

## **9. Drugs not the only racket: racing gets a fix, too**

Gambling: The sure way of getting  
nothing for something.

– *Wilson Mizner, American playwright*

Freeman's buddy Stan Smith had by the start of 1973 adopted a new look. His longer hair and blue-tinted sunglasses did not, however, fool the cops in Sydney's CIB who compiled the updates of the Australasian Criminal Register. That year's edition noted that since his first ACR listing in 1970 Smith had 'continued to commit crime'. Before the volume was sent to print, the authors managed to include a reference to Smith's 1973 arrest by Victorian detectives 'in relation to the possession of drugs'. As with his arrest in Sydney on drugs charges a year earlier, this latest misadventure did not apparently involve any court appearances. Smith seems to have jumped bail and come home, where he was not bothered by police, even though they would have been aware that a Victorian warrant had been issued for his arrest.

On his interstate sorties he would use one of a number of aliases: Raymond Arthur Owens, Raymond Arthur, Stanley Raymond Lewis, John Eric Kean (a popular name – Freeman had once used the name Kenneth Laurence Keane) and Ronald John Goldsmith. 'Stately Stan' and 'Stonner' were listed as nicknames in addition to 'The Man', the moniker with which McPherson had dubbed him. In that year's ACR Smith was described as having the reputation of being one of Sydney's most dangerous gunmen, an assailant, shoplifter, sexual offender and drug pusher with a

record of 29 arrests for rape, conspiracy, consorting, stealing, goods in custody and assault.

While Smith became more deeply involved in selling drugs, Freeman appeared to distance himself from his close friend's activities.

Freeman began promoting himself as a 'commission agent', providing racing tips for punters and helping them lay their bets. He didn't often discuss the SP activities in public, but he was now the major controller of that end of the business. There were other tipsters and bookies at work, but nearly all of them would pay Freeman a commission to ensure the police left them alone.

I became involved in trying to expose one or two such operators in stories run in the *Sunday Telegraph* during 1973 – these were met with an interesting response from police. One published story referred to a tipster known as 'Numbers Noel' who tapped the phones of bookies, trainers and jockeys and sold tips derived from that information to punters at \$50 (\$421) a pop. Others in the same shady line of business would pay bribes – or rob safes – to obtain details of the TAB's and legal bookies' telephone-punter accounts. The safe at the TAB headquarters in Harris Street, Ultimo was blown, but the two robbers were disturbed by a nightwatchman. A month later the safe in the Pitt Street office of a bookmaker was blown and files were removed.

The most significant in this series of stories was that which detailed Gaming Squad officers' refusal to accompany me on a visit to a big SP operation in Surry Hills. The story, published on 12 August 1973, said in part:

Police said they knew of the SP operation described to them by the *Sunday Telegraph*, but were powerless to raid. 'If we walk in the front door, all signs of gambling in the upstairs rooms are removed by the time we get there,' said Inspector Neville Grigg. Inspector Grigg said he knew who ran the operation, and that settling was done at the man's mother's house in Ridge St, Surry Hills, on Sundays.

In the week after the story ran, two senior police visited the

newspaper's office, wanting to interview me. They aggressively demanded to know who my informants were (I refused), insisted Grigg had provided me with his remarks 'off the record' (not true) and should not have been used by me or attributed to him, and that I should 'take more care' with my stories that embarrassed the NSW Police Department (at which time I quite firmly asked them to leave the building).

The incident indicated the high level of protection enjoyed by the SP bookie operations in Sydney at the time. The newspaper decided not to run my follow-up story about the intimidating interview I'd been subjected to.

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Twelve days after the story on the Surry Hills bookie appeared, a much larger event, one that had been months in the making, got under way. Judge Athol Moffitt had been appointed by Premier Askin – who was desperate to stem the tide of damaging revelations emerging in that election year – to hold a royal commission into crime in licensed clubs and the allegations of US Mafia involvement in the local crime scene.

Moffitt opened the hearings on 20 August 1973. The commission has been well documented elsewhere; suffice it to say that over the next year a steady parade of criminals, crooked cops and a number of honest investigators stood to give their version of events. There were daily headlines; it was a rare event to have all these 'colourful Sydney identities' examined under oath in public. Not that the oath meant very much to many of the witnesses. Lennie McPherson lied – or suffered from temporary amnesia – throughout his testimony. Freeman, who police had told the inquiry was 'McPherson's second-in-command', was sworn in on 7 November, and behaved in much the same way as his mate. For example, under examination by Garth Needham QC, Freeman said he had been associated with Smith, and knew McPherson 'fairly well'. The chat continued:

Needham: For a number of years you and McPherson and Smith were associated in a number of ways, were you not?

Freeman: What ways do you mean?  
 Needham: Well, you were friends of both these people?  
 Freeman: I am friends of theirs, yes.  
 Needham: You associated in the sense that you sought their company?  
 Freeman: That is incorrect.  
 Needham: Not correct?  
 Freeman: Not with McPherson.  
 Needham: Not with McPherson?  
 Freeman: No.  
 Needham: When you were an associate of McPherson and Smith, did Murray Riley also associate with him?  
 Freeman: I don't know.  
 Needham: You do not know Murray Riley?  
 Freeman: No.  
 Needham: Never met him?  
 Freeman: Never met him. I know who it is you are talking about, but I have never seen him at parties.

When Freeman denied knowing Harry Wren, Judge Moffitt knew for sure he was lying; the commission had been given by the federal police a photograph of Freeman with McPherson, Duke Delaney, Iron Bar Miller and Harry Orrel Wren, well known to police since 1960 as a thief, pickpocket and false pretender. Remarkably, Freeman also denied knowing Karl Bonnette and Paddles Anderson. It was a farce. Freeman was quizzed about his association with Joe Testa – his visit with Stan Smith to Chicago and the visits Testa made to Sydney – but he gave nothing away. He was back in the box for a second round a week later, but it was equally unproductive.

One crime figure who did not accept an invitation from Judge Moffitt and his team was Murray Riley. He had made himself scarce before the inquiry got under way – as had Ray Smith, the thug Riley had been knocking around with since before he left the force. As soon as the commission was over Riley was back working for McPherson: bullying people, collecting cash payments for

protection against being bullied, collecting debts from SP clients, and regularly importing small quantities of drugs with individual couriers doing the run to southeast Asia and back.

George Freeman was named in Moffitt's report as Sydney's leading off-course bookmaker; he would have been grateful for the free publicity. Moffitt's main reference to Freeman was in relation to his presence at the 1972 meeting of crooks at Double Bay. He wrote:

In view of their notoriety as criminals, it is a better speculation that criminal purposes are involved in their associations than that these associations are for innocent social purposes. What is clear is that the reasonable chance of connection of these persons with crime and potential further crime, in relation to the registered clubs, cannot be excluded. It would be dangerous so to conclude. It should not be overlooked that the police inquiry had public notoriety in April, 1972, and thereafter, until now, there has been either that inquiry or mine in progress or debate in Parliament about the matter. It is not unusual for truly organized crime to be sensitive to such occurrences and for a while thereafter.

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It was 1974 and things were as they had ever been. Nobody really seemed to be bothered that the state was run by corrupt politicians, aided and abetted by corrupt police, all of which made the likes of George Freeman untouchable.

Fred Hanson welcomed in 1974 with a big grin: his partner-in-crime Premier Bob Askin had recommended him for a Commander Order of the British Empire (CBE) in the Queen Elizabeth's New Year's honours list. Other people seeking this gong would pay Askin up to \$60,000 (\$437,653) each to have their names included in the shortlist sent to the Queen. In fact, Ray Kelly would receive the same honour the very next year.

Roger Rogerson also received a boost, being promoted to the Armed Hold-up Squad in May. The new role may have been dangerous work but it seemed to provide good target practice for Rogerson: in the next five years he would shoot dead three

criminals on the job. He maintained a close relationship with Freeman throughout his time in the squad. The bookie would have shared information with the rogue cop; both were aware of Freeman's absolute commitment to McPherson's current arrangements with his police contacts, and at that stage Rogerson was not yet receiving McPherson's reel-to-reel tape reports.

It was a time of relative peace between the various gangs. A few low-level crims had been quietly sent off the scene, and it had been nearly a decade since the last high-profile criminal assassination. But that was about to change.

John Regan was a fiercely independent criminal who sometimes knocked about with Freeman, Smith and McPherson. Although never really a member of the team, he was able to sit and chat with the trio about goings-on in the scene.

Regan had a well-known anecdote about the time he'd made a 'citizen's arrest' in the early 1970s. He had arrived at Darlinghurst Police Station to talk to the station's senior plainclothesman, Detective-Sergeant Noel Morey, a close ally of Rogerson. After the pair had chatted for a while, Morey rushed out into the squad room and asked Detective Mal Brammer to immediately bring inside the chap in the car parked out the front.

Brammer went outside to see a 'shaky-looking chap' wedged in the rear seat between two 'rather tough-looking' individuals, before bringing him into the station. The man had apparently stolen some furniture from a flat he was renting, which was owned by Regan.

Regan had promptly arrested him. Seeing his apprehender being dealt with almost as an equal by the senior detective persuaded the thief resistance was useless; he 'fessed up and told Regan where the stolen goods had been stashed. He then bided his time in a Darlo cell awaiting his court appearance, at which he pleaded guilty. But that was mild stuff for Regan, and in the end he just got too big for his boots. A decision was made by those who sat at the top table that he had to go.

The story goes that three gunmen lay in wait for Regan in Chapel Street, Marrickville, hidden from passers-by, but with a clear view of the entrance to the Henson Park Hotel across the

## **John 'The Boy' Regan: not one of the lads**

John Stewart Regan was born on 13 September 1945 in Sydney. Making his criminal debut at age 17, he developed into what police described as 'a most vicious and incorrigible offender with an unparalleled record of crime and violence'.

Violent rapes, vicious assaults, theft, fraud, forgery and intimidation of witnesses peppered his career, which was also marked by frequent challenges to the police. Regan headed up a one-man vigilante outfit, the 'Independent Action Group for a Better Police Force'. In his memoir Freeman described the 'group' as 'the front for Regan's blood-splattered climb to the higher rungs of the criminal ladder'.

One of Regan's victims was 'Big' Barry Leonard Flock, who had been managing two eastern-suburbs massage parlours since 1966. After he had fallen out with a friend of Regan, Flock told of receiving threats to his life. According to George Freeman's version of the story in his biography, during the evening of Sunday, 15 January 1967, he was taken into an area of undergrowth on the grounds of the Scottish Hospital in Paddington. His body was found with five bullet-wounds to the head, which had been fired at close range.

In April 1972 Fred Krahe told various crims that Regan had taken up a contract with Melbourne gangsters to wipe out members of Sydney's notorious Toe Cutter gang, Bill Maloney and Kevin Gore. Regan killed Gore's driver, Robert Charles Donnelly, in error on the morning of 4 May 1972. When Donnelly didn't return with the car, Gore went looking for him. Later that afternoon Gore was witnessed talking to Regan. He was never seen again, and his body was never found. Bill Maloney later wrote a letter to Regan's solicitor, Michael Seymour, alleging that Regan had murdered Gore and Donnelly and that 'due to all this I have reason to believe Regan will dispose of me also'. Seymour told me that the letter was intended as a warning to Regan to 'keep his distance' from Maloney. It appeared to have worked: Bill Maloney lived to tell the story.

Regan saved his biggest challenge for fellow criminals. He began collecting standover payments from the city's prostitutes, which caused serious concern among those who thought that area of commerce was reserved for them. Then he moved his 'protection racket' demands

into more lucrative areas, including the famous 33 Club illegal casino, which was the territory of Lennie McPherson and his crowd. Details are blurry, but Regan is rumoured to have also killed an SP bookie, one of Freeman's clients. He was clearly aiming to become an independent operator, and for the crims, cops and the organisations who paid over the bribes and protection money, Regan was bad for business.

way, on the corner of busy Illawarra Road. At six o'clock every Sunday evening John Regan would collect protection money from an illegal gambling operation.

On the evening of 22 September 1974, he was right on time. But he never made it to the door of the pub. The gunmen ambushed him, fired eight .38 calibre slugs into him (coincidentally the same ammo as used by police in those days) and left him to die in the middle of the street.

George Freeman confessed he was running a big two-up game in the hotel – the same one that had seen his start in the SP business back in 1964. It was beyond doubt that this was the illegal game from which Regan was about to collect protection money. Freeman admitted to being present in the hotel that night. He claimed he was subjected to intense questioning over the murder, but refused to comment.

In his own words, 'They pulled in about 200 people for questioning in the first week alone. One hundred and ninety-nine of them said where they were. I remained silent.' He added: 'I'm convinced the police heading the case were convinced I did it and were determined to nail me for it. I said then, and I repeat today, that I was in no way responsible for Regan's death. I was able then, as I am now, to account for my movements the day Regan was killed.'

But he never did, and was never even asked to do so. The investigation came to nothing. The illegal two-up game was not busted, and either there was insufficient evidence to put Freeman in the frame, even as an accessory, or his well-worn insurance deal was dusted off and someone received a handsome top-up payment.