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### **LOCAL NEWS** from The News Journal

# A once proud, tight-knit family is wracked by a murder scandal as brothers turn against each other.

The Capanos: A house in ruins

Over three decades, Louis J. Capano Sr. gave his sons a name of which they could be proud. During the 1950s, '60s and '70s, as Capano built homes throughout New Castle County, the family reputation was one of quality and integrity.

His four sons have left it in ruins.

Last week, federal investigators arrested the oldest son, Thomas J. Capano, and charged him with killing his lover, <u>Anne Marie Fahey</u>. The arrest coincided with the news that two other Capano brothers had withheld information about the crime from police for more than a year, then broke their silence to put their oldest brother in jail.

Gerard, the youngest of the four Capano boys, identified Thomas as the killer, saying he helped him dispose of Fahey's body at sea. Louis Jr. told authorities he knew of the crime a year ago, but couldn't bring himself to betray his older brother.

The fall of the once-respected Capano name began much earlier. Even as the brothers became fabulously rich, the family name was tarnished by lawsuits, shady business deals, a rape charge and other seedy brushes with the law.

Close friends and family members believe that wouldn't have occurred if Capano Sr. -- who died at age 57 in 1980 -- was still alive. Without their father, friends said, the Capano boys became unhinged.

"They were like most Italian families in that the father ruled the family. Lou was the patriarch," said Joseph M. Capaldi, whose father once was







First-degree murder charges are filed against Thomas J. Capano.



Special to The News Journal/ERIC CROSSAN

From left, Thomas, Joseph, Louis Jr. and Gerard Capano in a family portrait taken in 1990 at Louis Capano & Sons Inc.'s real estate development corporate headquarters, 105 Foulk Road, Wilmington.



The News Journal/BOB HERBERT

Thomas J. Capano talks to one of his defense lawyers, Joseph A. Hurley, in

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"He would have kept things under control."

The four Capano boys and an older sister grew up in a sprawling stone Colonial built by their father on Weldin Road in Brandywine Hundred. Louis Sr. and his wife, Marquerite, doted on them. It was a life of relative privilege for Marian, Thomas, Louis Jr., Joseph and Gerard.

Although the father's financial fortunes rose and fell with the real estate market, he sent his kids to expensive Catholic schools such as St. Edmond's Academy for Boys elementary school and Archmere Academy high school. They summered at the Jersey shore.

<u>Coupons</u> The children were devoted to each other, recalled Contests the Rev. Thomas A. Hagendorf, a former Interact Archmere Academy teacher. Hagendorf said he and other Archmere priests were taken into the family, often joining them for dinners and weekends at the shore.

> "They were just an outstanding Catholic family," said Hagendorf, now a parish priest in a Baltimore suburb.

> Thomas, 48, was his parents' favorite. Quiet and conservative like his father, he was hard-working and disciplined, Hagendorf said. "He was a shining star."

Thomas was a football star and student council president at Archmere, and later, a scholar at Boston College. The elder Capano, who was in awe of educated people, cried the day Thomas graduated from law school.

Not everybody was as enamored. Pat Montgomery, who knew Thomas as a teen-ager, remembers him as a cocky kid who cruised around in a sports car his father bought for him. But, he acknowledged, "Tom had [the accomplishments] to back it up."

Louis, 46, was warm and outgoing. He could walk into a roomful of strangers and leave with a bunch of friends.

"He was a charmer," said the Rev. Salvatore Cuccia, who taught him at Archmere.

Though Louis and Thomas had separate circles of

June.



Louis Capano Jr. offers encouragement to his second wife, professional golfer Lauri Merten, at the 1992 LPGA tournament.



Joseph Capano was charged in 1992 with kidnapping and raping a woman he dated for nine years; he pleaded guilty to misdemeanor assault in 1992.

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• Judge rejects Tom Capano's plea

#### 2004

friends, they often spent weekends together, eating at the Charcoal Pit restaurant on Concord Pike that Louis would later buy, or cruising the boardwalk at Wildwood, N.J.

"Louie idolized Tommy," said Dick Armstrong, one of Louis' best friends since seventh grade.

Joseph, 45, born one year to the day after Louis, was laid-back but popular. An average student, he attended Brandywine High School, where as the stockiest of the Capano boys, he wrestled in the 185-pound class.

Gerard, 34, was known by some as gregarious and fun-loving, but by others as spoiled and wild.

"He's always been a free-spirit ... his own person," said Alan Perry, who works for the Capano company.

In the winter of 1980, Capano Sr. dropped dead of a heart attack.

He left a prospering business and an estate worth at least \$1.2 million that included an apartment complex, a hotel in New Jersey, several housing developments, investment funds and a piece of a coal mine in Pennsylvania for his widow and children.

In his will, the elder Capano made Thomas, Louis and Joseph trustees of his estate and gave them power to invest the money, open new businesses and continue current businesses as they deemed proper.

They were also to pay their mother, sister and youngest brother monthly stipends and give Gerard shares of the estate at age 21 and 35.

It wasn't long before the boys started getting in trouble.

Less than two years after his father's death, Louis, then 29, broke into his sister's home and attacked his brother-in-law, attorney L. Vincent Ramunno, in a dispute over money.

Ramunno had served Louis with a lawsuit while Louis was a guest bartender at a Wilmington restaurant. Furious, Louis went to Ramunno's house in Forest Hills Park, threw a wooden chair through a sliding glass door and went inside.

#### October 22, 2004

• <u>Capano controlled defense, lawyers</u> say

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• Ex-lawyer testifies Capano ran case

#### September 08, 2004

• <u>Capano tells judge he's out of money</u>

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Del. weighs top court's death ruling

#### May 26, 2004

• Capano pressing his appeal

#### April 30, 2004

• Settlement reached in Capano suit

#### April 28, 2004

• <u>Capanos in court to settle family</u> feud

#### April 21, 2004

Capano may rethink pressing claims

#### January 17, 2004

• Lawyers call Capano a difficult client

#### 2003

#### **December 10, 2003**

• <u>Capano sues brothers over</u> <u>settlement</u>

#### November 27, 2003

• <u>Suit against Tom Capano may proceed</u>

#### November 8, 2003

• Capano case back in court

#### **September 10, 2003**

• Capano contests sentence

#### September 4, 2003

• Capital cases resume in Delaware

#### September 3, 2003

• Death sentences are thrown out

#### August 22, 2003

Capano lawyers claim faulty defense

He began choking Ramunno, who fell to the floor. Capano's sister, Marian, 53, tried to separate the men as they fought on the floor, then called the police. Louis later pleaded no contest to second-degree reckless endangering.

In 1989, Louis became embroiled in a corruption scandal.

He helped the FBI set up a sting in his office that caught New Castle County Councilman Ronald J. Aiello accepting a \$25,000 bribe. He assistance wasn't completely voluntary. He had admitted giving illegal campaign contributions to Aiello and Kermit Justice.

Capano wasn't charged with any crimes but later admitted giving Aiello \$10,000 in 1987 for what amounted to an illegal campaign contribution, and paying Aiello \$9,900 for a favorable rezoning vote in 1988.

Thomas, who had resigned his job as top aide to late Wilmington Mayor Daniel S. Frawley, played a pivotal role in steering the company through the crisis.

"I think he straightened out Louis, who was in kind of a jam," said former Wilmington Mayor Thomas C. Maloney. "Tom worked carefully with the Justice Department to solve the problem and alleviate the situation."

In 1991, on Halloween night, a sex scandal hit the family.

Joseph, who was separated from his wife, was charged with kidnapping and raping a 27-year-old woman he had dated for nine years. He later pleaded guilty to misdemeanor charges of assault, unlawful sexual contact and criminal mischief after the state agreed not to charge him with assaulting the woman in two earlier incidents. He did not serve any time in prison for the charges.

Thomas also was having problems. But these weren't public.

According to the FBI, in the months after Capano Sr. died, Thomas asked a man to break a legal secretary's legs or run her over because she wouldn't date him. The man, who was really an FBI informant, said Capano told him Wilmington "was his town" and no woman could turn him down.

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#### July 16, 2003

• Brady: Justice stepped over line

#### July 15, 2003

• Governor to sign death penalty bill

#### July 11, 2003

• Opinion asked on death bill

#### July 4, 2003

• Capano pushes for a new trial

#### March 2, 2003

• <u>Tom Capano's brother asks judge</u> <u>not to dismiss lawsuit</u>

#### 2002

#### November 27, 2002

• <u>State high court hears death-</u> penalty issues

#### October 9, 2002

• <u>Death row inmates seek life</u> sentences

#### **September 12, 2002**

• Judge puts Capano case on hold

#### August 3, 2002

<u>Capano family partnership suit will proceed</u>

#### July 1, 2002

- Death penalty bills are approved
- Role of jury in death cases debated

#### June 29, 2002

• High court denies Capano appeal

#### June 28, 2002

• <u>State Senate passes death penalty bills</u>

#### June 27, 2002

• <u>Legislators rushing to fix execution</u> <u>law</u>

#### June 26, 2002

• Murder trial left in limbo

#### June 25, 2002

• Constitutionality of Delaware's death penalty in question

The woman was never hurt, but the informant made harassing phone calls at Capano's direction and tried to get the woman to leave town, which she did.

The brothers' legal troubles were the antithesis of their dad's legacy. Louis J. Capano Sr. remains forever in Wilmington construction circles as the epitome of the hard-working and honest builder.

"He never played games," said former Bank of Delaware chairman Jeremiah P. Shea. "If he were having troubles he told you. That was a nice thing for a banker, since so many of the [builders] tried to hide things and hope they'd go away."

Deals worth hundreds of thousands of dollars were done on a handshake. He never went back on his word and valued his reputation so much that he put it before the bottom line, former business associates said.

"Paramount in Lou's mind was to be a good builder. He took pride in his work," Capaldi said. "He wanted to grow within his capability and not sacrifice quality."

Added Wilmington developer Leon N. Weiner: "He was a decent fellow. And his father [Joseph] was too."

Born in 1923 in a tiny mountain village in Calabria, Italy, Capano Sr. was thrust into a whole 2001 new world at age 7.

His parents emigrated to Delaware, where other relatives -- the Rizzos -- had started a construction business near New Castle.

The three sons, Louis, Frank and Vincent, followed their bricklayer father into the trades. Louis became a carpenter, Frank a brick mason and Vincent a plumber.

In the early 1940s, Louis married Marguerite, the daughter of a stone mason from Wilmington's Little Italy neighborhood.

In the late 1940s, Capano teamed up with Emilio Capaldi, a Wilmington builder, to form Consolidated Construction Co., which did store and office renovations.

They later changed their name to Capaldi & Capano and began building homes for young

• Delaware death law goes back to '90 case

#### May 5, 2002

Capano visitors vary during prison stay

#### **April 27, 2002**

• Capano's brother sues him for settlement help

#### April 23, 2002

• U.S. Supreme Court begins hearing death-penalty case that could affect Capano case

#### March 2, 2002

• Capano investigation yields a new drama

#### February 20, 2002

• Capano seeks help in Supreme Court

#### **February 7, 2002**

• Capano appeal delay sought

#### Janurary 15, 2002

 Arizona man's case could help Capano

#### December 4, 2001

Capano's execution set aside

#### December 2, 2001

• High court may not hear Capano case

#### November 30, 2001

• Capano challenging death penalty

#### November 17, 2001

- High court disbars Thomas Capano
- Connolly takes oath of office

#### November 9, 2001

Capano seeks top court review

#### September 7, 2001

Capano execution date set

professionals who migrated to Delaware to work for the DuPont Co. Capaldi did the designs and Capano oversaw the jobs. Their developments include Galewood and Boulder Brook off Shipley Road, and Canterbury Hills and Westminster in Hockessin.

By 1958, the two dissolved their partnership but remained friends. Capano Sr. formed Louis Capano & Sons Inc., the conglomerate that exists today.

Capano's specialty was building custom homes in expensive new Brandywine Hundred developments -- Woodbrook, Edenridge, Weldin Woods and Perth.

But home building is a cyclical business. In 1970, Capano tried to diversify by building and owning Cavalier Country Club Apartments near Christiana. The project, designed to create a steady revenue stream, "was the largest venture for anybody at that time," said Capaldi of the 900-unit project.

Stretched so thin, the elder Capano couldn't afford to pay real estate commissions to an outside firm. Louis Capano remembered him borrowing money from friends to make the first loan payment.

"We really struggled. We scraped for every last dime," Louis said in an earlier interview, describing Cavalier as a make-or-break project for the family.

In 1972, when Louis was a senior at the University of Delaware, he left school to help his father run the business. He earned a real estate license to sell the 96 town houses built at Cavalier to generate income.

#### August 11, 2001

<u>Capano appeal denied</u> <u>Ruling a relief for Fahey family</u>

#### July 20, 2001

Ex-wife sues Capanos over trust

#### June 14, 2001

Attorney: Unfair testimony convicted Capano

#### June 13, 2001

Capano's appeal goes to high court

#### April 7, 2001

Capano brother sued over family trust

#### March 22, 2001

TV miniseries dramatizes the Capano-Fahev case

#### March 13, 2001

Fahey diary's admission to jury focus of Capano appeal

#### Jan. 5, 2001

<u>Families settle in Fahey-Capano</u> lawsuit

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"During that period his sons really started to come through for him," said Shea, the banker.

They pulled it off, then bought Branmar Plaza -- a big moneymaker in Brandywine Hundred -- and Midway Shopping Center in Milltown.

After Capano Sr. died, Louis took over the company and it prospered. He snapped up one property after another, such as the old Wanamaker department store in Wilmington and land on Concord Pike. The company built shopping centers, office complexes and housing developments throughout Delaware.

Joseph worked at Louis's side for years, initially handling the home-building operation. Thomas joined the family business briefly in the late 1980s after leaving the Frawley administration. Gerard formed a landscaping company that cut the grass and trimmed shrubbery at Capano shopping centers and apartment complexes.

Louis is credited with turning the business -- one of the few firms that survived and prospered when the real estate market went downward in the early 1990s -- into a major Delaware development force.

Louis stunned other developers and bankers with daredevil deals.

"Louie does so many things wrong -- and they all turn out right," said the late Harry Levin, founder of the Happy Harry's Drug Store chain.

"He's got the Midas touch."

By age 33, Louis bought a 32-acre former du Pont estate in Greenville. Thomas and his family settled into the former bishop's house in a tony Wilmington neighborhood. Joseph and Gerard bought big houses.

But the reputation that his father acquired over three decades suffered as Louis became perceived as a ruthless wheeler-dealer and Joseph as someone who would sacrifice quality for cash.

There were the payoffs to Aiello and illegal campaign contributions to former New Castle County Executive Rita Justice, Kermit's wife. In one case, buyers of homes built by Joseph in Bear's Summer Hill neighborhood complained of shoddy construction and slow response to complaints.



A few years ago, Joseph and Louis split up the business, although both still operate out of the same Foulk Road offices.

Despite the criticisms, all the brothers were living the good life. They were rich, family men.

Louis, who had divorced his first wife, married professional golfer Lauri Merten and enjoyed being her caddy on the LPGA tour.

Thomas, who had married his college sweetheart and had four daughters, was legal counsel to Gov. Castle and managing partner at Saul Ewing Remick & Saul, handling multimillion bond deals involving the state and city government.

In 1992, Thomas considered running for state attorney general. But Kevin Freel, a political ally, told Thomas his brother's brushes with the law might hurt.

"I told him, 'It would be a lot easier if you changed the last name,' " Freel said.

Gerard, while not working, became a highadrenaline sportsman. A big-game hunter who has bagged moose in Alaska, his latest passion is hot rods. He spent tens of thousands of dollars to convert an early-model Corvette into what drag racers call an outlaw pro street car.

"He's into that muscle car thing," said Joe Sway, owner of the Atco (N.J.) Raceway, where Gerard has raced.

For the last three years, Thomas lived a double life. He became obsessed with Anne Marie Fahey, a tall brunette who worked as Gov. Carper's scheduling secretary.

They dated off-and-on for about three years. But in the fall of 1995, after Thomas left his wife, Fahey found a new boyfriend and tried to end the relationship.

Thomas couldn't handle the rejection. He stalked and threatened Fahey, her friends said, and tried to keep the affair going.

Kim Horstmann, a mutual friend of Fahey and Capano, has said that although Fahey was bothered by his controlling nature and "sometimes bizarre behavior," she wasn't frightened by him. On June 27, 1996, the two dined in Philadelphia. The meal, their waitress said, was a somber occasion. Fahey's family reported her missing two days later.

Police revealed that Thomas was the last person known to have seen Fahey. They suspected he killed her and disposed of the body, and later concluded Gerard and Louis were involved in the cover-up.

Investigators learned that Thomas disposed of a wall-to-wall carpet and sofa in the days after Fahey vanished. FBI agents learned that Louis ordered one of his company trash containers emptied days ahead of schedule and Gerard sold his 25-foot fishing boat without the anchor. Specks of Fahey's blood were later found in Thomas' home.

Louis and Gerard erected a wall of silence to protect the oldest Capano brother.

As Thomas kept insisting he didn't harm Fahey, authorities chiseled away at the brothers.

The FBI pressured Louis, summoning him twice before a federal grand jury. The Bureau of Alcohol, Tobacco and Firearms worked on Gerard, and seized drugs and guns from his home. Thomas was told he was the subject of a grand jury investigation.

Gerard was the first to talk.

Eight days ago, Gerard and his lawyer visited the U.S. Attorney's Office and confessed his role in the cover-up.

He told investigators that Thomas arrived at his home at 6 a.m. the day after Fahey disappeared. He said that they drove to Stone Harbor, N.J., where they loaded a padlocked cooler on Gerard's fishing boat, and headed 60 to 75 miles out to sea. There, Thomas threw the body overboard, he said.

On Monday, Louis told federal prosecutors Gerard had told him about the disposal of Fahey's body a year ago. Louis agreed to a misdemeanor charge of harassing a grand jury witness. Gerard has not been charged.

Wednesday, Thomas was taken into custody, charged with first-degree murder.

And when the cell door closed behind him that night, their father's legacy was left in tatters.

"I would classify this a family tragedy," said Shea. "I've said it many times -- their father must be

rolling over in his grave."





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