

THE HORATIO ALGERS OF HEROIN POLICE SAY STREET-CORNER DEALERS GAINED INTERNATIONAL CONNECTIONS

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The three Davis brothers -- Reginald, Duane and Kenneth Ricardo (Ricky) -- were small-time retailers with a dream and the determination to make that dream come true.

In a dozen years, they had reached the heights -- described by the government as among the elite in their field with connections on four continents. They expanded and diversified, and the money rolled in faster than they could spend it.

The Davis Family Group -- or DFG, as they came to be called by federal agents -- grew from selling "dime packs" **of heroin** on Detroit street corners to one **of** the country's largest **heroin** and cocaine distribution rings, according to federal officials.

The group was charged 10 days ago in a 41-page federal indictment in Detroit with 57 counts **of** drug and income tax violations between 1977 and 1982.

Robert Mann, who is representing Duane Davis, said his client and other family members "deny all **of** that (narcotics charges) very strongly."

Mann said federal agents were trying to enhance their own image by portraying the Davises as international narcotics smugglers.

Duane, Ricky and Alicia Davis have been arrested and formally charged on the indictment. Reginald Davis and Judy Kasco are still being sought by federal agents.

Although the indictment covers only about five years, their story -- complete with globe-trotting intrigue, a Beverly Hills mansion and lots **of** money -- actually began in 1970, according to interviews with law enforcement officials and internal federal investigative reports based on surveillance, informants' statements and grand jury testimony used to build the government's case.

THE FOLLOWING account comes from those files.

In 1970, Reginald Davis was an ambitious 18-year-old, street-level Detroit **heroin** dealer. But unlike hundreds **of** other dealers, Davis, now 31, had already made contacts with lieutenants in large-scale drug rings, according to federal surveillance reports.

The next year, Davis and another street dealer pooled \$10,000 to buy **heroin** and cocaine. Reginald Davis then plowed huge profits back into larger and larger drug purchases. Within a few years, the partner told federal agents, he was making between \$250,000 and \$700,000 a year.

The first major expansion came in 1973, when he started buying bulk Mexican **heroin** from a San Francisco woman. Within four months **of** his first \$5,000 buy, the women later told federal agents, he purchased 20 kilos for an estimated \$500,000.

Most **of** the drugs, investigators believe, were destined for Detroit street corners.

WHILE GETTING brown Mexican **heroin** from his California connection, Davis, according to grand jury testimony, had developed international sources.

By 1977, Davis had reversed roles with his San Francisco connection and was selling her between \$16,000 and \$32,000 worth **of heroin** a month.

Reginald Davis, calling himself Dennis Bronson, set up a West Coast base in July 1977, using a Beverly Hills mansion leased for \$24,000 a month from a Hollywood actress.

Meanwhile, Reginald Davis and his younger brothers established an East Coast base in suburban Miami through a Jamaican and at the same time made contacts in England and Thailand. Key to this growth was a Ghanaian national with connections in the U.S., Africa and Asia who favored smuggling **heroin** through customs in hollowed-out statues.

IN APRIL 1978, Reginald Davis, using the Bronson alias, was returning from Jamaica when he was arrested at Miami International Airport by federal agents who said they found about six pounds **of heroin** in a false-bottom suitcase . Federal investigators said Davis was carrying notes reflecting an itinerary to Nigeria, Ghana, Haiti and Jamaica, and a contact in Thailand.

Davis was charged with importing **heroin** , but was acquitted four months later, according to Miami Federal Court records.

Despite the arrest, the DFG continued to expand. In 1979, Reginald Davis was placed on the DEA's "Top Ten Asian **Heroin** Violators List ."

FEDERAL investigators began nibbling around the edges **of** the DFG in mid-1979. On Oct. 18, an informant working for the Detroit DEA office made the government's first buy **of heroin** from Ricky Davis, now 27. A week later, the informant introduced Ricky Davis to an undercover DEA agent who began making **heroin** buys from the DFG.

In February 1980, Duane Davis, now 29, made a **heroin** deal with the DEA informer. Federal agents said Duane Davis was driving a yellow Cadillac Eldorado registered in the name **of** Sylvester "Seal" Murray, one **of** the architects **of** Young Boys Inc. (On Aug. 4, Murray began a 15-year federal prison sentence for drug violations.)

FEDERAL investigators said Ricky Davis liked to brag. They said he told undercover agents that his family owned real estate worth millions **of** dollars in California and Michigan. He also said the family had a good cocaine connection in Montego Bay, Jamaica, and could get as much **heroin** as the undercover agents wanted.

In March 1980, Ricky Davis introduced DEA agents to Reginald Davis and his associate, 26-year-old Judy Kasco, and the agents started buying drugs directly from the pair.

By this time, the DFG's huge drug profits had become a problem. In May and June of 1980, Duane and Reginald Davis tried to get their income tax records in order. Reginald filed late returns for several years, identifying himself as a "spiritual consultant," while Duane claimed he earned his money on "games of chance." Duane, too, became a spiritual consultant on later tax returns. For the next several months, the Davises tried to purchase cars and houses whose ownership could be concealed under the names of others.

Nevertheless, the DFG was still trying to expand. In June 1980, the group wanted to bypass one link in their European connection.

The Davises complained to associates that their intermediaries were keeping the money and not paying the European sources. To overcome this, the Davises made repeated attempts to meet the sources directly.

THE BROTHERS were willing to pay for an introduction to two American expatriates and a Dutchman running a smuggling operation in Amsterdam. One of the Americans later bragged that the introduction was worth \$10,000 to \$20,000.

The Amsterdam connection ran a highly developed smuggling operation using their own canning machines to seal drugs inside cans of gourmet coffee and cocoa from Holland, investigators said.

A meeting was made through a mutual acquaintance when the Dutchman and his American partners came to Detroit. One of the Americans, who played professional basketball in Europe, met with Duane Davis to collect \$25,000 of \$55,000 owed on a previous cocaine deal, according to a government witness.

The Dutchman's relationship with the two expatriates was sometimes stormy. When they met next in Miami Beach, the trio argued about a \$60,000 debt from an earlier deal. The Dutchman settled for a \$16,000 payment on the outstanding account.

PROBLEMS with international connections required Duane Davis to fly to Amsterdam on Jan. 21, 1981. One of the American expatriates -- the basketball player -- had disappeared with \$400,000 that the DFG owed to a Turkish smuggler based in Amsterdam. Although the DFG had frequently shortchanged or given partial payments to the Dutchman, the Davises feared the consequences of a \$400,000 misunderstanding with the Turk.

The missing American partner buried the money in his mother's backyard in Alabama and promised to join the others in Holland later, a witness told federal agents. Neither the American nor the money was seen again.

In February 1981, one of the Dutchman's elaborate multicountry interlocking dope deals was threatened by his fumble-thumb operation of the canning machine used to package the drugs as cocoa and coffee, federal agents said.

WHILE FLYING to Miami, the Dutchman discovered the lid had popped off a can packed with more than a pound **of heroin** . He put the drugs into a plastic bag and carried them through customs in his coat pockets.

After selling the **heroin** in Miami for \$50,000, the Dutchman flew to Peru with the money hidden inside his boots . In Peru, he bought cocaine from a Spanish national but picked up the drugs in Panama. The Dutchman then flew into Miami with the drugs hidden inside a portable radio.

The Dutchman's luck ran out on Easter Sunday **of** 1981, when he was arrested at Miami International Airport with more than a pound **of heroin** in a cocoa can.

The Dutchman then began to co-operate with authorities, telling them about his American partners and deals. He also revealed his Turkish and Lebanese **heroin** connections in Amsterdam.

By February 1982, the DFG telephones were wiretapped by federal agents and DFG associates were talking to investigators and the federal grand jury.

MEANWHILE, a female courier, who later became a government witness, was recruited to fly a \$15,000 payment to the Turk in Amsterdam

After meeting the Turk, she was told that Duane, when he was there a year earlier, tested a sample **of** a new **heroin** shipment, and said: "This is it. We'll all be rich."

In June 1982, a DEA raid on an apartment at the plush Jeffersonian on Detroit's riverfront threw light on a long- suspected link between Young Boys Inc. and the DFG. After \$600,000 in cash was seized in the raid, federal agents noted a series **of** phone calls between houses and apartments used by Murray and Reginald Davis.

According to investigative files, Reginald Davis met 18 months earlier with several Detroit businessmen with suspected drug links, to discuss the brazen activities **of** Young Boys Inc., allegedly supplied by the DFG. Davis and the others were concerned that publicity about Young Boys Inc. would trigger a government crackdown that might lead to them.

On Aug. 11, 1982, the female courier who had carried the Turk's \$15,000 payment made another run to Amsterdam on the hurried instructions **of** Duane's wife, Alicia, 28. The woman returned to the U.S. the following day and was arrested at Chicago's O'Hare International Airport with 1.4 kilograms **of heroin** hidden inside three sealed cans -- one coffee , two cocoa.

WHEN SHE agreed to co-operate with authorities, federal agents had someone who knew the internal workings **of** the Davis Family Group and their contacts in Holland. On August 13, the DEA had her return to Detroit and deliver the three cans to Duane Davis at his Oak Park home.

After accepting the **heroin** , Duane was arrested. But because the DFG investigation was incomplete, federal authorities released Duane. The delivery became part **of** the recent indictment.

The Davises' intricate operation was about to be rolled up.

About a week after Duane's arrest, Dutch police nabbed the Turkish dealer. On December 7, Murray and about 40 other leaders **of** Young Boys Inc. were indicted by a Detroit federal grand jury on various drug charges.

On August 4, the day Murray was sentenced to prison, the three Davis brothers, Duane's wife Alicia and Judy Kasco were indicted by a federal grand jury.

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