

# USA confidential

By John Connolly

**O**n January 21, 1998, Mary Jo White, the U.S. attorney for the Southern District of New York, and Dennis Vacco, the attorney general of the state of New York, held a press conference to proudly announce the indictments of John Gotti, Jr., and 40 others on a variety of racketeering charges. White and Vacco, surrounded by scores of stern-faced high-level law-enforcement types, alleged that "Junior" (whose father, Gambino-crime-family chief John Gotti, Sr., is currently serving a life sentence at the federal maximum-security facility in Marion, Illinois) and the other defendants had profited from numerous illegal activities. The centerpiece of the 116-page indictment was charges that Gambino-family captains Gregory DePalma and Salvatore "Tore" Lo-Casio and other reputed mobsters—John

Blutrich, and his business partner, Lyle Pfeffer. There was also no mention that Blutrich and Pfeffer, who are currently out on \$500,000 bail that remains in place following federal guilty pleas in Florida for bilking an insurance company of tens of millions, are still receiving tens of thousands of dollars a week as their share of the take from Scores. (Despite repeated requests, the U.S. attorney's office and the New York attorney general's office refused to answer any questions relating to this story.)

Nor was the press told that informant Blutrich's powerful law firm, originally founded under the name Weiss, Blutrich, Falcone & Miller, was often referred to as "Cuomo's firm," a reference to its close ties to former New York governor Mario Cuomo. Established in 1982 at the urging of then Lieutenant Governor Cuomo, the firm's partners included Blutrich; Jerry Weiss, who had served as Cuomo's special counsel; Robert Miller, a longtime Cuomo political operative; and Lucille Falcone, who was Cuomo's chief fund-raiser.

Not surprisingly, White and Vacco also chose not to inform the press that Blutrich likes boys—very young boys. In fact Blutrich is a convicted pedophile. But the cooperative pervert will not have to concern himself with that pesky Megan's Law (a statute in many states under which parole officials must notify the members of a community when a convicted pedophile is released into their midst) because the appreciative feds are placing him in the federal Witness Protection Program, giving him a new identity complete with a clean slate.

As shocking as this arrangement may be to the ordinary citizen, it comes as no surprise to those familiar with Michael Blutrich's charmed life and his willingness to use his powerful connections and ill-gotten money to buy the silence of his victims.

Born and raised in the predominantly Jewish Brighton Beach section of Brooklyn, Blutrich graduated from Lincoln High School there and attended New York University in Manhattan. His father, Solomon Blutrich, was a successful accountant, and his mother, Gertrude, worked to supplement the family income. According to one of Michael's earliest victims, today a 40-year-old whom we will call Sid (the names of Blutrich's victims have been changed here to protect their privacy), "Mike's family was very comfortable. They lived in a very large first-floor apartment at Avenue Z and East 12th Street, right across from the synagogue. In addition to three bedrooms the apartment even had a den—something the



**Protected by grateful feds, a convicted pedophile has been free to lead his charmed life ... free to prey on young boys.**

"Goombah Johnnie" Saliano, Anthony "The Carpenter" Plomitallo, Stephen "Sigmund the Sea Monster" Sergio, and Stephen's father, Michael "Mickey Hop" Sergio—had extorted hundreds of thousands of dollars a year from New York's famous Scores strip club.

At that hour-long press conference the prosecutors heaped praise on each other's efforts in bringing to justice Junior and the top echelon of the Gambino crime family. They boasted about gathering thousands of hours of secret audio- and videotapes of the mobsters engaging in all manner of criminal activity at Scores, which bills itself as "the world's busiest and most successful club."

What White and Vacco didn't tell the press was that those tapes had been gathered with the help of—and some sources say at the instigation of—the politically connected lawyer and de facto owner of Scores, 48-year-old Michael



rest of us only dreamed about."

Sid and other young boys in the neighborhood saw a lot of the Blutrigh apartment in the early seventies. While living at home with his parents as an N.Y.U. undergraduate, Michael—who was at the time nearing 20—volunteered to coach a team of 11- to 13-year-old basketball players at the Shorefront Y.M.H.A. in Brighton Beach. It was an unlikely gesture, made with what turned out to be an ulterior motive. Says Mark Rosen, who was one of those kids coached by Michael, "In or out of the paint, Blutrigh was the worst basketball player I have ever seen. It was not until years later that we all realized he learned the game just to get close to some of the other boys." At the Shorefront Y Blutrigh also would befriend fellow coach Irving "Blitz" Bilzinsky. Blitz, who was 36 at the time and lived off his paltry salary as a coach plus income from being a part-time bookie, would soon become Blutrigh's chicken hawk and later the front man for his ownership of Scores. (When asked by *Penthouse*

realize it at the time, but that gave us erections. After a few of these sessions, another part of the experiment was to see how we would react if we thought he was taking a picture of us naked. He showed us a camera without film and then told us to close our eyes while he supposedly snapped pictures with a camera containing no film."

It wasn't until two decades later that Blutrigh's victims would learn he had secretly kept handy another camera that did contain film. Having heard stories that Blutrigh had pictures of naked young boys that he would display at Scores, the man we've called Sid went to the club to confront his former coach.

"What had happened back then bothered me for a long time, and when I heard about the pictures I went to Scores looking for revenge," Sid says. Although the pictures at Scores weren't from the Brighton Beach experiments, Blutrigh admitted to Sid that he'd in fact taken pictures of him and Stewart and others from the Shorefront Y.M.H.A. 20 years earlier. Then Blutrigh offered to

his bona fides with the Democratic party machine. During the Simon campaign he also found another use for his onetime Y basketball players. "Blutrigh would make us hand out fliers and do other things for the candidate," says Sid.

Joining Weiss proved to be Blutrigh's ticket to the legal big leagues. In 1982, at client Mario Cuomo's urging, Weiss opened the Manhattan-based law firm of Weiss, Blutrigh, Miller & Falcone. The firm, which at one point boasted 25 lawyers, quickly established itself as one of the most politically connected in the state, and counted among its clients some of New York's most successful developers, including Donald Trump and William B. Zeckendorf.

Weiss, Blutrigh, Miller & Falcone also functioned as Cuomo's kitchen cabinet and family sinecure. In his autobiography, *The Diaries of Mario M. Cuomo*, the former governor describes how he "strongly encouraged" Weiss to open a Manhattan law firm so Cuomo would have a job should his political career suddenly end. "All this is great because it helps me provide for the future," wrote Cuomo. Founding partner Lucille Falcone, who would remain with the firm until 1993, was a close Cuomo confidante and chief fund-raiser. She was also the girlfriend of Cuomo's son Andrew, who joined the firm as a full partner in 1985. (Andrew, who is currently U.S. Secretary of Housing and Urban Development, later married Kerry Kennedy, one of the daughters of Robert and Ethel Kennedy.)

Even as a prominent lawyer, Blutrigh continued to indulge his pedophilic appetites. At the end of 1988 Andrew Cuomo quit his \$225,000-a-year position at Blutrigh, Miller & Falcone (Weiss had left the firm in 1985) for a \$60,000-a-year job at HELP-USA, building houses for the homeless. According to sources close to the situation, one reason Andrew left the firm was that he was worried about the parade of underage boys going in and out of Blutrigh's office. A source at the firm, who requested anonymity, says, "Everyone knew what Michael [Blutrigh] was doing with these young boys. On more than one occasion a mother of one of these boys would come up to the office screaming and complaining about what Blutrigh was doing to her son." (Repeated requests by *Penthouse* to Secretary Cuomo at H.U.D. for comment on these matters were not answered.)

By the time he turned 40, Michael Blutrigh was living very large. He had a multimillion-dollar law firm, influential associates, powerful clients, and a string of boy toys. Then in 1990 he embarked on a hustle that ultimately would prove his undoing. According to federal court records in Florida, Blutrigh, acting as an attorney as well as an investor, offered to pay \$4 million for a

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about bookmaking and his involvement in procuring boys for Blutrigh, Bilzinsky refused to comment.)

In the minds of the impressionable kids at the Y.M.H.A., Blutrigh was not just a coach but a friend. Says Stewart, a 42-year-old who was another of his victims, "Mike was friendly with my mother, and after she died he was there to console me. It was not until years later that I realized how he had used us during the experiments at his parents' home."

With both parents working out of the house during the day, Blutrigh could easily invite young boys over to his home for "experiments." Stewart recalls how Blutrigh persuaded his young charges to help with one particular "research" experiment, supposedly for one of his college courses. The innocent boys somewhat reluctantly agreed to the bizarre request.

"Blutrigh would have three or four of us come over to his house when his parents weren't home and take us into his parents' bedroom for the 'experiments,'" says Stewart. "He would have us take off our pants and our underwear and get on his mother's bed. We had to close our eyes, and then he would slowly drip drops of water on our penises. We didn't

buy Sid's silence. "He said, 'Let's work this out,'" says Sid. "Over the next six years he paid me almost \$60,000 to keep quiet. I learned later that I was not the only one being paid."

Upon graduating from Georgetown Law School in 1974, Blutrigh went to work for a small Manhattan law firm, where he specialized in apparel-and-garment arbitration law. Around the same time he married a Brooklyn dental hygienist named Joyce Gnat. Little is known about the marriage except that the couple divorced after seven years. Joyce Gnat has since moved to Israel.

In 1980 a textile-manufacturing client introduced Blutrigh to Queens attorney Jerry Weiss, a Democratic party activist and special counsel to then New York Lieutenant Governor Mario Cuomo. Shortly after the introduction Blutrigh joined Weiss's firm. Although he had no political aspirations of his own, he'd proved himself to be a savvy campaigner and fund-raiser. Along with Robert Miller, a neighborhood friend who would later join him at the Weiss law firm, Blutrigh had managed the 1972 congressional campaign of Brighton Beach Democrat Larry Simon. His man lost the election, but Blutrigh had established



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controlling interest in the National Heritage Insurance Company, based in Orlando. To close the deal, Blutrigh illegally took \$3 million from one of his law firm's escrow accounts. Once the deal was closed, Blutrigh and his partners, who included National Heritage president David Davies, immediately advanced themselves \$3 million against future commissions from National Heritage, flew back to New York, and deposited the money back in the Blutrigh firm's escrow account.

Within a year Blutrigh and his coconspirators had lent more than \$35 million to companies they either owned or controlled, and were in serious violation of insurance regulations. They had also billed National Heritage for millions more than the actual purchase price of land acquisitions and had pocketed the difference. To help hide their illegal actions from regulators, Blutrigh brought in New York businessman Lyle Pfeffer, a client and owner of a financial-services company. Pfeffer informed regulators that he was investing \$12 million in National Heritage as a reserve to cover the \$35 million in loans. What Pfeffer didn't tell them was that he was getting

the \$12 million and more from National Heritage itself, through front companies set up by himself and Blutrigh.

Court records show that some of that \$12 million and an additional \$18 million stolen from National Heritage ended up in offshore accounts in the Caymans and the Caribbean that were controlled by Pfeffer. Pfeffer might have squirreled some of that money away, but according to numerous sources, Blutrigh spent his take on young boys almost as quickly as he stole it. A former business associate of Blutrigh's recalls, "Michael would call me at all hours of the night asking me to give him five or ten thousand in cash. A few minutes later one of his boy toys would arrive at my home and say that Michael had sent him up for the cash."

Around the same time that Blutrigh and his coconspirators began their takeover of National Heritage, Scores nightclub debuted on East 60th Street in Manhattan. A \$300,000 loan from National Heritage provided the capital for the club to open, and on New York State Liquor Authority documents Blutrigh was listed as the attorney of record for Scores. The ostensible president and owner of the club was one Jay O. Bildstein, who had written a book called *King of Clubs* about his experiences in the club business. Numerous sources confirm that in actuality the

owner of Scores was Blutrigh, and later Blutrigh and Pfeffer. (This was not *Blutrigh's first foray* into the club business. In 1985 he'd bought into a New Rochelle, New York, disco called Sneakers, which held twice-weekly alcohol-free nights for underage customers. In 1988 he invested in another suburban New York club called Pear Trees, and in 1990 he traveled to Los Angeles to discuss franchising Alzado's restaurant, then owned by former (and now deceased) Los Angeles Raiders football great Lyle Alzado. That deal never materialized.)

By December 1992 Blutrigh was doing so well looting National Heritage that he leased an entire floor at Three Park Avenue, a prestigious business address in midtown Manhattan. The horseshoe-shaped space became the offices for National Heritage, Blutrigh's law firm, and the corporate office for Scores. The strip club was floundering, however, and Blutrigh and Pfeffer hired nightclub specialist Craig Carlino, who had previously successfully managed Tens and Stringfellows, both topless clubs in New York City, to manage Scores.

"When I was offered the general manager's job at Scores, they were doing \$30,000 to \$40,000 a week," recalls Carlino. "I told them that I would take no salary until we got the place to \$70,000 a week." At Carlino's insistence the club was completely refurbished, with the help of an \$800,000 loan from a contractor friend of Blutrigh's. Then Blutrigh bought out Jay O. Bildstein for \$175,000 in promissory notes and installed his old Shorefront Y.M.H.A. buddy Irving Bilzinsky on the State Liquor Authority license as president of Scores.

According to Carlino, Blitz was yet another beard for Blutrigh's ownership of the club, albeit one whose purpose soon became glaringly evident. "Bilzinsky had nothing to do with running the club," Carlino says. "Blutrigh paid him \$500 a week to front for the liquor license. All the money went to Blutrigh and Pfeffer. Michael and Lyle were the bosses, period." (When reached by *Penthouse*, Bilzinsky reluctantly confirmed that he still receives about \$500 a week from Blutrigh. Asked about the club's finances, he replied, "I have nothing to do with any of that. I really don't know how much comes in or where it goes. I can't talk to you about Michael or Lyle or anything else.")

Carlino soon found himself at odds with Blutrigh over Blitz's habit of bringing underage boys into Scores. "At least once or twice a week Blitz would bring in anywhere from six to a dozen young boys from Brooklyn," Carlino says. "They would eat, drink liquor, and even be given 'Diamond Dollars' to give to the dancers. It put our license in jeopardy,



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but Blitz would tell me that Blutrigh said it was okay. When I confronted Blutrigh, he told me that he was the boss and to keep my mouth shut. I later learned that Blitz was chicken-hawking for Blutrigh."

Carlino later witnessed Blutrigh's penchant for teenage boys firsthand. When a group of eight couples from Scores were treated to a weekend at Tropworld Hotel and Casino in Atlantic City, Blutrigh, who had a real jones for gambling and often would wager \$20,000 to \$30,000 a week, brought as his spousal equivalent two teenage boys. Recalls Carlino, "These kids couldn't have been 15 years old. I told my wife that I didn't want any part of this." (In June 1995 Carlino, whose compensation included a piece of the Scores gross, was terminated in violation of his contract. "These guys wanted it all for themselves, so they fired me," he says. Carlino sued Scores, but was persuaded to drop the suit when he was tipped that one of the mobsters who worked at the club, a leg-breaker named Willie Marshall who would later turn F.B.I. informant, had been captured on surveillance tapes bragging about beating a man with an ax handle.)

By 1994 Scores had hit its stride. Under Carlino's management the club was generating more than \$300,000 a week in revenue. It also became a hangout for sports stars like cross-dressing basketball phenom Dennis Rodman as well as Yankees and Mets players. Actress Demi Moore spent many nights at Scores studying for her role in the film *Striptease*, and King of All Media Howard Stern had become a Scores regular, never failing to recount his exploits there to millions of listeners.

Like National Heritage, Scores had become another Blutrigh-Pfeffer cash cow. "By 1994 Blutrigh and Pfeffer were each taking out over a million dollars a year," says Carlino. "Pfeffer put his 66-year-old mother on the payroll, and at any one time there were from one to three of Blutrigh's boy toys receiving weekly checks for no-show work at the nightclub." Indeed, according to sources, Blutrigh not only had boy toys on the payroll at Scores, but he set up one favorite young thing with a pet shop in midtown Manhattan and another with a recording deal. Blutrigh the Sugar Daddy's perverted life appeared charmed.

On July 26, 1994, Michael Blutrigh was arrested on numerous felony counts of sexual assault on a minor. The arrest was the

result of a two-year probe that included investigators from Brooklyn's 60th precinct, the F.B.I., the N.Y.P.D. special victims' squad, and the Brooklyn D.A.'s office. From the outset of the investigation, Blutrigh's political clout as well as his ability to buy off the testimony of victims was apparent. Retired detective Tom Bresnahan, who was assigned to the special victims' squad, recounts a call he received from a police higher-up in 1993. According to Bresnahan, "He told me to investigate the case, but to make no reports or notes, just report to him directly. He said, 'This guy [Blutrigh] is hung like a Mexican bull, so be careful.'" (In police jargon "hung" means politically connected.) Despite Bresnahan's repeated attempts, an official at the Shorefront Y.M.H.A. who had originally filed complaints about Blutrigh's use of the facility to recruit young boys refused to meet with the detective. (By now, the onetime basketball coach was a member of the Shorefront Y's board of trustees. Bilzinsky, however, was still coaching, and presumably keeping an eye out for new talent for Blutrigh.) Additionally, two of Blutrigh's alleged victims refused to implicate their generous benefactor. Says Bresnahan, "Here I am trying to build a case, and Blutrigh is taking these young kids to Europe. He even bought one boy a brand-new Pontiac Firebird."

In another curious development, Brooklyn District Attorney Charles Hynes, a close confidant and major supporter of then Governor Cuomo, recused himself from the case, claiming a conflict of interest. And instead of the situation being assigned to a D.A. from another borough, as is the usual procedure, Hynes appointed Brooklyn attorney Leo Kimmel, an Orthodox Jew, as special prosecutor for the Blutrigh case. That appointment proved to be quite fortuitous for Blutrigh.

At a bankruptcy proceeding on Long Island in late 1993, Blutrigh had made the acquaintance of Shalom Weiss, an Orthodox Jew who belongs to a Hasidic sect based in the Borough Park section of Brooklyn. Weiss was charmed by the well-dressed, roly-poly Blutrigh, who offered him a ride back to Manhattan in his chauffeured limousine. Seizing an opportunity, Weiss hatched a scheme with Blutrigh to raise money for National Heritage Insurance by purchasing mortgages with a face value of \$200 million from the Federal Deposit Insurance Corporation and the Resolution Trust Corporation with \$84 million fronted by a shell company formed by Blutrigh, Pfeffer, Weiss, and others. Then they transferred the mortgages to National Heritage, which carried them on their books at full value, creating an instant "profit" of \$116 million. National Heritage then could list assets of \$200 million that



it had only paid \$84 million for. The shell game was just one of several schemes that later would result in Weiss's being indicted on insurance fraud as well as RICO (Racketeer Influenced and Corrupt Organizations) charges along with Blutrigh, Pfeffer, and other National Heritage executives. (Weiss, who denies any wrongdoing and claims to have been victimized and defrauded by Blutrigh, is currently suing him for millions of dollars.)

Several months later Blutrigh approached Weiss with a special request. "He asked if I could help him with a small problem he was having in Brooklyn," Weiss recalled when confronted by *Penthouse*. "Now I can't look myself in the mirror for helping this pedophile, but back then I believed him, so I agreed to help him."

Although small, the Orthodox Jewish community wields considerable political clout in both New York City and New York state. Blutrigh, though not an especially observant Jew himself, was keenly aware of this. Says Weiss, "Blutrigh said that he was innocent and that some people were out to get him. When I asked why his case was being handled by a special prosecutor, Blutrigh said, 'I have powerful partners and they made sure it happened.' Blutrigh knew that Kimmel was Orthodox and that I was very big in that

community. He asked if I could help him somehow get to Kimmel to be lenient."

In the ensuing months Blutrigh became a very generous benefactor of the Hasidic community in Brooklyn. According to Weiss, "Michael gave over a quarter of a million dollars to two of the most powerful Orthodox sects, including a check for \$50,000 to Rabbi Tietelman, the most powerful rabbi in all of North America." *Penthouse* obtained a videotape taken during a party given at Weiss's home in Monsey, New York, in honor of Rabbi Tietelman. Blutrigh, sartorially splendid in an expensive blue suit, light-blue shirt, and maroon tie, and surrounded by bearded Hasidic men in their long black *caput-tas* and hats, thanks Rabbi Tietelman for coming that evening and ends his little speech by saying, "I have a check here for \$50,000 for your organization." To the applause and cheers of the assembled Hasidim, Blutrigh hands the 92-year-old rabbi the check.

Also attending that event was 70-year-old Rabbi Naftali Halberstam, whose father, 90-year-old Grand Rabbi Solomon Halberstam, is also a power in the Orthodox community. According to Weiss, Blutrigh would contribute \$200,000 to the Halberstams' charities. Weiss also claims that Rabbi Naftali Halberstam, acting at the request of his

father, went to Leo Kimmel and made him swear an oath to "do the right thing for this very generous man, Michael Blutrigh." Asked by *Penthouse* if he had been approached by Rabbi Halberstam, a somewhat flustered Kimmel replied, "You have been talking to a lot of people." Although he refused to name names, Kimmel allowed that he had been approached by a number of people regarding Blutrigh, but couldn't remember if one of them had been Halberstam. (Repeated calls by *Penthouse* to Rabbi Naftali Halberstam's spokesman were not returned.)

In any event, in the spring of 1995 Blutrigh cut the plea deal of the century. Instead of the possible 25-years-to-life sentence for his felonies, he paid a \$100 fine and agreed to a year of psychiatric counseling. In yet another coincidence, the case was heard before Brooklyn Supreme Court Justice Plummer E. Lott, a Democrat elected while Cuomo was governor. Incredibly, Judge Lott ordered Blutrigh's record sealed. Neither Lott nor D.A. Hynes would comment to *Penthouse* on the sentencing or the decision to seal Blutrigh's record. A high-ranking official in the Manhattan D.A.'s office tells *Penthouse*, "This office would never agree to seal the record of a pedophile—the public has a right to protect their children from predators."

Meanwhile, Blutrigh's and Pfeffer's National Heritage Insurance scam was quickly unraveling. The various shell games they'd concocted had bled the company dry, and by the summer of 1994 it was unable to meet its legitimate obligations. Responding to complaints from angry National Heritage policyholders, the insurance regulators requested more collateral. When that was not forthcoming, the Delaware insurance commissioner was appointed receiver for National Heritage (the company was incorporated in Delaware), and a task-force investigation was launched.

In 1995 the National Heritage investigation was turned over to the U.S. attorney for the Middle District of Florida. A year later the feds began indicting various National Heritage executives, including David Davies. As one National Heritage executive after another agreed to cooperate with the government, the focus became Blutrigh and Pfeffer. In July 1996, apparently feeling the net closing around him, Blutrigh had his Park Avenue office suite swept for electronic bugs. To his dismay, numerous listening devices were discovered.

Around the same time as the National Heritage probe, the New York state attorney general's Organized Crime Strike Force had launched an investigation into the gambling and loan-sharking activities of Gambino family captain Gregory De Palma. In the course of their probe



the investigators observed De Palma and other known mobsters frequenting Scores, and began to scrutinize the operations of that club. They soon determined that the mobsters controlled the club's hat-check room, parking, and security. In November 1996, F.B.I. and I.R.S. agents seeking evidence of racketeering, extortion, and tax evasion raided Scores and carted away cartons of financial records. The club office was bugged and taps placed on the phones of the targeted mobsters.

Shortly after the Scores raid, Blutrigh was informed by the feds that the listening devices installed in his offices had been court authorized. Faced with imminent indictment in the National Heritage matter, Blutrigh decided to save his skin by cooperating with the cops in nailing the mobsters at Scores. According to one investigator, "Blutrigh was always a mealy-mouth. He couldn't wait to begin cooperating with the feds."

Despite Blutrigh's publicized National Heritage troubles, the mob still felt comfortable enough to continue to do business with him at Scores. Whether this was owing to greed or stupidity or both, it would prove the mobsters' downfall. To build a case against those mobsters, Blutrigh and Pfeffer, who began wearing body mikes, systematically drew them further into the club's operations, giving the wiseguys control of the club's new V.I.P. Room, where they had free rein to shake down the dancers and skim the bar proceeds. According to sources, Blutrigh and Pfeffer also staged incidents that would require sit-downs, in which incriminating statements were caught on audio- and videotapes. In one such phony incident Blutrigh threatened to fire some mob associates who worked as bouncers, necessitating a sit-down, at which the mobsters discussed "whacking" enemies. For more than a year the government had a field day collecting information, while Blutrigh and Pfeffer continued to rake in the cash from Scores.

Blutrigh wasn't through cooperating with his new masters, though. Late last year, when indictments against the Scores mobsters were imminent, Blutrigh and Pfeffer took their show on the road. Wearing body mikes, they visited other strip clubs across the country in an attempt to get those owners to say something incriminating on tape. One club owner from Atlanta who requested anonymity says, "These guys set up a meeting to supposedly talk about some joint venture. When they got here, they started asking about how we hid the cash. We don't hide the cash. This business is so profitable that we don't mind sharing it with Uncle Sam. It's a disgrace that the government would use such lowlifes to try to entrap legitimate businessmen."

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Yet again, Blutrigh appears to have cleverly twisted the system to escape punishment. While nearly a dozen former executives and investors in National Heritage Insurance were quickly convicted and given long federal prison sentences (e.g., former firm president Davies received seven years, and has been jailed for a year already), Blutrigh and Pfeffer were not indicted until November 1997—after the feds had accumulated thousands of hours of Scores tapes.

Indeed, the U.S. attorney's office admits that, as a result of his cooperation in New York, and his placement in the Witness Protection Program, Michael Blutrigh may never spend one day in prison for his part in defrauding National Heritage of nearly \$100 million, although the maximum sentence for those charges totals more than 36 years.

Meanwhile, sources say, life is still very good for Blutrigh and Pfeffer. The government has permitted Pfeffer to take his new wife, who worked at Scores, with him into the Witness Protection Program. The pair was recently spotted in Palm Beach, Florida, where Pfeffer has apparently settled. For his part, Blutrigh is reportedly living somewhere in the New York area, where his old chicken-hawk pal Bilzinsky still oversees Scores and loyally funnels thousands of dollars of the club's revenues every week into Blutrigh's office. With this money, Blutrigh continues to buy silence and cooperation. A few months ago, the man called Sid says, he received assurances from Blutrigh's office that despite Blutrigh's recent problems, Sid would receive his last hush-money payment of \$5,000 right on schedule. He did.

None of this comes as a surprise to Carlino, who now runs the successful Fortune Club in Secaucus, New Jersey. He recalls an interview with U.S. Attorney White and a score of her assistants and agents just prior to the mob indictments. "During the interrogation I asked them if they were going to allow a pedophile like Blutrigh to once more Michael Jackson-ize his way out of trouble by paying off another of his victims. White smiled, and they all acted surprised to hear that Blutrigh was a pedophile. Right then, I knew that this was all just more bullshit from the government."

While White busily negotiates pleas with the mobsters that Blutrigh set up at Scores and National Heritage policyholders bemoan their insurer's looting, Blutrigh gloats from his hideaway. Protected by grateful feds, the record of his pedophilia sealed by his political connections, he has been free to lead his charmed life ... free to prey on young boys. O+