarizing the student with computer use will prepare him more fully for the demands which will be made upon him as an attorney, since he will be able to understand basic concepts without having to rely entirely on an individual narrowly trained in computer use.

Symbolic Logic. This chapter also has a tenuous relation to the practice of law. Symbolic logic is a carefully constructed artificial language which can fulfill certain purposes better than natural languages. It is designed to improve expression, communication, and quality of thought. The writer states that symbolic logic is to be regarded as a legal tool, helpful in the study of computer technology and its application to law. While at present symbolic logic has no practical application to the legal process except perhaps to sharpen the thinking of one exposed to it, the writer asserts that the potential of symbolic logic in improving the quality of legal prose lies primarily in the future when logical notations will be as prevalent as simple arithmetical examples are today.

Substantive Law Aspects of Computers. This is the most speculative and perhaps the most interesting chapter in the book. It introduces the attorney to various substantive law problems which may arise from the general availability of computers. Is there a duty to use a computer? When has reasonable care been exercised in deciding whether a computer will be used? Should the standard of care be the

same for a corporation? How may a company protect itself against computer errors? Does the best evidence rule bar resort to computer records? The authors state that the solution to these problems does not lie in devising new laws to fit the computer technology, but in adapting the present law to the unique factual situations which are sure to arise.

The most striking and definite example of the present impact of computers upon the legal profession is in the field of taxation. The concept of voluntary self assessment is rapidly being replaced by individual checks on every tax return. An even greater impact is expected from the system the Internal Revenue Service is building called "Automatic Data Processing." With this system the Internal Revenue Service will be able to evaluate proposed changes in tax laws with greater accuracy than heretofore. Thus, the Internal Revenue Service, and to some extent other administrative agencies, will become increasingly influential as planning organizations since they will be able to predict with a high degree of accuracy the impact and the extent of the proposed changes.

Computers and the Law is an excellent, extensive, and non-technical introduction to the impact of computer technology upon the legal process. The suggested uses may seem frightening at first to the person unfamiliar with cybernetics, but to discourage computer use offhand or to object to it out of emotion rather than reason is as foolish as accepting it without asking for the results of critical experimentation. Much of the book is speculative and must be recognized as such. The effects of computers upon the legal profession are still basically unknown, and even the extent to which routine legal work can be programmed for effective use is undetermined. Furthermore, too great a reliance on the computer as a panacea for all existing legal problems may tend to discourage independent thinking and keen analysis. However, computers are a fact of modern society and, if perfected, their use could free attorneys for other pressing tasks. This books provides a concise, intriguing, and welcome introduction to the possible applicability of computers to the legal process.

A. J. PECK, JR.

LAW AND PSYCHOLOGY IN CONFLICT. By James Marshall. New York: The Bobbs-Merrill Company. 1966. Pp. xiv, 119. $5.95.

One of the chief criticisms by psychologists of present rules of evidence is that they operate under the basic misconception that any person can give a reasonably accurate account of what he perceives.

Important decisions are based on what an individual says without adequate consideration of the numerous psychological factors that cast doubt on the reliability of his testimony. In *Law and Psychology in Conflict,* James Marshall examines these psychological factors and asserts that, in fact, a great deal of testimony heard in court is to varying degrees quite unreliable.

Testimony, says Marshall, depends on three factors that combine to affect its reliability: Perception, Recollection and Articulation. Perception involves both the acuity of the senses and the way man interprets what he sees. Marshall examines only the latter phase of perception since he regards it as a much greater source of distortion of testimony. His chief concern is the common failure of trial counsel to fully consider the personal factors that affect perception. When testimony is given in a court room, the witness recounts what he observed, and his testimony is accepted as evidence of what happened without sufficient consideration being given to the personal colorations which the observer gives to the event. For example, man tends to see things in a way consistent with his own past experiences and what he would expect in order to "maintain the stability of his environment." Man also tends to hear what he wants or expects to hear and, if there is a gap in his perception, he will fill in with the interstitial information that seems most logical to him.

Man's inability to recall facts completely and accurately is also considered by Marshall to hinder the search for reliable evidence. This inability is attributable not only to faulty memory but also to the lengthy delays often found between observance of an event and trial. As with perception, there are numerous psychological factors that influence recollection. Though cross and direct examination help considerably in stimulating recall, memory still tends to be a selective psychological process. Witnesses tend to recall facts which are meaningful to them individually instead of those that are legally significant. In addition a witness is likely to suppress objectionable events in his memory, thus furthering the selective process. Suggestion in various forms has a great influence on recollection. Certain people, the author says, are prone to testify in accordance with the position of one in authority whom they respect. Research has shown that perusal of newspaper accounts of an event observed by the witness will tend to cause the witness to restate the newspaper account rather than his own.

The third step which may cause distortion of a witness's account is the communicative step—articulation. Articulation deals with man's ability to translate clearly and accurately his impressions into words.

Articulation does not present as great an opportunity for distortion from a psychological aspect as do perception and recollection. Distortion may occur, however, both because of the witness's inability to express himself clearly, despite his knowledge, and because of the witness's tendency "to fill in the gaps in a narrative."

Having briefly examined a number of the psychological factors that cause distortion in testimony, the author presents the results of his research concerning the effect of various psychological factors on recall. A group of 291 people was selected for the survey: 167 first-year law students, 102 first-year police trainees and 22 low income residents of settlement houses. The subjects were asked to watch a forty-two second film which portrayed an apparent kidnapping attempt and to give their versions of what happened. The author breaks down the results of the subjects' accounts by considering such psychological factors as: status influence, time lapse, class ability, education, and bias (from being told additional facts, such as that their testimony was to be on behalf of the state). Some members of the group gave oral rather than written accounts, and some were asked direct questions as distinguished from spontaneous testimony. The results were revealing. For example, it was found that "those who were told that they would be witnesses for the prosecution had greater recall than those who were told that they would be witnesses for the defendants." This and other conclusions are analyzed and presented with the aid of charts and graphs.

The book closes with consideration of the influence of psychological factors on the judge, attorneys, and jurors at trial. The jury, Marshall points out, is especially subject to these psychological factors since each juror is as susceptible to all of the testimony distorting elements as the witness. The distortion, thus may be compounded because the jurors have to consider the witnesses' testimony which may have already gone through the process of distortion.

Law and Psychology in Conflict presents a confrontation between psychology and currently accepted rules of evidence. Its findings and charges are both interesting and illuminating. In his analysis Marshall indicates that law in "its quest for certainty glosses over the innumerable variables of individual and situational diversities." Lawyers recognize the many psychological factors but in effect deny their existence by failing to consider them adequately. Marshall's recurrent criticism is of the unwillingness of the legal profession to detach itself from the traditional theories of evidence. His suggestion is that we change those rules to conform to contemporary knowledge of human conduct. Although he has no specific suggestions about how

to accomplish this goal beyond the suggestion that lawyers and psychologists should engage in joint research in this area, he has forcefully pointed out that only when the rules of evidence reflect our knowledge of the psychological sciences will testimony in the courtroom become reasonably trustworthy. "Above all, what is indicated is establishment of a closer relationship between law and psychology, and participation by lawyers and psychologists in empirical research into the processes of law."

ALTON PHILLIPS

THE TWEED RING. By Alexander B. Callow, Jr. New York: Oxford University Press. 1966. Pp. 351. $7.00.

Alexander B. Callow, Jr., Associate Professor of History at the University of California at Santa Barbara, presents in this book a scholarly and lucid account of the infamous Tweed Ring, which between 1866 and 1871 plundered the City of New York on a scale astonishing even by today's standards. The rogues who perpetrated this robbery of the public monies are described in detail: Abraham Oakey Hall, "the Elegant Oakey," playwright and critic, Tweed's mayor of New York City from 1868 to 1872, "the most resplendent of all New York's mayors, and one of the most colorful"; Peter Bar Sweeny, Tweed's Master of Patronage, a "Mysterious Machiavellian" who "had the guile of the artful dodger," and served as the Ring's political manager, manipulator, and inventor of ingenious schemes; Richard Connolly, "Slippery Dick," the Comptroller of the City of New York, who possessed the "perverse mathmematical ability that confirmed the old adage that figures never lie, but figurers do"; and William Marcy "Boss" Tweed, a man of great energy and enterprise with enthusiasm for his work and extraordinary executive capacity.

Professor Callow explains this group's rise to power in terms of the social and political climate of New York between 1840 and 1870. The legislature was rurally dominated, there was a high degree of political apathy, and, most important, the expansion in economic activity, population and size of New York City created problems that the obsolete city government was incapable of handling. After first gaining control of Tammany Hall, the Ring captured the complex and inefficient governmental machinery of New York in the election of 1868. To insure victory at the polls, the Ring had gained control of the ballot box and the electorate. Control of the ballot box was

gained through the rough-house tactics of the "shiney hat brigade," a band of thugs maintained on the public payrolls whose duty on election day was to see that the right ballot boxes were appropriately stuffed. Control of the electorate was gained by "courting" the immigrants who were flooding the city and whose cries for aid were heeded only by the Tweed Ring and its puppet, Tammany Hall. "Tammany exchanged cheer, charity, and jobs for votes. The Tweed Ring learned the art of being ethnic brokers." Thus the Ring did provide a service to the immigrant: it helped absorb him into the society of the big city. Yet, as Professor Callow points out, the Ring ruthlessly exploited the immigrant and never undertook a sustained attack on the critical ills facing the newcomer. The Ring exchanged a handout for a vote, a swap considered fair by the immigrant who had no one else to whom he could turn for help.

Once the organization became entrenched, its corruption grew to almost unbelievable proportions. In the first two years of the Tweed administration, the public debt increased from $36,000,000 to $97,000,000. One study estimates that $60,000,000 was stolen by the Ring while another concludes that at least $200,000,000 was taken from the city, the state, and the business community. Those who contracted to perform work for the city understood that they were to keep only 35 per cent of the contract price and that 65 per cent had to be rebated to the Ring. Professor Callow gives a detailed account of the Ring's graft which ranged from the city's spending $10,000 for one purchase from a Tweed-owned company of six reams of note paper, two dozen penholders, four inkbottles, one dozen sponges, and three dozen rubber bands, to the construction of the New York County Courthouse which yielded over $9,000,000 to the Ring.

Despite this corruption, the Ring remained in power until 1872. Professor Callow attributes the duration of the scandal to several factors. First most of the New York newspapers traditionally supported the Democratic party and were slow to criticize the Tweed administration. Second, the Tweed Ring had been built on cooperation, not coercion, and as long as Tweed paid off, cooperation could be obtained. Third, the attitude of the public was one of great apathy; there seemed to be a total lack of civic conscience which may have been the result of the widespread fear of the absolute power of the Tweed Ring.

After the election of 1872, however, the public press began an editorial campaign for recovery of the taxpayer's money and for sending the members of the Ring to jail. The campaign to punish the Ring was far from successful. While Tweed himself spent about one-

half the time between 1871 and 1878 in jail where he was to die forlorn and friendless, only one other member of the Ring was ever sentenced, and he was pardoned after serving five months of a five year sentence. Of the $60,000,000 to $200,000,000 estimated to have been stolen by the Ring, only $894,525.44 was recovered, and that from the estates of two dead men at a cost of $257,848.34. "Thus, the rascals were routed, but their supreme achievement, the city machine itself, remained intact, to become a model, a legacy to be improved upon by successive monarchs of New York...."

The Tweed Ring is a detailed and well-documented account of the Ring's nefarious workings, but it is more than a mere expose of the Ring's activities. In addition to a short history of Tammany Hall, the book contains a colorful description of the major city of the United States at a time of great transformation, when old ways were changing and many new problems were being created as a result of rapid technological advances and growth in population. The book, supplied with an extensive bibliography and a very helpful index, should provide both enjoyment and enlightenment to the student of American history and its political processes. Professor Callow has made an important contribution to the study of American history, especially in the area of the development of municipal government.

WM. ROSCOE REYNOLDS

THE GREAT SALAD OIL SWINDLE. By Norman C. Miller. Baltimore: Penguin Books. 1966. Pp. 256. $1.25.

At 5 feet 5 inches and 240 pounds, Anthony "Tino" DeAngelis could easily be taken for a pizza baker. Yet behind this facade there was a man, with a shrewd mind and an intense obsession to succeed, who built a phenomenal salad oil business by selling commodities to export companies at such incredibly low prices that it was difficult to understand how he could remain in business. Suddenly, in November 1963, DeAngelis' salad oil empire collapsed, and, on inspection, his oil tanks were found either empty or full of salt water. Then, for the first time, his creditors realized the simple process by which DeAngelis could profitably sell salad oil at such low prices: he had sold $175,000,000 of non-existent salad oil.

The immediate results were disastrous to many. A major Wall Street brokerage firm went bankrupt, and its 20,000 customers were threatened with the loss of millions of dollars of securities. A subsidiary

of American Express Company held $144,000,000 of warehouse receipts issued by DeAngelis for non-existent commodities, and thousands of stockholders in American Express Company saw the value of their investment plummet by one third, an overall loss of $80,000,000.

DeAngelis' admission of guilt enabled many financiers to place sole responsibility on him, and to explain their being swindled as an unfortunate occurrence which occasionally strikes honest businessmen. Thus they argued that the details behind the scandal should not be publicized since it would only interfere with restoring the public faith in an already damaged commodities market. For Norman C. Miller, however, reporter for the *Wall Street Journal* whose coverage of the salad oil scandal won him a Pulitzer Prize, this approach leaves too many questions unanswered.

DeAngelis had a credit rating which would have prevented an ordinary person from obtaining a personal loan. He had run a good business into bankruptcy, had cheated on government contracts, and his accounts had been closed by two New York banks who suspected him of check-kiting. Yet the money poured in. The Board of Governors of the New York Produce Exchange had been warned of his excessive speculation; yet they failed to take action. A major export corporation discovered an attempt by DeAngelis to bribe its inspectors. Yet they continued to do business as usual with DeAngelis.

Miller's explanation for this behavior among DeAngelis' creditors may be stated in one word—greed. They were able to overlook his faults because they thought his activities would bring them profits. While DeAngelis was a shrewd crook, he could never have succeeded without these others who felt they could profit from his success. Miller charges that this obsession with profit is also reflected in certain business practices "such as the classic pressures that are exerted relentlessly on middle-level managers in large companies." For example, American Express had an unwritten policy that each American Express subsidiary must return a yearly profit of $500,000, an almost impossible assignment. Thus when DeAngelis became the subsidiary's biggest customer, and it produced the required profit for the first time in twenty years, it is easy to understand why the head of the subsidiary discounted reports of oil shortages.

To counter the pressures created by obsession with profits and to prevent this kind of scandal in the future, Miller calls for a reformation of business ethics and for legislation to eliminate specific practices which enabled DeAngelis to succeed. For example, legislation prohibiting the employment of the debtor's personnel on field warehousing staffs would decrease risks that commodities might disappear. Use of

his own personnel to guard oil which secured his debts was a method by which DeAngelis stole millions of dollars of unrefined salad oil. Miller also suggests legislation creating more effective government supervision in the commodities industry. DeAngelis was forced into extreme speculative buying because he feared having to pay millions of dollars in margin calls if salad oil prices dropped. If there had been a Commodities and Exchange agency with power to raise margin requirements whenever unreasonable price fluctuations or excessive speculation threatened the market, the $200,000,000 loss might have been averted. Unfortunately, little has been accomplished in the four years following the swindle since these reforms have been opposed by powerful lobbyists of the commodities industry.

Although Miller's explanation of this rather complex scandal in terms of simple greed may somewhat oversimplify the causes of the swindle, this book presents a fascinating account of the details behind the salad oil scandal. As Pulitzer Prize winner Miller relates the final day-by-day description of events leading to DeAngelis' downfall the reader can almost feel the pressures mounting on DeAngelis and his associates. The book is well written and is an informative as well as enjoyable addition to any attorney's library.

HARVEY B. SAVITZKY