



16. Criminal Vultures in the Twin Cities

When President Charles Green strode into a shareholders' meeting of the Twin City Rapid Transit Company last December 18th [1950], he exuded his customary self-confidence. But before the New Yorker could call the meeting to order, he was approached by four city detectives, hustled into an anteroom, and—despite his indignant objections, clearly audible to stockholders—frisked and relieved of the revolver concealed on his person.

The president insisted his hardware was merely a necessary substitute for the bodyguards the chief of police had refused him. "I need protection!", he shouted, outraged. "A certain politician warned a friend of mine I 'should be careful to look behind me'."

But though Green possessed a New York State gun-ownership permit, he was informed he had violated a Minnesota law prohibiting the carrying of a concealed weapon—and he was forced to face the company's stockholders throughout the meeting without the reassurance of his nickel-plated gat.

With this dramatic introduction, investigative writer Gordon Schendel began a 1951 article in *Collier's* magazine detailing the pervasive influence of organized crime in Minneapolis and St. Paul in the 1930s and '40s. Franklin Roosevelt's first Attorney General, Homer Cummings, called the Twin Cities "the poison spot of the nation." Taking on the Mob in the Twin Cities was as dangerous as being a prosecutor in Colombia or Sicily.

Three times, in 1934, '35 and again in '45, journalists were murdered for exposing organized crime and its connections to politicians. No one was ever convicted for the murders because investigations by corrupt and incompetent police departments went nowhere. Gangsters

controlled many Minnesota businesses, but their biggest coup was gaining control of the Minneapolis/St. Paul transit system.

Larrick Resurfaces

GM wasn't directly involved in the black hole of corruption in the Twin Cities, but there are so many connections Alfred Sloan might as well have personally run the whole shebang. A former senior National City Lines executive—Benson (Barney) Larrick—was chest high in the mire. He had worked nearly 20 years with NCL, rising to general manager of western operations. Barney Larrick was a maestro of bus conversions, having overseen them in El Paso, Jacksonville, Los Angeles, Mobile, Tampa, and Tulsa. He also found time to write articles in trade magazines on his transportation views. In 1960, he would be given some forced time off from his hectic schedule.

The Twin City Rapid Transit Company (TCRT, commonly called Twin City Lines) ran one of the best street railway systems in North America. In 1949, the system carried 165 million passengers and ran five hundred trams on 36 routes. Unlike many North American railways, the company did not practice “deferred maintenance”, but kept track and cars up to high standards. TCRT had performed some bus conversions in the early 1930s, but found that they did not increase patronage. For this reason, it followed a conservative policy of bus conversion only on lightly-used routes. In fact, the company laid down many new miles of track between 1920 and 1935, and even built one trolley line as late as 1946. Conservative management had its plus side: even in the nadir of the Depression in 1933, the firm turned a tiny profit. The company also embraced the new PCC streetcar, and was running 140 of them by 1949.

In 1948, a rich, brash New York stock promoter named Charlie Green blasted onto the scene. Green had proven adept at making money from various schemes, from selling razor blades to appliances. He had bought 6,000 Twin City Lines shares, anticipating juicy profits. When finding the company was in fact losing money, the east coast wheeler-dealer hired a successful Minneapolis criminal lawyer, Fred Ossanna, to wrest control of the firm. Ossanna had a lucrative practice lobbying for the mob-controlled liquor business in Minnesota, during and after Prohibition.

Apparently, Ossanna was recommended to Green by Isadore Blumenfeld (whose name is incorrectly spelled “Blumenfeld” in most

accounts), whose most common alias was “Kid Cann.” Blumenfield was “the closest thing Minnesota had to a Godfather”, according to the *Minneapolis Tribune*. Besides Minnesota, the Kid had big interests in Florida and Cuba, along with other mobsters.

Ossanna’s reserved, intense style was the opposite of Green’s bombastic approach, but the two men shared a knack for making money. Ossanna owned office buildings, a lavish house in Florida and a 100-acre Minnesota estate, complete with its own lake and house furnished with antique French furniture. The Twin Cities lawyer also wielded considerable back room influence on Minnesota politics, although he had failed in a 1927 bid for mayor of Minneapolis. Green and Ossanna gained control of TCRT in November 1949, and Green moved to Minnesota to impose his stamp.

The first connection to NCL occurred when Green brought in James Gibb, former manager of Lansing City Lines, to be TCRT’s operations superintendent. Gibb was never indicted for criminal activities, however, and he testified for the prosecution before a Hennepin County grand jury investigating corruption. The former NCL manager must have had Green’s ear, however, because the *New Yorker* began enthusiastically talking about replacing every streetcar line with buses by 1958. Nevertheless, there were still enough rail advocates connected with TCRT that Green later softened this position and suggested that streetcars could be the best choice on busy lines.

Green slashed ruthlessly to bring profits to what he considered reasonable levels—he discontinued all equipment rehabilitation and most track maintenance, cut schedules, and laid off 800 employees. Although he knew nothing about transit, he eliminated routes that he felt could never be profitable, and threatened to cut service to St. Paul altogether. His shock tactics and caustic style managed to antagonize many citizens’ groups, virtually everyone on both Minneapolis and St. Paul city councils, and the local papers.

Ossanna Takes the Reins

In 1950, after a protracted mudslinging match between master schemers Green and Ossanna, TCRT shareholders ousted both the abrasive *New Yorker* and former NCL manager James Gibb. (This provided perhaps the best evidence of Gibb’s innocence of any criminal involvement).

Green absconded, presumably back to the New York style of corruption with which he was more comfortable. Naturally, he fled the scene with a \$100,000 personal profit. In 1951, Fred Ossanna took over the beleaguered transit company. He got in touch with General Motors executive vice-president Roger Kyes. The two men later met in Kyes' office in Detroit and hatched a deal to buy 525 GM buses.

Barney Larrick moved in from Los Angeles to tear up rails fast. The company was interested in the scrap value of cars and the real estate potential of electrical substations and car barns. Ossanna and Larrick were not much concerned with the decades of planning and investment or careful rehabilitation and maintenance that had gone into the rail system.

Interestingly, more than twenty years after the bus conversion, nearly half of the PCC trams hurriedly packed off to Cleveland, Mexico City and Newark were still running. And GM's vehicles? ... are you kidding? Buses don't last like that.

After Schendel's exposé of organized crime involvement with Twin City Rapid Transit, Fred Ossanna launched a five million dollar libel action against Crowell-Collier Publishing and the American News Company. In November 1951—showing that it was a real journal and not the GM lapdog it had seemed a few years earlier—*Mass Transportation* stirred things up. Columnist Orson Round repeated comments he had heard from Leonard Lindquist, chairman of the state Railroad and Warehouse Commission, warning of “bribery, threats and violence” if gangsters got control. Lindquist had more to say: “A public utility dedicated to give service to the people cannot be entrusted to a group accustomed to living off the vices and weaknesses of mankind. It wouldn't be long before these would be collecting side money from the merchants in order to keep the transportation system going by the merchant's door.”

Sure enough, the following month the transportation periodical printed a long tirade from Ossanna attacking Round's “cheap claptrap.” Ossanna accused Lindquist of political motivation for his comments, and said Twin City Lines was “... faced with building up a decent and understanding public opinion, and articles of the character you have written do nothing to help the situation ...” His letter ended with dark hints of libel suits if Round did not retract. The editor's reply to Ossanna's letter was: “There are no racketeers behind Twin City Rapid Transit. Mr. Ossanna says so.”

PCC cars were sold off and most other streetcars were disposed of by the burn-and-scrap method at which Larrick had so much experience. In all, 700 streetcars were disposed of. The two year rail removal program replaced all 270 miles of track by June 1954. TCRT bought 525 diesel buses for \$13 million between 1953 to 1955. Fred Ossanna and Barney Larrick were fired by the TCRT board of directors in December 1957. Their dismissals apparently had nothing to do with criminal indictments, but were over mundane differences to do with maintenance and dividend policies. The fact that Larrick's replacement, Ralph James, was a former NCL vice-president and operating manager meant there was unlikely to be any changes in streetcar replacement policies.

Off to the Big House

Larrick and Ossanna, along with several others, were later indicted on the grounds that TCRT assets were consistently sold for less than market value in exchange for payoffs. The jury took five days of deliberation to reach its decision at the end of this complex trial, which had lasted four months and attracted large crowds.

On August 6, 1960, Ossanna and Larrick were both convicted on 13 counts: six of mail fraud, two counts of wire (telegraph) fraud, three counts of interstate transportation of property taken by fraud and conspiracy. Isadore Blumenfield (Kid Cann) was the only major defendant to be acquitted.

Others convicted were Harry Isaacs (eight counts: seven of fraud, one of conspiracy)—owner of a large scrap business—and his son Fred, also a scrap dealer (one count of conspiracy). The Internal Revenue Service had spent ten years investigating the relationship between the Isaacs' firm, American Iron & Supply Co., and TCRT, under the direction of the Minneapolis district attorney. The indictment said that the American Iron got all TCRT scrap metal for "grossly inadequate or, in some cases, no consideration." Harry Isaacs also made \$175,000 on property dealings. Real estate agent Earl Jeffords was also found guilty of conspiracy; he made a tidy \$107,000 for what must be every realtor's dream—"unearned commissions." (Jeffords probably needed the money: he was a compulsive gambler who had been known to bet on whether his phone would ring in the next minute).

Fred Ossanna was paroled from Sandstone Federal Prison in 1963 after serving one year of a four-year sentence and paying an \$11,000 fine. In 1967, he was granted an unconditional pardon from

President Lyndon Johnson because of his age (74) and poor health. Osanna's first request for a pardon, filed in 1965, had been rejected. The pardon was granted after requests from a dozen prominent Minneapolis citizens.

Cann Canned

Gangster Isadore Blumenfeld did not enjoy his freedom much longer. He and his brothers Yiddy and Harry had made their fortunes running liquor and investing the profits in legitimate businesses. In 1961, Isadore went to jail for transporting prostitutes across state lines and—*quelle surprise!*—for trying to bribe a juror. None other than federal Attorney General Robert Kennedy traveled to Minneapolis to celebrate Blumenfeld's conviction, calling it “a major step forward” in the war on organized crime. After three-and-a-half years in jail, Blumenfeld moved to Miami and into business with another famous lowlife—Meyer Lansky.

Long before the convictions, anyone familiar with the TCRT situation could have foreseen a sordid ending. In March 1950, chairman Lindquist of the State Railroad and Warehouse Commission, investigating crime ties to TCRT, said, “The activities of this [new stockholders'] group, both before and after taking control, give good reason to fear that it may exploit the transit company for improper purposes.” People of the Twin Cities footed the bill for the \$27.5 million cost of the conversion. The carefully maintained streetcar system was gone, replaced by hundreds of General Motors buses.



Left, one of Twin Cities' buses circa 1970. The caption from the Metro Council notes: “In the late 1960s, the region's privately owned bus company operated a fleet of ancient, black smoke-belching buses with no air conditioning.”



Above left, Barney Larrick, at photo's left, getting in Fred Ossanna's face. Ossanna seems to be considering a swift uppercut to his irritating colleague. L-R are Larrick, TCRT treasurer James Towey, Ossanna and Dr. David Ellison, TCRT VP and medical director (Diers & Isaacs). Above right, at photo's right is Roger Kyes, the GM VP who suggested sending Larrick to the Twin Cities. Beside Kyes is Charles Kettering, GM's brilliant engineer and inventor (GM). Below, the last day of tram service in the Twin Cities in 1954 (Hennepin County Library).





TCRT executives at the ceremony to start double-tracking Snelling Ave. in June 1952. Two years later, thanks to guys like Larrick and Ossanna, the tracks would be torn out. TCRT execs were proud of running one the finest street railways in the world. They kept upgrading to the end (Diers & Isaacs). Below pyro-boy Freddy does his best schtick for the cameras.





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BY STREET CAR

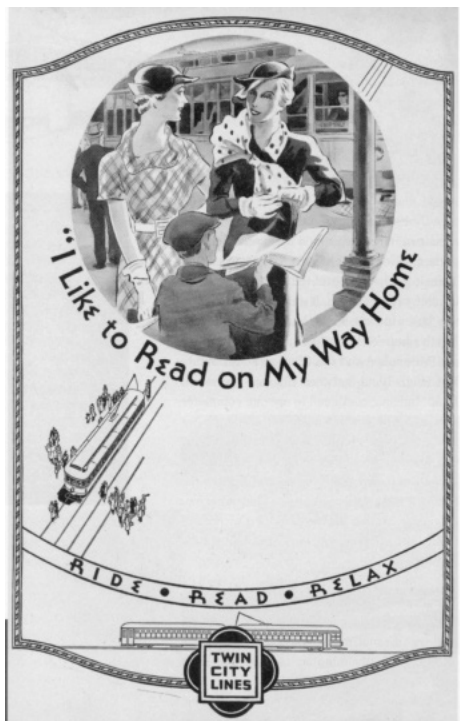
Your shopping tours will be far more pleasant if you go by Street Car. For these clean, roomy, and comfortably heated cars take you direct to the entrance of your favorite store. You avoid the danger and fatigue of driving and parking. Use what you save in transportation to buy other gifts.

Shop often this year. The downtown stores offer a wealth of new and attractive merchandise at prices that double the pleasure of shopping.

For Convenience Shop Between 9 and 4.



TWIN
CITY
LINES



Left, TCRT ad (Diers & Isaacs). Below, General Motors' definition of progress (*Mass Transit*).



1951

**758 STREET CARS
351 BUSES**

Twin City's former PCC cars now are running in Cleveland, Newark and Mexico City—and their old yellow trolleys are now in the scrap heap.

1954

**838 BUSES
0 STREET CARS**

Soon after their arrival, 30 of the new GMC diesels were lined up alongside the Auditorium for inspection by the public. Colors are red, blue and cream.





Above left, crusading editor Walter Liggett with son Wallace in about 1925 (Liggett Woodbury). Right, looking eerily unperturbed, gangster Isadore Blumenfeld at the trial for the murder of Liggett in 1935 (Minnesota Hist. Soc.). Below, the last day of streetcar service in St. Louis for many years, May 21, 1966.

