



FEDERAL BUREAU OF INVESTIGATION

BUGSY SIEGEL

PART # 2 OF 11

PAGES AVAILABLE THIS PART 230



FEDERAL BUREAU OF INVESTIGATION

FILES CONTAINED IN THIS PART

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FILE DESCRIPTION

BUREAU FILE

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PT 2

SUBJECT BUGSY SIEGEL

FILE NO. 62-81518

SECTION NO. 3

SERIALS 121

to

135

DIRECTOR

CLYDE TOLSON

July 18, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/21/85 BY SP-7 mac/abj

I called SAC Hood with further reference to his discussion with Mr. Tamm yesterday relative to the Walter Winchell item referring to the fact that a racketeer was forcing a Los Angeles newspaper man out of his interests in a hotel. I pointed out to him that we could neither censor or censure Winchell for any of his items as columnists are not in the habit of checking with us for accuracy of any information they plan to use. I cited to him the fact that Drew Pearson has used a great amount of material concerning the Chicago and Las Vegas situation and that he, of course, is familiar with the fact that the informant went to Pearson before he came to the Bureau and, consequently, Pearson has practically all of the material in the matter and may, of course, be the same source of information. I told him, further, that since the information in question came to the Bureau over a technical surveillance it doubtless could have reached Winchell from any one of a number of sources.

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Mr. Hood stated he did not want to be misunderstood in the situation; that he thought the reactions of the Agents and the informants should be relayed to the Bureau. He stated that what disturbed both the informants and the Agents was the fact that Winchell in giving out the information prefaced the statement by remarking that the "FBI in Los Angeles knows all about", following with the story. He stated that the informants were somewhat reluctant to talk further in this matter if the information which they imparted was going to reach Winchell.

[REDACTED]

He stated the informants have to be reassured each time they are talked with that as far as the Bureau is concerned what they say will not be given to any press sources, and his only purpose in communicating with the Bureau was to point out the reactions as they have come to him.

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I also pointed out to Mr. Hood that Winchell does not check his items with us and that he has taken the position that if he did many items would be denied and he would be unable to use them. Hood knew this to be a fact because he has seen any number of items which were incorrect and knows that if they had been checked with the Bureau they could have been stopped. It was again pointed out to Mr. Hood that since the particular information was the result of a technical surveillance any one of the parties involved could have been the source of the information which was used.

SEP 11 1946

62-81518-121

FEDERAL BUREAU OF INVESTIGATION

LAS VEGAS

SEARCHED	INDEXED
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FBI - LAS VEGAS	

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active in arranging West Coast circuit
 race horse information service
 operated by JAMES M. HANCOCK, Sr.
 and others presently operating
 a gambling casino at Las Vegas, Nevada.
 Allegation made this is being built up
 some chumling building materials
 allegedly harboring

Letter to SAC Las Vegas
 in connection with

Special Agent in Charge
 Las Vegas

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L.A. 62-2857

he is violating. The information set out in this report represents information developed by a special agent investigating this matter at Los Angeles, California and Las Vegas, Nevada.

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The following was dictated by Special Agent [REDACTED]

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BACKGROUND OF BENJAMIN "BUGS" SIEGEL

BENJAMIN "BUGS" SIEGEL by the year 1931 because of his "brains," temper and ability to carry out threats had assumed leadership of a group of [REDACTED] small-time hoodlums in New York. He had previously aligned himself with the underworld and the prohibition bootlegging racket and had climbed rapidly because of his ruthlessness and his ability to handle men. About this time he associated himself with MEYER LANSKY and their gang skyrocketed into prominence and underworld respect as the "BUGS and MEYER Mob." SIEGEL acquired his nickname of BUGS because he was regarded by his intimate acquaintances as insane along certain lines.

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[REDACTED] an open gang warfare broke out among the New York gangs and the "BUGS and MEYER Mob" was responsible for the killing and removal of many powerful rival gangdom figures. SIEGEL and LANSKY shared the dictatorial powers of the gang, but SIEGEL was responsible for the terroristic practices of their groups. They had many gunmen at their command who were [REDACTED] who were motivated both by fear and because of the money and protection SIEGEL and LANSKY could give them to obey the commands of SIEGEL and LANSKY.

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[REDACTED] SIEGEL and LANSKY were extremely jealous of the jurisdiction and power held by "WAXEY" GORDON and determined to dispossess GORDON. Eventually they succeeded in "breaking GORDON's back" and their actions together with GORDON's conviction in Federal Court on an income tax charge resulted in relegating GORDON to an unimportant position in the New York underworld.

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[REDACTED]

[REDACTED]

After the repeal of the prohibition amendment, SIEGEL and LANSKY began to decline in power.

[REDACTED]

The gang began to break up and SIEGEL moved to California.

[REDACTED]

CONFIDENTIAL

[REDACTED]

at that time if a person desired to go into the restaurant or night club business he was told that he would have to see SIEGEL for financial assistance or would have to out SIEGEL in.

[REDACTED]

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[REDACTED] SIEGEL had also been attempting to obtain the [REDACTED] outlet for the wire service from RAGEN, but RAGEN would not let [REDACTED] the outlet because [REDACTED] did not like him.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] SIEGEL then went to [REDACTED] and took the Frontier Club race book away.

[REDACTED] Immediately after taking the Frontier Club race book SIEGEL closed it to carry out his faked claim that the race book business had fallen off in Las Vegas.

[REDACTED]

Immediately upon taking over the wire service in Las Vegas [REDACTED] SIEGEL re-opened the Frontier Club race book and later opened the race books in the Las Vegas Club and the Boulder Club.

[REDACTED]

Each race book is set up on paper as a separate

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L.A. 62-2837

business and the wire service is sold to the race books on a monthly rental basis. No profit is charged on the service to the individual books and b7

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Informant stated that in the meantime SIEGEL and MEYER LANSKY began looking for "WAXEY" GORDON and members of that gang for the purpose of killing them. They located GORDON and members of the gang in New Jersey hiding out in an apartment. b7

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

b7c

[REDACTED]

[REDACTED]

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[REDACTED] SIEGEL has been responsible for the deaths of "at least thirty men," some having been killed by his henchmen and the remainder having been killed by SIEGEL personally.

[REDACTED]

Informant stated that he is positive that SIEGEL deliberately murdered AL GREENBERG in Los Angeles. SIEGEL mentioned that he was positive all along after the GREENBERG murder that he would "beat the rap." Informant said that SIEGEL simply has too much money at his disposal and too many people fear him to warrant the State of California obtaining a conviction. It is alleged that two prosecution witnesses deliberately perjured themselves out of fear of "

... were literally all underworld enemies
... in New York City.

[REDACTED]

... said that at the trial of SIEGEL, ... testified
that he did not drive ... to San Francisco and established an alibi
accounting for his presence in Los Angeles during the pertinent period.

[REDACTED]

[REDACTED]

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The following was dictated by Special Agent [REDACTED]

Reference is made to a letter to the Bureau, with a copy to the Chicago, Salt Lake City, San Diego and New York Field Divisions, dated July 22, 1946 in the Cappa Case.

The following information is taken from various files in the Los Angeles Field Division and goes into some detail concerning SIEGEL.

He first came to the attention of authorities in Los Angeles in connection with his association with Countess DI FRASSO, notorious international figure, who was residing in Acapulco, Mexico in the war period. SIEGEL was a passenger on the SS "Motha Nelson", widely publicized as the "hell ship", which figured prominently in a treasure search in the Caribbean Sea in the early part of 1940. Some of the other names on this ship in addition to DI FRASSO and SIEGEL were [REDACTED]

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[REDACTED] and friend of BENJAMIN SIEGEL. The cruise received considerable publicity in the local press as a result of a murder committed while the ship was on the high seas and subsequent mutiny on the part of the crew. SIEGEL had been romantically linked with DI FRASSO and at one time Hollywood gossip was circulating that they would be married. However, at the present time SIEGEL and his wife ESTHER are both close friends of DI FRASSO, and during the past several years SIEGEL and his wife at different times have visited DI FRASSO in Mexico.

SIEGEL is mentioned prominently in the Purdres Case and his name has been connected with that of LOUIS LEPIK, SUGHALTER and "Murder, Inc."

[REDACTED] recalled that on January 18, 1939 a search warrant was issued [REDACTED]

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[REDACTED] which started with certain contraband was stored at BENJAMIN's [REDACTED] at 283 Balfour Drive. [REDACTED]

[REDACTED]

[REDACTED]

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This search warrant was served on the same day and when officers from U.S. District arrived at the SIEGEL residence they were met by the subject himself, who said that he expected their visit and led the men directly to the secret cabinet behind the disappearing book case and this compartment was revealed to be empty. He then conducted them on a tour of the premises and was most cordial in his manner, but no contraband was found.

[REDACTED]

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On August 20, 1940 the Grand Jury in Los Angeles County returned an indictment naming BENJAMIN SIEGEL, [REDACTED]

[REDACTED] of the crime of murder of HARRY GREENBERG, alias HARRY CHACTER, alias JACK GREENIE, alias Big Greenie in Hollywood, California on November 22, 1939. At that time SIEGEL was allegedly the Number 1 gangster in the country and was written up as the prominent New York mobster and racketeer.

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SIEGEL and MEYER LAMMY, who has been in Los Angeles within the last ten days visiting BUSH, operated what was known as the Bugs and Meyer Mob in New York, Philadelphia and other Eastern cities. The most powerful and outstanding racketeers in the United States were the individuals mentioned in the indictment.

[REDACTED]

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S.A. 22-4257

The circumstances surrounding the killing, as presented to the Grand Jury were briefly as follows:

[REDACTED]

b3
Rule
6(e)
FRCP

[REDACTED]

[REDACTED]

The indictment against SIEGEL, [REDACTED] was later dismissed for lack of evidence. SIEGEL was re-indicted by the Los Angeles

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County Grand Jury on September 21, 1941 together with [REDACTED] for the murder of GREENBERG. Following the return of this second indictment, [REDACTED] left Los Angeles and the U.S. [REDACTED] in Los Angeles issued a complaint charging [REDACTED] with Unlawful Flight to Avoid Prosecution. The warrant was returned and set on October 1, 1941, and on October 21 of that year, [REDACTED] surrendered himself to the Los Angeles County District Attorney's Office. The UNLAWFUL FLIGHT charge was dismissed on November 2, 1941. Following a prolonged murder trial, which received considerable publicity in the local press, the indictment against [REDACTED] was again dismissed on February 5, 1942 for lack of evidence. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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In connection with whiskey deals the major operation was said to be as follows: an individual would go to a bar and offer to seal the owner warehouse receipts for whiskey in barrel lots. Naturally, the bar owner would reply that such whiskey was of no value to him unless it were bottled. He was then given the name of a person who was unknown who could get it bottled and some time later another contact appears who offers to sell the saloon keeper a certain number of cases of whiskey, which is the equivalent to what the bar owner has purchased in whiskey warehouse receipts, the point in the entire matter being that the whiskey in the bottles is not the same as the whiskey in the barrel and the bottled liquor has been fortified with neutral spirits from decayed fruit. This activity has been particularly prevalent in the San Diego area.

SIEGEL in his Selective Service file shows that he was born February 28, 1906 at New York City and married his wife ESTHER January 28, 1928 at 132 Rogers Avenue, Brooklyn, New York.

His parents, MAX and JEANNIE, reside at 1719 67th Street, Brooklyn, N.Y. as does his sister ETHEL. He showed \$12,000 yearly as the amount necessary to support his family and gave his total income as \$50,000 a year derived from his activities as a betting commissioner and investment broker.

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During the summer of 1943, ABE "LONGIE" SWILLMAN, prominent New Jersey mobster, was visiting in Los Angeles and stayed at the Beverly-Wilshire Hotel. SWILLMAN and his wife registered, giving their address as 22 South "Y" East Orange, New Jersey and were accompanied by [redacted]. During their visit here they were seen with [redacted] and visited by ABRAHAM SIEGEL and when ESTHER SIEGEL took a trip to New York approximately two years ago in 1944 she visited the SWILLMAN [redacted] for several days.

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1950, SIEGEL was quite active in the operation of a defense plant in Los Angeles known as the Mercury Engineering Company, which was located at 1822 North Broadway.

LA 44-2437

[REDACTED]

The Mercury Engineering Company was engaged in the producing of materials for aircraft companies as a sub-contractor. Total assets were given as \$60,802 and monthly sales as \$20,000. Now SIEGEL injected himself into this concern and what his exact connection was is not known. However, he was extremely abusive [REDACTED] and others on occasion during the process of the liquidation of the company.

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On May 25, 1944, BUZZ SIEGEL and [REDACTED] his henchman, were arrested on a bookmaking charge at [REDACTED] apartment in the Sunset Towers. The arrest caused considerable newspaper comment and in various articles SIEGEL was captioned the Nation's Number 1 Gangster. He was released the same day on a \$800 bail and departed for New York on May 26, 1944.

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In 1944 SIEGEL made the statement that within another year he would have taken over the wire services completely. None of his associates in this connection at that time were [REDACTED]

[REDACTED]

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SIEGEL was supposed to have had a portion of the Tiajuana Race Track located in Tiajuana, Mexico.

[REDACTED]

[REDACTED] allegedly approached [REDACTED] for the Los Angeles Sheriff's Office with a proposition to afford SIEGEL protection in the County for operating gambling. This deal was declined [REDACTED] SIEGEL has allegedly had a difficult time obtaining police protection in this area because the local authorities were apprehensive of an infiltration of Eastern gangsters and hoodlums.

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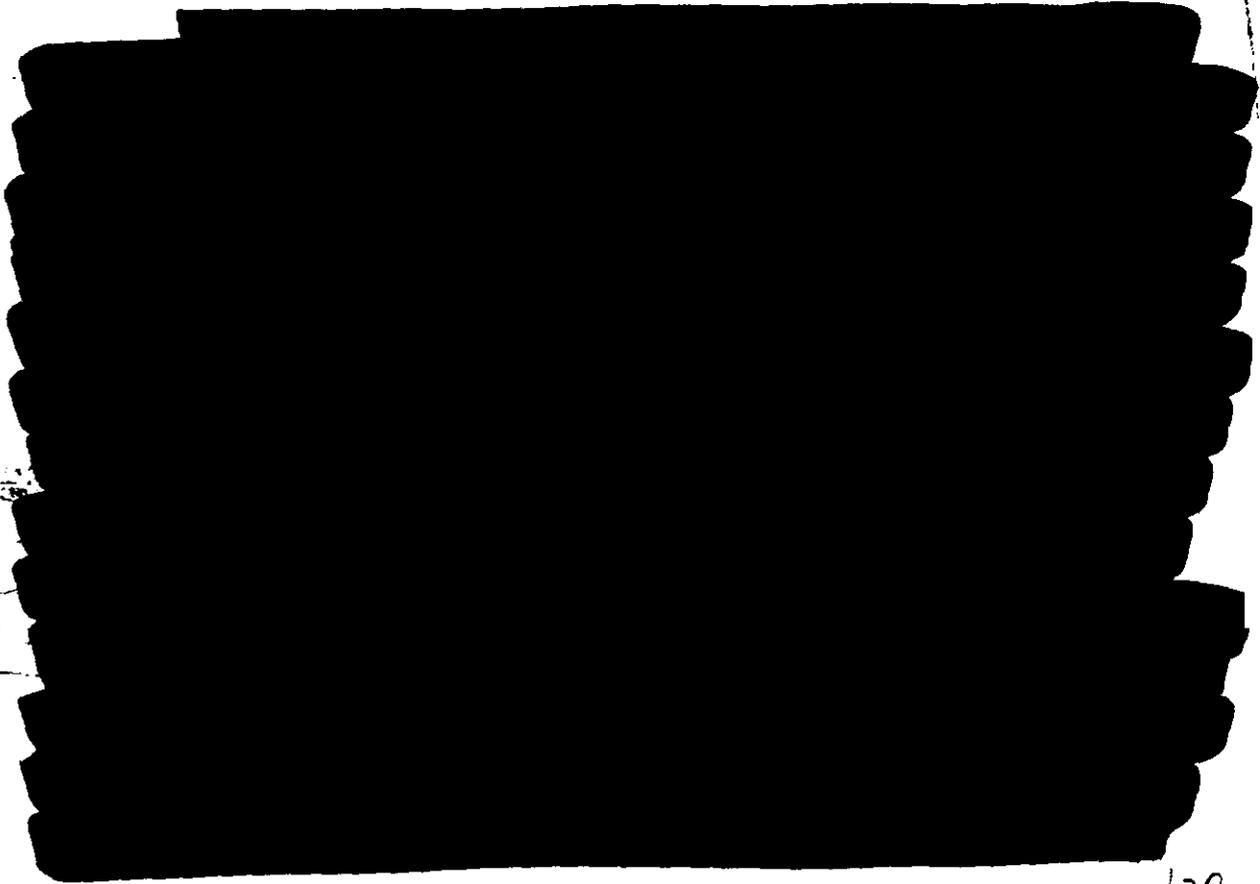
The bookmaking charge against SIEGEL [REDACTED] was scheduled for September 11, 1944 when each pled guilty to a betting charge and paid a \$250 fine. This allegedly gives SIEGEL his only felony conviction and is a source of constant irritation to him. Present at the time of the arrest was GEORGE RAFT, motion picture actor and former hoodlum who is a close friend of SIEGEL [REDACTED] and who testified in their behalf on several occasions, receiving considerable newspaper publicity.

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SINGEL, reported considerable publicity in the Los Angeles press due to the attempted sale of his mansion at 500 Wilshire Blvd., West Los Angeles to Justice IRENEA TONGE for a reputed consideration of \$80,000. This deal was not consummated, however. SINGEL is well acquainted with motion picture and entertainers in the Los Angeles Area. Allegedly, BROTHMAN BRASSO gave him his original introduction to these people.



Along the lines of income from horse racing, the allegation was made that SINGEL, as a member of a syndicate, had been able to rig Sanfoman in Northern California by forming a jockey ring and allegedly Sanfoman had been thoroughly organized in this manner.



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[REDACTED]

[REDACTED]

In many of SINGEL's legal difficulties in the Los Angeles Area he has been defended by [REDACTED] a member of the same firm is known to be friendly with SINGEL and also handles a portion of his legal business. At the time of the GREENBERG killing, mentioned above, SINGEL was arrested on a charge of harboring LEKKE BUCHALTER. This charge was dropped as was the GREENBERG charge when ABE RELES fell or was pushed from the 5th Floor of a building in New York.

Allegations have been made to the effect that SINGEL is prominent in the management of the Beverly-Wilshire Hotel, which has been recently acquired by the KIRKSEY Interests. The KIRKSEY chain is allegedly backed by hoodlum money and supposedly LONGIE SWILLMAN is one of the main investors in this concern. However, recent indications do not bear out the fact that SINGEL has such close connections at the Beverly-Wilshire Hotel as had been indicated. He is described as:

Age	42
Height	5: 9"
Weight	187
Hair	Dark brown
Eyes	Graygreen
Complexion	Medium
Race	Jewish
Los Angeles S.O. Number	339500

27

L.A. 62-2837 .

The following is being dictated by Special Agents [REDACTED] and [REDACTED]

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BENJAMIN "BUGS" SIEGEL AND ASSOCIATES IN THE LOS ANGELES AREA
The following investigation reflects BENJAMIN SIEGEL's associates in the Los Angeles area.

The Los Angeles Field Division files reflect that BENJAMIN "BUGS" SIEGEL has numerous associates; however, [REDACTED]

[REDACTED] are his two main friends and business associates and are reportedly to be caring for BENJAMIN SIEGEL's business interests in this area. When BENJAMIN SIEGEL frequents the City of Los Angeles, he stays at [REDACTED] at the above address and also at 10814 West Wilshire, penthouse occupied by VIRGINIA HILL, his paramour.

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[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

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The following are associates of [REDACTED] or both of these individuals as indicated in detail. These associates were obtained from a review of the Los Angeles files as well as from [REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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It was ascertained from [REDACTED] that [REDACTED] had advised BENJAMIN "BOSS" SIEGEL that [REDACTED] of Las Vegas was staying at the Roosevelt Hotel in Hollywood and was undergoing medical treatment at some hospital.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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GUS GREENBAUM is known to be SIEGEL's lieutenant, handling his book-making and gambling activities in the Luhrs Building in Phoenix, Arizona, and frequently contacts SIEGEL and MOE SEDWAY in Las Vegas, Nevada.

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[REDACTED] advised that BENJAMIN SIEGEL on July 16, 1946 when in Los Angeles telephoned MOE SEDWAY at Las Vegas 7070 and questioned MOE whether he had found a place to put the wire service in so that "they" could finish the "joint." SIEGEL at that time stated that he could take care of [REDACTED] and advised MOE not to worry about that that "we" would freeze them out. BENJAMIN SIEGEL further stated that he would control the El Rancho. Subsequent to conversing with MOE SEDWAY, GUS GREENBAUM who was also in Las Vegas was told by BENJAMIN SIEGEL to make arrangements to have the physical setup necessary for wire service in Tucson and Phoenix, Arizona. In response to the above GUS GREENBAUM offered some resentment, stating that he did not believe he could do this inasmuch as it would create too much competition in view of the wire service already there. BENJAMIN SIEGEL to this replied that he would see him personally and straighten the matter out.

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[REDACTED]

[REDACTED] and is believed to be a bodyguard of SIEGEL. The Los Angeles files reflected the above information and also reflected that [REDACTED] is a close associate of [REDACTED] and BENJAMIN SIEGEL.

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VIRGINIA HILL. The Los Angeles files reflected that VIRGINIA HILL is a paramour of BENJAMIN SIEGEL and she presently resides when in Los Angeles at 10814 Wilshire Boulevard. Her telephone number is AR 3007. In this connection it is to be noted that BENJAMIN SIEGEL when in Los Angeles frequently resides with VIRGINIA HILL at the above address. It is also reported that VIRGINIA HILL has a vast amount of money, source of which is unknown.

[REDACTED]

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[REDACTED]

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[REDACTED] advised that on July 18, 1946, [REDACTED] had contact [REDACTED] stated that he was to meet BENJAMIN SIEGEL at 4:00 P.M. on July 18, 1946 to look at an apartment at \$135.00 per month in addition to \$1,000 bonus.

[REDACTED] It was ascertained from [REDACTED] attempted to contact BENJAMIN SIEGEL. In this connection it is to be noted that [REDACTED]

[REDACTED] is in partnership with [REDACTED] and BENJAMIN SIEGEL in the construction of the new \$3,000,000.00 Flamingo Hotel near Las Vegas.

[REDACTED] It was ascertained from [REDACTED] had attempted to reach BENJAMIN SIEGEL on July 16, 1946 and that on July 29, 1946, BENJAMIN SIEGEL contacted [REDACTED] and invited SIEGEL and friends to Laguna Beach.

MEYER LANSKY. It was ascertained from [REDACTED] that MEYER LANSKY and his son, PAUL LANSKY, [REDACTED] arrived in the City of Los Angeles on July 14, 1946 and were residing in Siesta #7 at the Ambassador Hotel. In this connection it is to be noted that LANSKY is a lifelong friend of BENJAMIN SIEGEL and supposedly a notorious racketeer from New York. It was obtained from the sources of information to the effect that the early part of LANSKY's visit in Los Angeles he stayed at the Ambassador; however, the remainder of his stay in Los Angeles he resided with [REDACTED]. As set out previously in this report, LANSKY and company departed from Los Angeles aboard the Santa Fe Chief on July 31, 1946 to New York City.

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[REDACTED]

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It was ascertained from [REDACTED] was endeavoring to see BENJAMIN "BUGS" SIEGEL.

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[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED] travelling between Los Angeles and Las Vegas, also closely connected with SIEGEL, et.al. It was ascertained from [REDACTED] that [REDACTED] on July 29, 1946 had advised PAUL LANSKY, son of MEYER LANSKY, that he, [REDACTED] was leaving with BENJAMIN SIEGEL on the plane for Las Vegas as of the evening of July 29, 1946.

[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED] It is reported [REDACTED] is presently going over SIEGEL's past income tax records and also the accounting work for the \$2,000,000.00 Flamingo which is presently under construction in Las Vegas, Nevada.

[REDACTED] is business associate of BENJAMIN SIEGEL, et.al., in the construction of the \$2,000,000.00 Flamingo Hotel in Las Vegas.

[REDACTED] further information will be forthcoming concerning the activities of [REDACTED] inasmuch as it is reported that he and one [REDACTED] are assisting BENJAMIN SIEGEL in the financial setup of the construction of the Flamingo Hotel in Las Vegas, Nevada.

According to [REDACTED] is a known narcotic addict and a close associate of BENJAMIN "HUGS" SIEGEL and [REDACTED]

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MOE SEDWAY. [REDACTED] advised that on July 16, 1946 BENJAMIN SIEGEL called MOEY at long distance Las Vegas 7070 and questioned MOEY SEDWAY whether he did anything further about those houses. MOEY stated that [REDACTED]

was not at the Rancho and he did not do anything concerning it. SIEGEL further questioned MOEY whether [redacted] was there and that MOEY should make [redacted] SIEGEL stated that he would get one copy back from [redacted] SIEGEL further instructed MOEY SEDWAY to put the wire service in so that they can furnish the [redacted] SIEGEL further stated that he would take care of [redacted] and MOEY should not worry about that. SIEGEL further stated that he could control the El Rancho and that he thought [redacted] would put it in order to freeze them out.

This source further advised that on July 26, 1946 MOE SEDWAY advised BENJAMIN SIEGEL that "some guys" from the other newsy were snooping around.

Concerning MOE SEDWAY it is to be noted that he is BENJAMIN SIEGEL's man in Las Vegas and that he operates the news service and assists BENJAMIN SIEGEL in his gambling interests in Las Vegas.

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[redacted] however, he has been associated with hoodlums and the criminal element throughout the United States, associating with individuals such as "BUGS" SIEGEL.

[redacted]

[redacted]

[redacted]

[redacted] advised that on July 31, 1946 [redacted] were dining at Romanoff's in Hollywood. In this connection it is to be noted that [redacted] and the individual who accompanied "BUGS" SIEGEL on May 26, 1944, the day after SIEGEL was arrested in Los Angeles for bookmaking, to New York City

b2
b7c
b7D

The following was received by Special Agent [REDACTED]

b2
b3
b7
b7c

[REDACTED]

[REDACTED] stated it is his belief that the government will have an extremely difficult time attempting to prove an income tax evasion on SIEGEL's part

[REDACTED]

23

b7c

The following was dictated by Special Agent [REDACTED]

THE LAS VEGAS CLUB
Las Vegas, Nevada

As previously reported to the Bureau, the Las Vegas Club, owned by [REDACTED] located at 28 East Fremont Street, Las Vegas, was leased [REDACTED] to MOE SEDWAY and GUS GRIENBAUM. In this transaction SEDWAY was merely fronting for SIEGEL, according to information that has been developed during the past year.

[REDACTED] advised that every business move SEDWAY has made in Las Vegas has been with SIEGEL's money and at SIEGEL's instigation, with the exception of the Las Vegas Club.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b7c

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The following was dictated by Special Agent [REDACTED]

S. S. REX CLUB, LAS VEGAS, NEVADA

About May 1, 1946 MOE SEDWAY reportedly purchased the S.S. Rex Club at the corner of East Fremont and Second Streets, Las Vegas, Nevada.

[REDACTED] SIEGEL had an opportunity to lease the club [REDACTED] and instructed SEDWAY to make the arrangements [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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The following was dictated by Special Agent [REDACTED]

b7c

[REDACTED]

[REDACTED] had reference to IRVING PEARSON's comments on June 30, 1946, when he mentioned that SIEGEL was one of the instigators of the shooting of JAMES M. RAGAN, Sr. in Chicago on June 24, 1946.

[REDACTED] was extremely anxious to contact SIEGEL in order to warn SIEGEL of some trouble that SIEGEL was in at that time but that [REDACTED] that SIEGEL was on the West Coast, [REDACTED]

[REDACTED]

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The following was dictated by Special Agent [REDACTED]

BUSINESS INTERESTS OF SIEGEL OUTSIDE OF LAS VEGAS

[REDACTED] advised that SIEGEL has the following business interests in the United States.

Informant stated that SIEGEL is a partner with FRANKIE COSTELLO and JOE ADONIS and MEYER LANSKY in all of their business enterprises.

NEW YORK:

SIEGEL, COSTELLO, ADONIS and LANSKY control the Numbers Racket in New York City.

PHILADELPHIA AND BALTIMORE:

SIEGEL, COSTELLO, ADONIS, LANSKY, [REDACTED] control the Numbers racket in Philadelphia and Baltimore.

NEW JERSEY:

SIEGEL, COSTELLO, ADONIS, LANSKY, and "LONGEY" SWILLMAN control all numbers and other gambling in Newark. Again SWILLMAN is principally the front and area manager for the other four.

SIEGEL, COSTELLO, ADONIS and LANSKY are also partners [REDACTED] in the State of New Jersey.

FLORIDA:

SIEGEL, COSTELLO, ADONIS and LANSKY also own the race book in the Hollywood Beach Hotel and the Green Acres, both in Hollywood, Florida.

SIEGEL, COSTELLO, ADONIS and LANSKY also formerly owned The Farm (formerly the Planatation) at Hollywood, Florida.

[REDACTED] b7D
SIEGEL is also known to own the Colonial Inn at Miami, Florida with COSTELLO, ADONIS, and LANSKY.

IOWA:

SIEGEL, COSTELLO, ADONIS, and LANSKY, [REDACTED] own the dog track at Council Bluffs, Iowa. [REDACTED] b7C

CALIFORNIA:

The informant said that SIEGEL actually has nothing in California that "you can put your finger on." Although he is the recognized leader on the West Coast of all activities of New York, Chicago, Detroit, and other major cities' gang activities, they do not control gambling in the Los Angeles area. SIEGEL likes California and has made his home there for several years for that reason. He does not want to become too involved in illegal activities in California because he is attempting to enjoy a "good" reputation there. He prides himself on the fact that he has never been convicted of a criminal offense of a major nature, and is ashamed of his one felony conviction of bookmaking in Los Angeles about a year ago. He was convicted at that time with [REDACTED] and was fined. However, bookmaking is a felony in California. b7C

CHICAGO AND DETROIT:

SIEGEL, COSTELLO, ADONIS, and LANSKY do not actually control any gambling activities in those cities, but, by agreement, work "hand in glove" with underworld elements there. As previously reported, they have a working agreement with the CAPONE element in Chicago, and informant feels that the CAPONE group is now getting most of its support from these men until it can again successfully function alone without their active support.

[REDACTED] b7D

Informant stated that SIEGEL's wife, ESTHER KRAKAUER SIEGEL [REDACTED] is presently in Reno, Nevada for the purpose of obtaining a divorce from SIEGEL. This has also been previously reported. b7C

b7c

[REDACTED]

In recent months, SIEGEL's mistress has been VIRGINIA HILL, fabulous woman of mystery in Los Angeles. The Los Angeles Field Division has discussed HILL at length in their sensational crime story booklets, as having unlimited funds at her disposal. She frequently gives her expensive parties and no one seems to know the source of her income.

[REDACTED]

b1

SIEGEL frequently brings HILL to Las Vegas with him and also takes her to New York and Florida where she is openly regarded as his mistress, according to informant.

[REDACTED]

b7c

SIEGEL has recently been living with HILL at her home in Westwood, Los Angeles. Informant does not know the address, but the telephone number is ARIZONA 3-4007.

SIEGEL has a new 1946 black Chrysler Convertible Coupe, with a black canvas top and white wheels. It reportedly bears 1945 California license plate No. 87 U 344.

He retains room 401 permanently at the Hotel Last Frontier in Las Vegas, Nevada.

[REDACTED]

b7c

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The following was dictated by Special Agent [REDACTED] b7c

MEYER LANSKY

Information has previously been reported to the Bureau and the Chicago Field Divisions to the effect that SIEGEL, MEYER LANSKY, FRANKIE VISTELLO and JOE ADONIS are equal partners in the gambling activities in New York City, consisting principally of the numbers or policy racket and slot machines; that they are also partners in gambling operations in the states of Florida and Louisiana, particularly in the New Orleans area, and Iowa, with particular reference to a dog race track at Council Bluffs.

Such information has also been previously furnished the Bureau relating to the background activities of MEYER LANSKY and his association with SIEGEL in the old "Bugs and Meyer mob" which operated in New York during the so-called prohibition era. Some of this information is set out under the caption "Background of BENJAMIN 'BUGS' SIEGEL" in this report.

[REDACTED] b7c

[REDACTED] b7c

[REDACTED] b7c

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b7c

The following was dictated by Special Agent [REDACTED]

CHARLES "LUCKY" LUCIANO

[REDACTED] advised that SENGEL, FRANKIE COSTELLO and JOE BACCHIS have always been intimately associated with CHARLES "LUCKY" LUCIANO. Former vice overlord of New York City, who was convicted by Governor THOMAS E. DWNEY of New York when the latter was serving as District Attorney in New York City.

b7

[REDACTED]

[REDACTED]

b7

Subsequent information developed by the Los Angeles Field Division indicated that there was a possibility that LUCIANO may be residing in Mexico at the present time.

[REDACTED]

b7c

[REDACTED]

47

LA 62-2837

b7c

The following was dictated by Special Agent
CONF. INCT.

[REDACTED]

[REDACTED]

b7D

[REDACTED]

[REDACTED]

[REDACTED]

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b7c

TRANS-AMERICAN PUBLISHING AND NEWS SERVICE, Inc.

[REDACTED] has advised from time to time that the Capone Syndicate in Chicago together with BENJAMIN "BUD" SIEGEL, FRANKIE COSTELLO and JOE ADONIS and other hoodlums throughout the Country are planning to inaugurate a new wire service in direct competition with the Continental News Company operated by JAMES M. NACHEL, Sr., JAMES M. NACHEL, Jr.

b7c

[REDACTED]

b7c

[REDACTED]

b7c

[REDACTED]

b7c

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The above information was corroborated by [REDACTED] who stated that on July 25, 1946, he was present when MOE SEDWAY called SIEGEL telephonically from Las Vegas to Los Angeles at C.R. 19171. During the conversation, SIEGEL instructed SEDWAY to take the \$12,500 from the Las Vegas Club safe, put an I.O.U. in the safe for SIEGEL and deposit the money in a new account in SEDWAY's and [REDACTED] names. At this time SEDWAY suggested that the name of the new wire service to be distributed in Las Vegas be distributed under the name "The Nugget News Service". At this time, according to [REDACTED] SIEGEL instructed SEDWAY to draw a check for \$12,500 on the account, sign [REDACTED] name to the check and mail it immediately to Chicago.

[REDACTED] further advised that he was again present at the Las Vegas Club on July 26, 1946 when SIEGEL telephonically contacted SEDWAY at the Las Vegas Club from Los Angeles. At this time SEDWAY advised SIEGEL that two wire service men had been in the Las Vegas Club from "that other place". [REDACTED] advised that by "that other place" SEDWAY had reference to two representatives from JAMES M. RAGEN's Continental News Service. SEDWAY advised SIEGEL that one of the men was "one of the main guys by the name [REDACTED]". SIEGEL asked SEDWAY why the men were around the Las Vegas Club and SEDWAY replied that they were "merely snooping".

During this conversation, SEDWAY explained to SIEGEL the difficulty in opening a new bank account in the name of [REDACTED]

53

from Las Vegas. SIEGEL then instructed SEDWAY to tell the two representatives of the Continental News Service: "Yes, there is another service going in all over the United States". SEDWAY advised SIEGEL one of these men asked GUS GEMMELBAUM if he knew [redacted] according to [redacted]

[redacted] stated that during the same conversation, SIEGEL asked SEDWAY if the latter had obtained the services of a telegraph operator and advised that he wanted SEDWAY to immediately employ an operator inasmuch as the new wire service would be installed in Las Vegas on August 1, 1946.

[redacted] stated that when SEDWAY explained to SIEGEL the difficulty in obtaining office space in Las Vegas for the new wire service, SIEGEL asked SEDWAY if they had not originally given the Continental News Service their present office space in Las Vegas. SEDWAY replied that [redacted] representative of the Continental News Service in Las Vegas has in fact obtained the office space presently being used by the Continental News Service but that he had obtained it from [redacted] under a lease agreement. SIEGEL then instructed SEDWAY to have [redacted] "chase them out of town". SEDWAY explained that this could not be done because of the lease arrangement and SIEGEL then instructed SEDWAY to have [redacted] "get the lease back".

According to [redacted] SIEGEL again asked SEDWAY what the two men wanted in Las Vegas and SEDWAY replied that the two Continental News Service representatives would not tell him anything.

[redacted]

[redacted]

[redacted]

b7c

[REDACTED]

[REDACTED] stated that he was also present at the Las Vegas Club on the afternoon of July 26, 1946, when SIEGEL placed a long distance call from Hollywood to MOE KIDWAY. GREENBAUM conversed with SIEGEL first, at which time SIEGEL advised GREENBAUM he was putting [REDACTED] with [REDACTED] and then because he can do them some good". SIEGEL stated that [REDACTED] is also going in".

b
b
b

[REDACTED]

b

[REDACTED] stated that during the above conversations, SIEGEL instructed KIDWAY to complete his arrangements at the Golden Nugget immediately because "that thing is going in there Thursday". This meant that the New Wire Service would actually be received and utilized in Las Vegas on August 1, 1946.

b2
b7c

The following was dictated by Special Agent [REDACTED]

b7c

SHOOTING OF JAMES M. RAGEN, Sr.

For additional background information on the controversy between SIEGEL and his associates on the one hand and JAMES M. RAGEN, Sr. on the other on the disposition of race track news throughout the United States, reference should be made to the section entitled "Background Information on Benjamin 'Bugsy' Siegel" and to the section entitled "Trans-American Publishing and News Service, Incorporated."

[REDACTED]

[REDACTED] b

[REDACTED] b

[REDACTED] b

[REDACTED]

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[REDACTED]

b7c

[REDACTED]

b7c

In his regular Sunday afternoon radio broadcast on June 30, DREW PEARSON, newspaper columnist and radio commentator, reportedly announced that the attempt on the life of JAMES M. RAGEN, Sr. in Chicago was arranged at a meeting of the heads of the underworld from the entire country, which meeting was held in New York City on the eve of the Louis-Corn fight. PEARSON allegedly stated that the three principals responsible for the attempt on RAGEN's life were members in the vicinity of Chicago at the time the assault took place. He reportedly named the three principals as FRANKIE COSTELLO and [REDACTED] of New York and "BUGSY" SIEGEL of Las Vegas, Nevada.

b7c

[REDACTED]

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[REDACTED]

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THE FLAMINGO HOTEL

The following was dictated by Special Agent [REDACTED] b7c

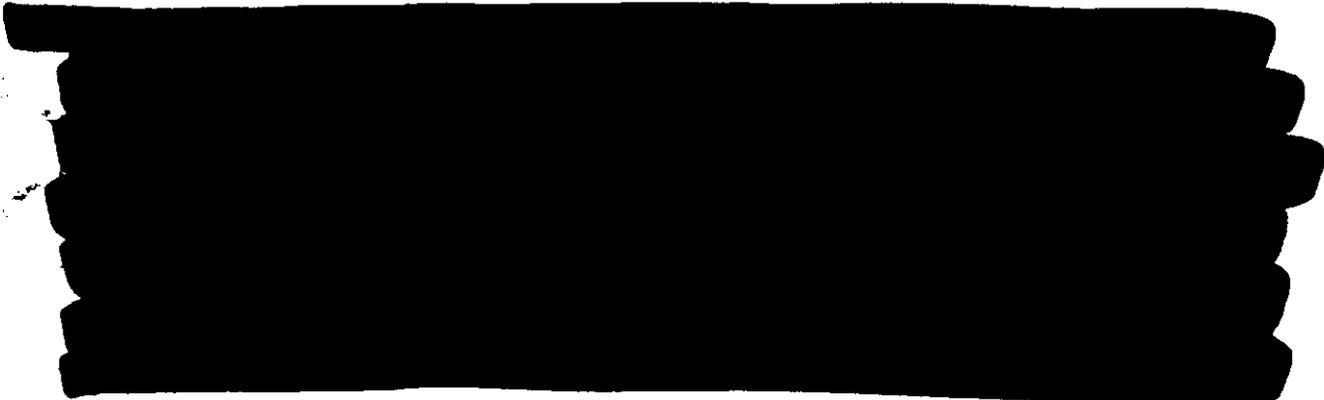
Original information on the Flamingo Hotel, then in the formative stage of planning, first came to the attention of the Salt Lake City Field Division at Las Vegas, Nevada, in January 1946, when rather high rumors were prevalent there that BENJAMIN "BUCK" SIEGEL and [REDACTED] planned to erect a resort hotel somewhere on the Las Vegas-Los Angeles Highway. This information was set out in a report submitted in the matter entitled "Vice Conditions, Las Vegas, Nevada-Research Matter" and in the General Crime Survey of the Salt Lake City Field Division dated April 15, 1946. b7

Actual construction of the hotel did not begin until sometime in March 1946, when the ground plan of the main building was staked out and tool houses were erected. By June 1, 1946, the foundation had been laid and a portion of the fabricated steel framework for the walls of the main building was erected.

Construction crews have been utilized day and night. As of August 1, 1946, all of the outside walls of the main building, housing the lobby, the gambling casino, and the bars, are up and have been plastered. Bare framework for the other two units of hotel suites and rooms is virtually completed.

A large sign erected on the highway in front of the hotel announces that the Flamingo is a William R. Wilkerson project; Del Webb Construction Company is the prime contractor; and RICHARD STADELMAN is the Las Vegas resident architect.

Information supplied [REDACTED] newspaper articles, and general rumor, reflect that the hotel is scheduled to cost \$5,000,000. b7



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[REDACTED]

[REDACTED]

The informant further advised that SIEGEL has just about run out of "show money" (money which can be brought out into the open as legitimately earned and reportable for income tax purposes).

[REDACTED]

[REDACTED]

From several sources, [REDACTED] it has been determined that SIEGEL is interested in obtaining loans for the purpose of completing the hotel.

b2
b7D
b2

[REDACTED] placed a long distance telephone call to [REDACTED] in Los Angeles from the Las Vegas Club, Las Vegas, Nevada. During this conversation SIEGEL advised [REDACTED] that as of July 31, 1946, "they" (meaning SIEGEL, [REDACTED] and SIEGEL's other associates, MEYER LANSKY, FRANKIE COSTELLO, and JOE [REDACTED]) have a total of \$2,252,500 invested in the Flamingo Hotel. SIEGEL stated to [REDACTED] that he is making arrangements to obtain a loan of \$500,000 from [REDACTED]. SIEGEL claimed [REDACTED] that he knows [REDACTED] personally and that he knows the loan will be successfully negotiated.

[REDACTED] also advised that during this same conversation between SIEGEL [REDACTED] SIEGEL referred to the \$550,000 loan a Utah corporation made to him on the El Cortez Hotel, and stated that the Utah corporation is also going to make them a \$600,000 loan on the Flamingo Hotel. SIEGEL stated that he did not think they would need both the \$500,000 loan and the \$600,000 loan, but that in the event one of the loans did not go through they would have the other. He also suggested [REDACTED] that they consider the possibility of owing DEL WEBB \$150,000 at the end of the construction period.

[REDACTED] stated that SIEGEL then advised [REDACTED] that he would give [REDACTED] his check for 62-5 (probably meaning \$62,500), on July 31, 1946, when he returned to Los Angeles. He also told [REDACTED] that he would have MEYER's (MEYER LANSKY) check for 62-5 next week. He then remarked to [REDACTED] "and with [REDACTED] check for 62-5 you got, that evens me--all right?" It is noted that these three checks for \$62,500 constitute a total of \$187,500 which [REDACTED] is receiving obviously as reimbursement.

[REDACTED]

[REDACTED] advised that during the above telephone conversation between SIEGEL and [REDACTED] SIEGEL instructed [REDACTED] that when he arrives in Las Vegas he should see a [REDACTED] because she is "ready to talk a deal on that place." [REDACTED] stated that SIEGEL is making arrangements with other hotels and auto courts in Las Vegas to care for guests of the Flamingo Hotel when they arrive in Las Vegas for the opening of the Flamingo Hotel Casino sometime in the fall of 1946. He stated that SIEGEL is pressing construction on the casino and bars in order to have them in operation before the hotel rooms are finished because of the fact that SIEGEL and his associates have

LA 62-2007

estimated that the Flamingo Hotel Casino will do approximately \$2,000,000 worth of business annually. It is believed that SIEGEL's reference [redacted] being ready to talk a deal on how place refers to an arrangement made between SIEGEL and [redacted] for the latter to accommodate some of the Flamingo Hotel guests.

b7c

[redacted] also advised that SIEGEL instructed [redacted] to contact [redacted] at the El Rancho Vegas Hotel about taking care of some of their guests and told [redacted] to make [redacted] the same proposition they made to the Hotel Last Frontier. SIEGEL explained that this proposition was to give the hotel exactly what they take in in the way of hotel rentals inasmuch as this arrangement would relieve them of the responsibility of furnishing maid service.

b2
b7c
b7D

[redacted] then launched into a profane tirade with [redacted] about the floor plans for the hotel rooms, claiming that all the rooms were too small and suggesting that [redacted] have changes made in the plans. He then mentioned to [redacted] a front page article appearing in the Las Vegas Tribune of July 26, 1946, criticizing the builders of the Flamingo Hotel for expending critical building materials on a gambling casino at a time when veterans cannot construct homes. SIEGEL quoted a portion of the article as stating that HUGSY, SIEGEL and others like him, including [redacted] are the only persons who can buy sewer pipe and other materials. SIEGEL held responsibility for the newspaper article on [redacted]

b7c

[redacted] asked SIEGEL who owns the Las Vegas Tribune and SIEGEL replied that [redacted] is supposed to own the paper, but that [redacted] claims to have sold out [redacted] the new publisher of the paper. He stated that [redacted] had advised him that [redacted] is disgruntled because SIEGEL, HEDWAY, [redacted], and others associated in the Las Vegas and 45 Box Clubs have not been giving [redacted] any of the advertising.

[redacted] stated that during this conversation SIEGEL also advised [redacted] that a [redacted] is threatening to sue [redacted] because she alleges [redacted] owes her \$20,000 for the property on which the Flamingo Hotel is being built.

b2
b7c
b7D

SIEGEL then advised [redacted] that he is going to see [redacted] at 5 p.m. on July 29, 1946, relative to obtaining a gaming and liquor license for the Flamingo Hotel. SIEGEL instructed [redacted] to also talk with [redacted] comes to Las Vegas. He stated that he was going to discuss [redacted] the possibility of the corporation itself obtaining the gaming and liquor license. If this is not possible, he said, he was applying for the gaming license in [redacted] name, and would apply for a license for one crap table at the present time. He stated that he would apply for the liquor license for the hotel in [redacted] name.

b7c

██████████ stated that SIEGEL then cursed ██████████ and advised the latter that as soon as he returned to Los Angeles he would see ██████████ and would compel him to give him some money which he would then turn over ██████████

With reference to SIEGEL's conversation ██████████ relating to the article appearing in the Las Vegas Tribune, an examination of this weekly newspaper reflected that the principal article appearing on the first page of Volume 3, Number 28, for the week ending August 1, 1946, was captioned "Gambling Palaces Versus Houses for Veterans." This article in full read as follows:

"The Flamingo, giant gambling resort now under construction on highway 91 at a cost estimated to reach the three-million-dollar mark, promises to be the biggest and most elaborate club in the country. Under normal conditions, construction of this type may be tolerated and by many welcomed as an additional enterprise to put Las Vegas on the map. At present, however, the construction of another gambling resort of such magnitude is causing much unfavorable comment, especially among veterans who have been trying vainly to purchase building materials for homes they feel they are entitled to build for their families.

"Contractors and building supply houses claim they do not have any materials to build homes. But, somehow, builders of gambling clubs seem to have no trouble whatsoever getting anything they want. The same builders who have no time to build city jails, swimming pools for the children or homes for the veterans and working men are ready to bend over backward to build gambling clubs and other unessential buildings. The very last thing Las Vegas needs at this time is another gambling club. Our magnificent resort hotels have been able to take care of our tourists in a fine manner. What Las Vegas needs is homes--and more homes.

"Let us build the homes first. After that is done and the demand for housing is filled, we can build all the gambling clubs the traffic will stand. We realize that enterprises such as the Flamingo club are backed by men of great means. In the case of this particular club, for instance, it is hard to match the capital of men like Bugsie Siegel, Harry Rothberg and others who are ready to spend a fortune to make another fortune in Las Vegas.

"No doubt the Flamingo will attract many people to this area. It is reported that the Flamingo will cater to men who bet \$1000 chips with the same ease as you and I would play the nickel slot machine. In the casinos of the Flamingo, fortunes will be won and lost. Won by Bugsie Siegel and his associates and lost by the wealthy gamblers from Hollywood and elsewhere.

LA 62-2837

"Today, the construction of the Flamingo will increase the belligerent feeling of the populace toward the gambling element which has been engendered during the past few years. The man who cannot find a few feet of soil pipe for his little home and who witnesses the material he so sorely needs go into the construction of gambling clubs is not likely to be in favor of the continuance of the present laws. He feels that the gamblers are using their easy money to deprive him of a place to live.

"The public will tolerate gambling only as long as gambling will subjugate itself to the welfare of the people of the community. We doubt that the man who seem to be in the saddle and control the gambling interests have enough sense to see 'the handwriting on the wall.' -- Richard King."

Accompanying the article were photographs of a pile of sewer and soil pipe on the premises of the Flamingo Hotel, a photograph of the partially finished hotel, and a photograph of new homes in the Biltmore tract of Las Vegas, with the accompanying comment that more homes like those appearing in the photograph are needed rather than elaborate gambling palaces.

[REDACTED] advised Special Agents [REDACTED] of the Los Angeles Field Division on July 30, 1946, that he had received some information from a highly confidential source which was given to him in confidence and which he would make available to agents with the understanding that the agents would treat it in the manner in which it was being given. He mentioned that he had received this information as gossip in that he personally had no knowledge of the facts involved, nor could he vouch for the source of his information, but he was making the information available for what it is worth. In connection with the Flamingo Hotel, which SIEGEL [REDACTED] are building in Las Vegas, informant stated that construction on this hotel had not gotten any further than "a few stakes being driven in the ground" when the freeze order regulating all commercial building under CPA came into effect. When this order came through, the Flamingo Hotel had not progressed far enough to qualify for the granting of a permit for its continuance, so [REDACTED]

[REDACTED] certain funds were made available to Senator PAT McCARRAN of the State of Nevada, and shortly thereafter construction was authorized under CPA regulations permitting the construction of the Flamingo. The key person in this transaction is allegedly a CPA man in Reno, Nevada,

LA 62-2857

who is head of the Construction Division of this governmental agency. After the above arrangement was made, construction records were falsified to show that certain portions of the contract had been fulfilled. Certain affidavits on the part of contractors and others were handled by the CPA and a permit was granted to continue construction. Informant went on to say that in addition to collusion on the part of certain contractors who falsified records, persons in Las Vegas must undoubtedly be aware of the fact that the hotel itself did not even have its concrete foundations poured when allegedly the permit was granted to continue its construction because work had progressed to a point where further constructions could be authorized under the CPA.

In connection with the actual payment of the money [redacted] informant is of the opinion that [redacted] was mentioned rather than SIEGEL's, but he qualified this by saying that he was not positive. However, he did know of the SIEGEL hook-up and at the time the information was given to him he classified in his own mind the fact that this was a bribery on the part of SIEGEL to some CPA executive in Reno, Nevada.

Special Agent [redacted] at Las Vegas, Nevada, contacted [redacted]

[redacted]

[redacted]

[redacted] stated that the construction freeze order of the Civilian Production Administration is contained in part No. 4700 of the Veterans' Emergency Housing Program, Veterans' Housing Program Order No. 1. Order No. 1 prohibits the beginning of work on any structure after March 26,

LA 62-2087

1946, and provides that the demolition, excavation, and similar site preparation for any structure do not constitute "beginning of construction" within the provisions of the order. The order further provides that the order is not applicable to work which was begun prior to March 26, 1946.

LA 62-2887

The following was dictated by Special Agent [REDACTED]

[REDACTED]

b7c

[REDACTED]

b7c

[REDACTED]

b7c

[REDACTED]

b7c

[REDACTED]

b7c

LA 42-2337

[REDACTED]

b7

[REDACTED]

b7D

[REDACTED]

b7

On July 8, 1946, SIEGEL on arriving in Las Vegas from Los Angeles was met at the Las Vegas airport by MICHAEL LANSKY, MOE SEDWAY, and WILLIE ALDERMAN.

[REDACTED]

b7

[REDACTED]

b7

As result of the above information, New York by teletype, dated May 30, 1946, stated that

[REDACTED]

b7

Photographs of [redacted] were all displayed to [redacted] with positive results.

After the facts of this identification were given to the New York office, an authorized complaint filed on June 26, 1946, charging [redacted] with aliases, with violation of Section 360-B, Title 18, U.S. Code, in that he fled from the County of Kings, State of New York, to avoid prosecution for the murder of FERDINAND BOCCIA, warrant was issued to the U.S.D.J. HAROLD M. KENNEDY, E.D.N.Y. Bond was set at \$100,000.00.

On July 1, 1946, by teletype information was received from the New York office, advising that Investigator for the District Attorney's office, New York, reported the subject was seen at Sloppy Joe's Restaurant at 5919 Sunset Boulevard, Hollywood, California.

On July 1, 1946, information was received telephonically from Special Agent in Charge J. C. NEWMAN at Salt Lake City, advising that [redacted]

Pursuant to the information received from the above sources, under suitable pretext an Agent of the Los Angeles Field Division was able to enter [redacted] It was ascertained that no visible signs were present, indicating the presence [redacted] here.

On the night of July 2, 1946, Special Agents of the Los Angeles Field Division office were able to surveil this place and observe all persons in [redacted] house and again it was ascertained that no individual answering [redacted] description was present.

72

[REDACTED]

b7c

[REDACTED] further stated that [REDACTED] [REDACTED] to her knowledge had not visited her husband since that time.

Concerning the information that [REDACTED] was seen in Sloppy Joe's on Sunset Boulevard, Hollywood, investigation there reflected no restaurant by that name; however, at 5027 Sunset Boulevard is Billingsley's Restaurant. In view of the proximity of Billingsley's Restaurant to the address furnished this office, namely 5019 Sunset, Hollywood, and also in view of the information furnished by confidential informants of this office, namely that [REDACTED] is friendly with [REDACTED] it was believed that Sloppy Joe's possibly had connection with this case.

b7c

On August 6, 1946, [REDACTED] was interviewed by Special Agent [REDACTED] and photographs of the fugitives were displayed to [REDACTED] with negative results. [REDACTED] was interviewed at length as well as [REDACTED] and both denied knowing [REDACTED]

b7c

ENCLOSURES

TO THE BUREAU

Photostatic copies of the following:

[REDACTED]
[REDACTED]
[REDACTED]

b7c

- P E N D I N G -

UNDEVELOPED LEADS

THE NEW YORK FIELD DIVISION:

At New York City will furnish factual background information on SIEGEL appearing in the New York files. This information should include known associates of SIEGEL in New York City and on the west coast. Of particular interest will be a summarization of information concerning homicides in which SIEGEL was involved. If it can be done discreetly, information concerning SIEGEL should be obtained from [REDACTED]

b7D

It is noted that New York will conduct an intensive investigation of MEYER LANSKY during the investigation of the Capga Case. Any information developed of interest to the SIEGEL investigation should be furnished to the Los Angeles Field Division.

THE CHICAGO FIELD DIVISION:

At Chicago, Illinois will furnish to Los Angeles any information of interest concerning SIEGEL which is developed during the Capga investigation.

THE LOS ANGELES FIELD DIVISION:

At Los Angeles, California this case is receiving constant attention and the daily activities of SIEGEL and his associates are being followed closely by a special squad at Los Angeles, California and Las Vegas, Nevada.

~~CONFIDENTIAL~~

SOURCE OF INFORMATION:



b2
b7c
b7d

(Who is being carried as a confidential informant in view of his position and because he specifically requested that this information be treated as highly confidential).

INDEX GUIDE

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"BUGS" SIEGEL, "BUGSY" SIEGEL

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CONCERNING; CRIME SURVEY

SA: A. E. OSTHOLTHOFF

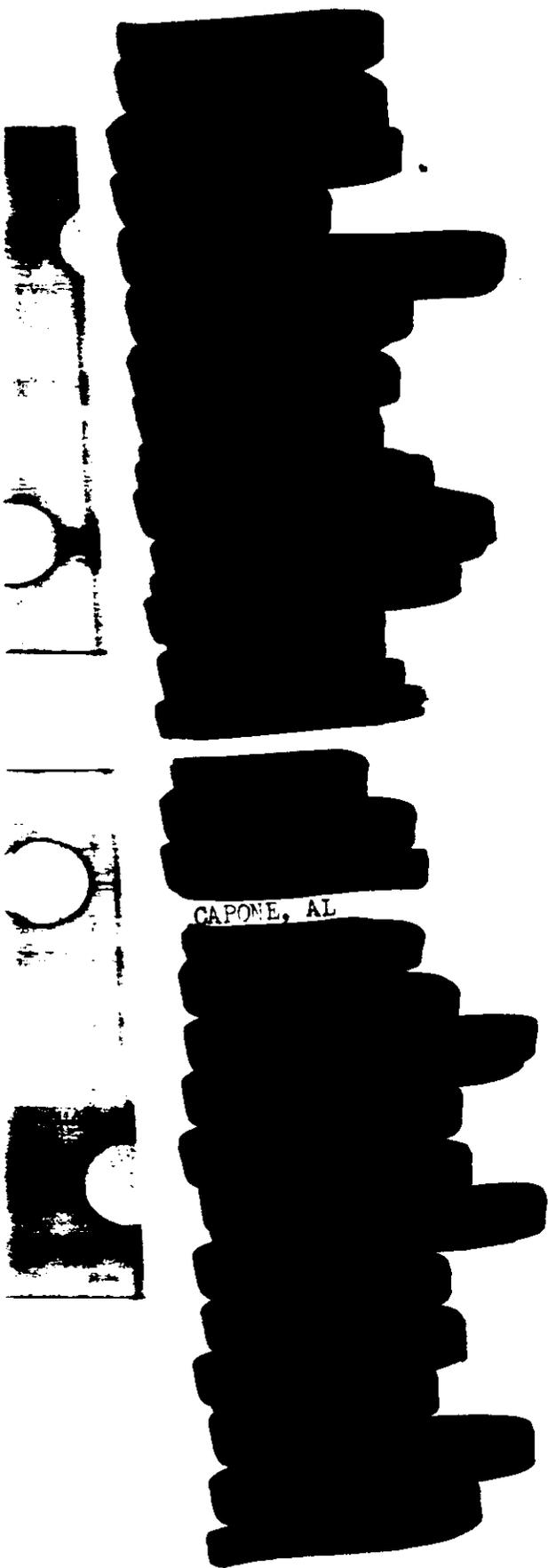
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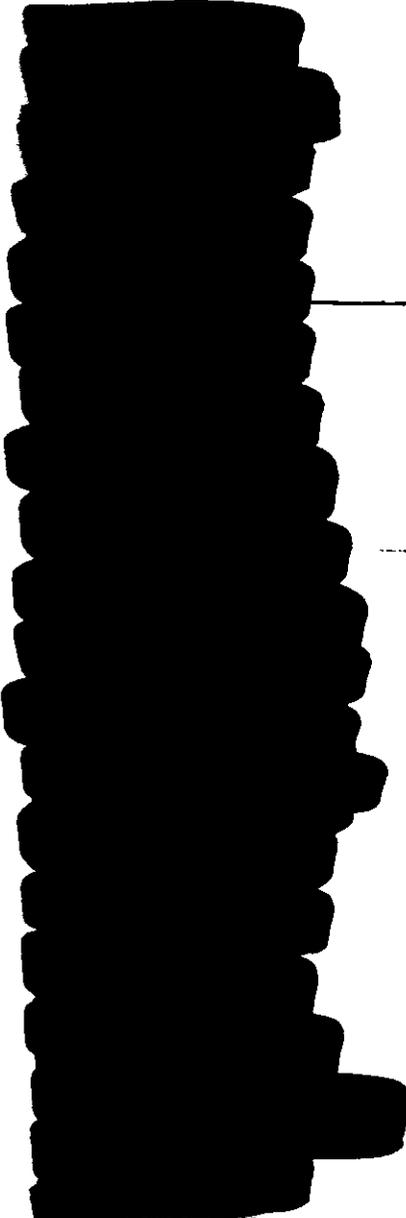
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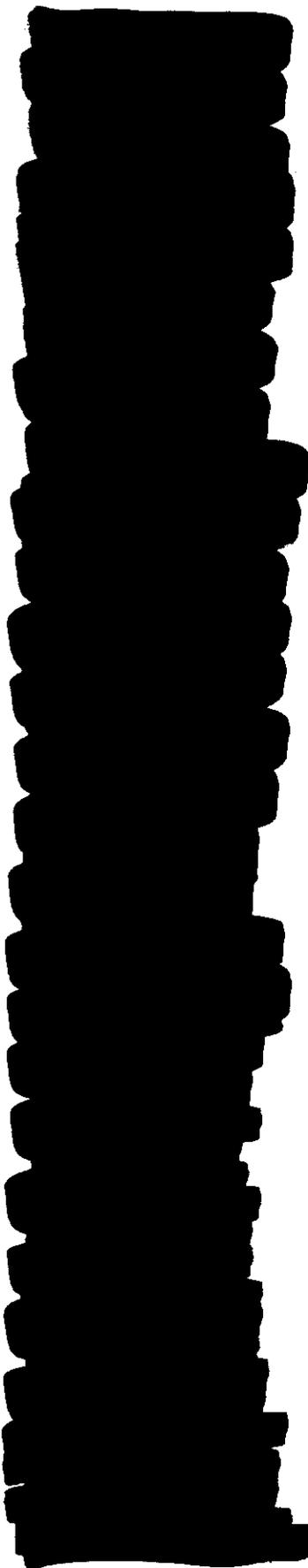
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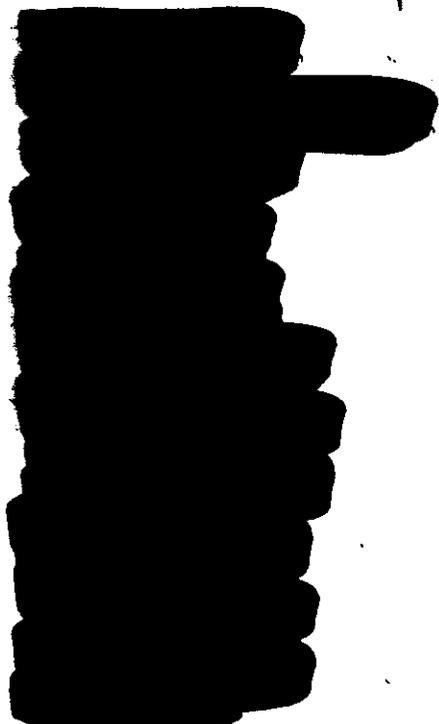
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F.B.I. TELETYPE

- Mr. Tolson
- Mr. E.A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease

CLASSIFIED BY: *sean/ls*
DECLASSIFY ON: *OADR 10/29/93*

[REDACTED]

CASH FROM LOSA
DIRECTOR

URGENT

9:25 PM AAM

BENJAMIN QUOTE BUGS UNQUOTE SIEGEL, WITH ALIASES, MISCELLANEOUS
 INFORMATION CONCERNING, CRIME SURVEY. RE YOUR TELETYPE
 [REDACTED] TECHNICAL DIFFICULTIES HAVE PREVENTED INSTALLATION OF GEORGE
 RAEL SURVEILLANCE TO DATE. LETTER FOLLOWS.
 OSTHOLTHOFF

RECEIVED

12:50 AM EST

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INDEXED

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- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
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COPY

cc - Mr. Rosen

62-81518-124

RECORDED

SAC, Los Angeles

August 26, 1946

Director, FBI

~~CONFIDENTIAL~~

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

INFORMATION CONCERNING
CRIME SURVEY

~~CONFIDENTIAL~~

ATTENTION: MR. A. E. OSTHOLTHOFF

For your information and assistance in conducting investigation to
determine the relationship between Benjamin "Bugs" Siegel and
there is enclosed herewith a report dated August 7, 1946

Enclosure
cc - Salt Lake City
San Diego

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Class
DATE 11/26/85 ngk

CLASSIFIED BY: SP-2 mac/bs
DECLASSIFY ON: OADR
10/29/83

COMMUNICATIONS SECTION
AUG 27, 1946

~~CONFIDENTIAL~~

57 SEP 11 1946

SEP 8 1946

COPY

OFFICE MEMORANDUM - UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: July 17, 1946

FROM : E.W. A. TAYLOR

ALL INFORMATION CONTAINED
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DATE 1/27/86 BY SP-7 mac/tpj

SUBJECT:

SAC Hood called from Los Angeles. He stated that he was very much concerned about Walter Winchell's broadcast of last Sunday night which Winchell referred to the fact that a racketeer was going to force a Los Angeles newspaperman out of his interest in a hotel and that there would probably be a shooting. Hood stated that on Monday morning [redacted]

b7c
b7d

[redacted] had called upon Hood for information concerning a probably shooting indicating that apparently Winchell's information came from the Bureau. I told Mr. Hood that his answer [redacted] did not appear difficult to me, namely, that the Bureau did not know anything about any shooting.

Mr. Hood stated that [redacted]

[redacted] contacted the office and was very much disturbed because he believed that this information had reached Winchell from the Bureau and [redacted] indicated a reluctance to furnish information to the Bureau if it were going to reach Winchell. [redacted]

b7c
b7d

Hood stated he was also very much concerned about this information because a third potentially valuable informant of the Los Angeles office had contacted the office and indicated that if information of this kind were being furnished by the Bureau to Winchell, the informant's attitude towards the Bureau was "glad to have met you" and that he would not cooperate further. I asked Mr. Hood for the identity of this valuable informant but he didn't have it before him and didn't know the informant's identity.

Hood stated that he and the Agents who were familiar with the information received over the technical surveillance indicating that Eurs Siemel was going to force the proprietor of the Hollywood Reporter out of the Las Vegas hotel deal were very much concerned about this situation and were concerned about "how far" they could go in insuring informants that their information would be treated on a confidential basis. Hood stated that the Winchell broadcast upset him, upset the Agents and upset the informants.

I told Mr. Hood that he should add to his list of upset people the Bureau staff at the Seat of Government since the Bureau did not know where Winchell got his information and if Hood had any ideas that the Bureau was acting in a news-gathering capacity for Winchell, it was about time he got it out of his head. I told Mr. Hood that the Bureau did not know where Walter Winchell's information came from in this regard and that he would recall of his own knowledge that Winchell had had times used

53 SEP 10 1946

EX-111

62-81518-125

92

Memo for the Director

stories which the Bureau could not identify and as a matter of fact, many of which were untrue. Hood stated that if Winchell was as friendly to the Bureau as he appeared to be, Winchell should not use a story of this kind before he used it. I pointed out to Mr. Hood that you had on several occasions spoken to Winchell about the desirability of checking with the Bureau first on stories which pertained to the Bureau's activities but that Winchell had taken the position that you would undoubtedly deny the truth of some of the stories he received about the Bureau from outside sources and your denial would preclude his using the story but that he was not estopped from using it as long as it was not officially denied. Hood stated he thought the Bureau was really the loser in the publicizing of an item of this kind and I agreed with him but pointed out that there is no way by which the Bureau can (1) either investigate all Winchell's sources of information or (2) restrain him from mentioning the Bureau. I pointed out to Mr. Hood that there was a time ten years ago or more when the Bureau was very glad to have Winchell's support and the plugs which he was constantly putting in for us and if he from time to time now made an error, it was fundamentally an error of the tongue but not of the mind or heart.

I told Mr. Hood that if he received any information that would indicate the source of this story he should immediately notify the Bureau. I told him that it has been the Bureau's experience with a number of so-called confidential informants that they peddle their information to as many sources as will serve their purposes and then are the first ones to scream violation of confidence in the event anything happens which literally "puts the finger on them." Mr. Hood stated that the information in question came from a telephone tap and not from an informant, and I pointed out that the person who participated in the telephone conversation, any other persons who were present, plus any number of persons who might have discussed this situation with the persons participating in the telephone call, might be the source of the information.

CC - Mr. Rosen

EAT

b7c

Federal Bureau of Investigation
United States Department of Justice
510 South Spring Street, Room 900
Los Angeles 13, California
July 30, 1946

Mr. Tolson	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Glavin	.....
Mr. Ladd	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Carson	.....
Mr. Egan	.....
Mr. Gurnea	.....
Mr. Harbo	.....
Mr. Hendon	.....
Mr. Pennington	.....
Mr. Quinn Tamm	.....
Mr. Nease	.....
Miss Gandy	.....

Director, FBI

DECLASSIFIED BY 67 mac/AB
ON 10/28/85

~~PERSONAL AND CONFIDENTIAL~~

Attention: Assistant Director A. ROSEN

Dear Sir:

Re: BENJAMIN "BUGSY" SIEGEL
INFORMATION CONCERNING - CRIME SURVEY

The Special Squad investigating this matter is now constituted as follows:

At Las Vegas, Nevada, Special Agent [redacted] is maintaining constant contact with [redacted] and handling the necessary investigations there. Special Agent [redacted] also being a sound man handles technical installations as they may become necessary at Las Vegas.

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b7D

In addition there is assigned to the Special Squad Special Agent [redacted] the latter two Agents are in undercover capacity handling the technical surveillances [redacted]

b2
b7c

I have gone over the situation at Las Vegas with the Agent in Charge at Salt Lake City and with Special Agent [redacted] and they have pointed out that Las Vegas being a comparatively small town is one where the presence of strangers is immediately noted. The police department there has in the past worked very closely with the Bureau and therefore the presence of any strange Agents in Las Vegas immediately comes to the attention of the police department and they become curious. For this reason investigation at Las Vegas will have to be handled in a most discreet manner. However, it is believed that at least for the present and until the investigation reaches an open stage we have good coverage there with [redacted] the technical surveillances.

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b7D

EX-3

RECORDED & INDEXED 62-81518-125 X DEFERRED REPORTING HANDLED BY [redacted]
At Los Angeles, I find that this office is already in possession of a wealth of information concerning SIEGEL's activities since his arrival in this city. This is set out in the Los Angeles file entitled, "Racketeering Activities in the Los Angeles Field Division."

For this reason, the Special Squad will not devote a great deal of time to the development of SIEGEL's past activities, but will concentrate on his present activities at least those occurring within the past three years in so far as developing a Federal violation is concerned. SIEGEL's haunts and hang-outs are in the Beverly Hills and Hollywood sections of Los



55 AUG 13 1946

6 [redacted] 571 [redacted] b2 94

Director, FBI

July 30, 1946

Re: BENJAMIN "BUGSY" SIEGEL

Angeles. I have personally surveyed these places and it appears that an extensive physical surveillance of SIEGEL is inadvisable because it would be practically impossible to keep such a surveillance discreet. Naturally, there will be times when a physical surveillance of SIEGEL may become necessary as a result of information developed over the technical surveillances in order to identify certain of his contacts.

At the present time Special Agents [redacted] are assigned to this investigation. Special Agent [redacted] will be assigned to this investigation beginning August 1, 1946. bx

From a review of the information available at the present time, it appears that we could at any time prove a technical violation of the White Slave Traffic Act as against SIEGEL each time that he transports his mistress VIRGINIA HILL from Los Angeles to Las Vegas. This occurs at frequent intervals. The possibility of the prosecution of such a violation is as you can understand rather remote.

The second possibility of proving a violation at the present time is SIEGEL's harboring [redacted] who is the subject of a case involving Unlawful Flight to Avoid Prosecution in which New York City is the office of origin. [redacted] b
b

The investigation looking toward the location of [redacted] will be coordinated with the SIEGEL investigation in order that we will be able to develop the Harboring violation should one exist. A difficulty in proving this violation is the fact that [redacted] was made a Federal Fugitive only within the past few weeks and it is doubtful that if at this point it could be proven that SIEGEL is aware of [redacted] status as a Federal Fugitive. bx

From several confidential informants in the Los Angeles area, information has been received that SIEGEL is a user of opium. It has not been determined as yet whether he is a narcotic addict or whether he is a so-called "pleasure smoker," who uses opium from time to time. The possibility of developing information along these lines will be kept in mind.

In connection with this latter information, Special Agents [redacted] ascertained only today from [redacted] Los Angeles, that in 1939 the United States Customs conducted an investigation concerning SIEGEL and pursuant to a search warrant conducted a search of his residence in Los Angeles in an effort to locate narcotics and bx

Director, FBI

July 30, 1946

Re: BENJAMIN "BUGSY" SIEGEL

valuable perfume which apparently had been smuggled into the United States. This search was a failure because apparently SIEGEL was tipped off that the search was to be conducted.

It is noted [redacted] has stated that SIEGEL is guilty of murdering one GREENBERG at Los Angeles in 1939 [redacted] Records here indicate that SIEGEL was indicted for the GREENBERG murder, but was not tried.

While we shall confine our investigation principally to SIEGEL's current activities to ascertain what Federal violations he has committed, we plan to have available as much information as possible concerning murders attributed to SIEGEL in order that Agents might be alert in this investigation to develop evidence of SIEGEL's guilt for these murders. In regard to this, I am addressing a separate communication to the New York office, requesting that office to secure either from the files of the New York office or the [redacted] facts surrounding murders of which SIEGEL is suspected in the New York area.

During the interview with [redacted] today by Special Agents [redacted] he mentioned that he had received some information from a highly confidential source which was given to him in confidence that he would make available at this time concerning SIEGEL with the understanding that the Agents would treat it in the manner in which it was being given. He stated that this information was gossip in that he personally had no knowledge of the facts involved, nor could he vouch for the source of his information, but he was making the information available for what it is worth. In connection with the Flamingo Hotel, which SIEGEL [redacted] are building in Las Vegas, Nevada, [redacted] mentioned that construction on this hotel had not gotten any further than "a few stakes being driven in the ground" when the freeze order regulating all commercial building under C.P.A. came into effect. When this order came through the Flamingo Hotel had not progressed far enough to qualify for the granting of a permit for its continuance, so [redacted]

[redacted] certain funds were made available to Senator PA McCARREN (phonetic) of the State of Nevada and shortly thereafter construction was authorized under C.P.A. regulations permitting the construction of the Flamingo. The key person in this transaction is allegedly a C.P.A. man in Reno, Nevada, who is head of the Construction Division of this Governmental Agency. After the above arrangement was made, construction records were falsified to show that certain portions of the contract had been fulfilled. Certain affidavits on the part of contractors and others were handled by the C.P.A. and a permit was granted to continue construction. [redacted] went on to say that in addition

Director, FBI

July 30, 1946

Re: BENJAMIN "BUGSY" SIEGEL

to collusion on the part of certain contractors who falsified records, persons in Las Vegas must undoubtedly be aware of the fact that the hotel itself did not even have its concrete foundations poured when allegedly the permit was granted to continue its construction because work had progressed to a point where further constructions could be authorized under the C.P.A.

In connection with the actual payment of the money to [redacted] is of the opinion that [redacted] name was mentioned rather than SIEGEL's, but he qualified this by saying that he was not positive. However, he did know of the SIEGEL hook-up and at the time the information was given to him he classified in his own mind the fact that this was a bribery on the part of SIEGEL to some C.P.A. executive in Reno, Nevada. b7c

In connection with the above information, it is noted that on July 25, 1946, SIEGEL was in communication with GUS GREENBAUM at Las Vegas concerning the construction of the Flamingo Hotel and GREENBAUM mentioned that [redacted] a civilian production administration man, was around. SIEGEL asked what the C.P.A. can do and GREENBAUM stated that they can make an investigation. SIEGEL said, "Let them make it because everything is all right." SIEGEL said, "There is no way to stop us because I showed the C.P.A. what I am doing and the C.P.A. gave the o.k. on it. Besides he already has all of the material necessary." SIEGEL said that he knows [redacted] b7c

The above would indicate a possible bribery or Fraud Against the Government case and this will be gone into thoroughly. 11 ③

The Bureau will be promptly advised of all developments and a detailed report will be submitted to the Bureau in the very near future.

Very truly yours,

A. E. Ostholhoff
A. E. OSTHOLHOFF

AEC [redacted] b7c
62-2837
AMSD

Federal Bureau of Investigation
United States Department of Justice

Los Angeles 13, California
August 26, 1946



IN REPLY, PLEASE REFER TO
FILE NO. _____

~~PERSONAL AND CONFIDENTIAL~~

by

Director, FBI

Attention: A. ROSEN, Assistant Director

Re: BENJAMIN "BUGS" SIEGEL, with aliases
MISCELLANEOUS; INFORMATION CONCERNING-
CRIME SURVEY

Dear Sir:

[REDACTED]

b7c

This information is being brought to the attention of the Bureau and Mr. CONNELLEY at this time in order that we might have from the Bureau and Mr. CONNELLEY any questions desired to be put to this informant or any matters that the informant may clarify for us before October 1, 1946.

DECLASSIFIED RECORDING

DECLASSIFIED BY *[Signature]*
ON *[Date]*

Very truly yours,

[Signature]
A. E. OSTHOLTHOFF

AEO [REDACTED]
62-2837

cc: Chicago (Attention: E. J. CONNELLEY, Assistant Director)

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY SLIP(S) OF
DATE *11/26/85*

RECORDED & INDEXED
29 352

62-81318-126
SEP
[REDACTED]

70 SEP 11 1946

97

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson
FROM : A. Rosen

DATE: September 4, 1945

SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS INFORMATION CONCERNING

- Mr. Tolson
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/29/85 BY SP-7 mca/BJ

PURPOSE

To advise you that [redacted] was allegedly shot on the night of September 2 or during the day of September 3, at Reno, Nevada. [redacted] is reported to have been transferred by ambulance to the Sutter Hospital in Sacramento, California. From information subsequently received, no indication that [redacted] involved in shooting.
CONNECTION WITH SIEGEL

[redacted] came to the attention of the Los Angeles Office in the investigation of Benjamin "Bugs" Siegel as a result of a technical established on Siegel. It was learned from the technical that on August 9, Siegel telephonically communicated with [redacted] and requested [redacted] to get to [redacted] who was appointed to preside over the C.P.A. hearing at San Francisco in connection with the building of the Flamingo Hotel in Las Vegas, Nevada.

During the time the hearing was held in San Francisco, Siegel and [redacted] resided at the St. Francis Hotel where they had adjoining suites. [redacted] who Siegel requested [redacted] to contact relative to this hearing was never approached by [redacted] anyone in connection with the hearing according to information received by the San Francisco Office. [redacted] and is well-known to the San Francisco Office.

BACKGROUND

[redacted] has been reported in numerous crime survey reports from the San Francisco Office as the outstanding gambler in the San Francisco area.

SOURCE OF ALLEGED SHOOTING

San Francisco Office has advised that [redacted]

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&
INDEXED
353

162-81518-127
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70 SEP 11 1945

b7c

Memo. to Mr. Tamm

[REDACTED] San Francisco, received information from a b7
San Francisco newspaper reporter that [REDACTED] was allegedly shot on the night
of September 2 or during the day of September 3, at Reno, Nevada. Further,
that he was being transferred by ambulance at Sparks, Nevada, to Sutter Hospital
in Sacramento, California, where he would be attended by [REDACTED]
[REDACTED]

ACTION TO BE TAKEN

You will be immediately advised concerning further information along
this line.

ADDENDUM

The Salt Lake City Office has subsequently advised that [REDACTED] b
[REDACTED] was removed to Sutter Hospital,
Sacramento. The Salt Lake City Office further advised that there is no indica-
tion [REDACTED] became ill or was involved in shooting in Reno.

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. E. A. TAMM *EAT*

DATE: August 19, 1946

FROM : R. A. ROSEN

SUBJECT: BENJAMIN "BUGS" SIEGEL
INFORMATION CONCERNING
CRIME SURVEY
(Specifically Re Virginia Hill)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/29/85 BY SP-7 mac/pe

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Gandy

By memorandum, dated July 10, the background activities of Virginia Hill, who is presently alleged to be the paramour of "Bugs" Siegel, was furnished you. The Director wrote on this memorandum "An amazing character."

FBI
66

[REDACTED]

[REDACTED]

b3
26 USC 103
b7c
IRS

OBSERVATION

[REDACTED]

ACTION TAKEN

[REDACTED]

Attachment
COPIES DESTROYED
11 NOV 18 1964

62-81518

FBI b7c

70 SEP 11

ENCL. attached
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EX-28
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F B I
32 SEP 1946

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FEDERAL BUREAU OF INVESTIGATION
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- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

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b7c

August 27, 1946

Mr. Rosen
[Redacted], L. E.

DECLASSIFIED BY 9-7 Mac/DC
ON 8/2/95

~~CONFIDENTIAL - AIR MAIL~~

CLASSIFIED BY _____
DECLASSIFY ON: OADR

**BENJAMIN "BOBO" SAGUL
INFORMATION CONCERNING
GRINA SURVEY**

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Reference is made to your communication dated August 7, 1946 in the case captioned "Investigation of the Cuban Gang, Miscellaneous Information Concerning, Grina Survey", wherein you request to be furnished with information indicating a connection between Benjamin "Bojo" Sagul and the three individuals recently convicted for the murder of Enrique Mirra.

For your information and assistance in conducting further investigation, there is enclosed one copy of the report made by Mr. A. E. Grotzkoff of Los Angeles dated August 7, 1946 in the case entitled "Benjamin Sagul, with aliases, Miscellaneous, Information Concerning, Grina Survey" and one copy of the initial report in the case entitled "Investigation of the Cuban Gang, Miscellaneous Information, Grina Survey" dated July 13, 1946, at Chicago, Illinois by Special Agent [Redacted]

For your information, investigation is presently being conducted by the Los Angeles and Salt Lake City Divisions to determine if any connection exists between Sagul and the three individuals recently convicted in Mexico City for the murder of Mirra. In the event information is received from the above named offices which will be of assistance to you in conducting further investigation, you will be promptly furnished a copy of the report. It is requested that the information furnished in your communication dated August 7, 1946 be handled expeditiously and a report submitted to this Bureau.

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

RECEIVED
AUG 27 1946 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

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53 SEP 5 1946

7 SEP 10 1946

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FEDERAL BUREAU OF INVESTIGATION
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- Deleted under exemption(s) b3(26 USC 6103) b7c IRS with no segregable material available for release to you.
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- Information pertained only to a third party. Your name is listed in the title only.
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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/27/83 BY [redacted]

[redacted] SA [redacted] ADVISED THAT [redacted] IS TRYING TO MEET TO [redacted] BUT HE COULD NOT DO SO LAST NIGHT AND DID NOT FIND A WAY TO DO THIS. [redacted] RETURNED TO L.A. FROM LAS VEGAS LAST NIGHT. HE WILL TRY THROUGH CPA SOURCES IN L.A. TO IDENTIFY [redacted] AND LEARN SOMETHING OF HIS BACKGROUND IN ORDER THAT HE CAN CONSIDER ADVISABILITY OF ALERTING HIM TO POSSIBLE APPROACH BY SIEGEL AND ENLIST HIS COOPERATION IN ANY POSSIBLE BRIBERY ATTEMPT. SIEGEL ADVISED [redacted] HE WILL NOT PERMIT [redacted] TO TESTIFY AT CPA HEARING, SAN FRANCISCO, TOMORROW, BUT INTENDS TO TESTIFY HIMSELF. STATES HE DOES NOT BELIEVE [redacted] COMMITTING PERJURY. SIEGEL DOES NOT PLAN TO HAVE [redacted] APPEAR AT CPA HEARING BECAUSE HE DOES NOT FEEL [redacted] IS A VERY GOOD WITNESS AT ANY CPA HEARING. SIEGEL STATED THAT [redacted] WAS DELIBERATELY SENT AWAY FROM THE HEARINGS AFTER FIRST DAY'S SESSION AT LAST CPA HEARING IN ORDER THAT HE COULD NOT BE [redacted] BY CPA ATTORNEY [redacted] REFER BY LET [redacted]

b2
b7
b7

RECORDED & INDEXED 162-81578-132

MOLTHOFF

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. E. A. Tamm
FROM : A. Rosen
SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS -
INFORMATION CONCERNING

DATE: September 4, 1946

Call: 4:05 P.M.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/21/95 BY SP-7 [signature]

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Mr. Nease
- Miss Gandy

At the above time I telephonically contacted Mr. A. E. Ostholtzoff at Los Angeles relative to his wire to the Bureau dated September 4, 1946, wherein reference is made to the hearing to be held tomorrow. I told Mr. Ostholtzoff that [redacted] should be contacted to ascertain whether he intends to administer oaths in connection with the testimony that is going to be received at the hearing, provided, of course, [redacted] can be trusted. Mr. Ostholtzoff stated he believed [redacted] to be trustworthy. When asked if from his conferences with [redacted] he could tell just what attitude [redacted] will assume, Ostholtzoff advised that from looking at the record made available to us, the usual practice is not to place them under oath, but to give them warning that any false statements made would be a violation of the statutes and regulations and that they are criminally liable for such false statements.

I also told Mr. Ostholtzoff that if it is determined that [redacted] does not intend to administer oaths, this suggestion should be put to him. Mr. Ostholtzoff indicated that he probably would not resent the suggestion, but might say that it is not the usual practice. Mr. Ostholtzoff was instructed to contact [redacted] immediately regarding his intentions in connection with the hearing.

With regard to [redacted] who was sent by CPA from Washington to investigate Flamingo Hotel, I informed Ostholtzoff that he should not be contacted in any way since we do not have time to check on him and, further, do not know whether or not he can be trusted. Mr. Ostholtzoff stated a surveillance will be put on [redacted] as soon as he can be located. In this connection, he advised that [redacted] for CPA in Los Angeles, had some information which he desired to make available to the Bureau and Agents were to contact [redacted] this afternoon and possibly through this contact learn [redacted] location. I advised Ostholtzoff that it may be dangerous to talk to [redacted] because he may be individual who is pleading the case in behalf of the Government and may say that outside pressure is being brought to bear. Mr. Ostholtzoff stated that they would attempt to institute a discreet surveillance.

AR [redacted]
[Handwritten signature]

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EX-20
SEP 9 1946

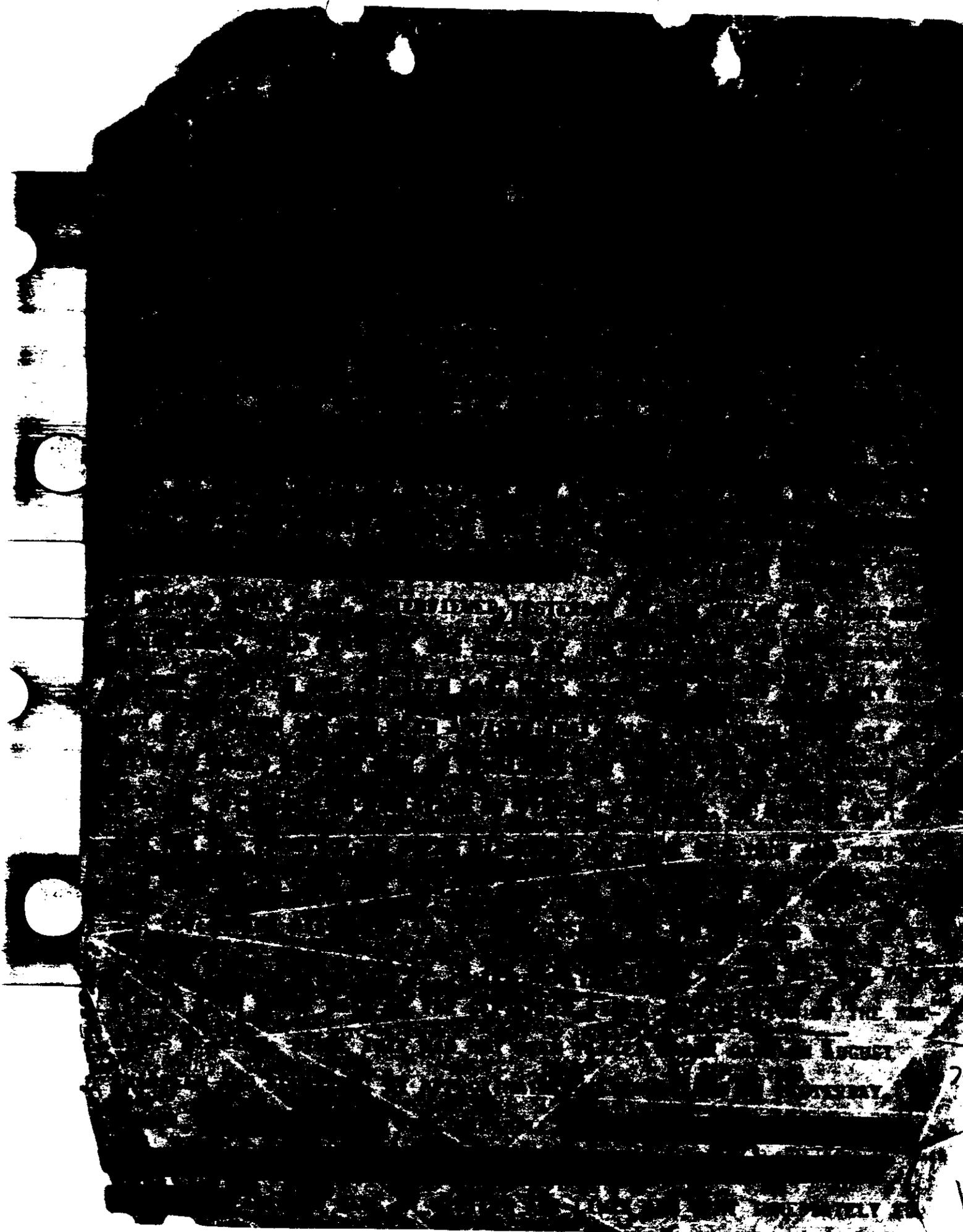
70 SEP 11 1946
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[REDACTED]

SIEGEL AND HIS

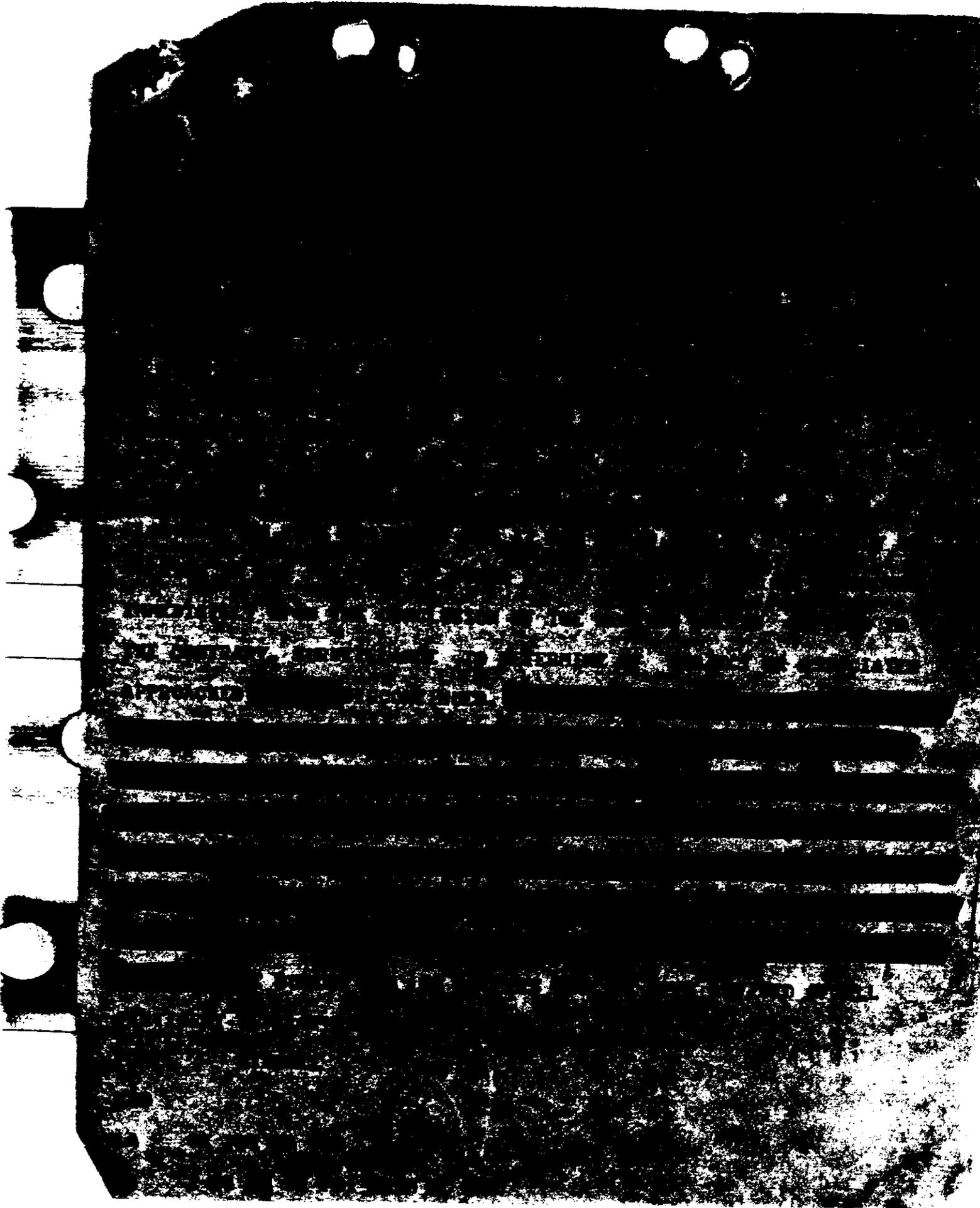
ASSOCIATES RETURNED TO THE SAINT FRANCIS HOTEL AT APPROXIMATELY FIVE
THIRTY PM AND WERE ASSIGNED SUITE ELEVEN THIRTYTHREE, ELEVEN THIRTYFOUR,
TO WHICH THEY IMMEDIATELY ADJOURNED. SIEGEL

[REDACTED] REGISTERED FOR THIS SUITE AND ADVISED A FOURTH INDIVIDUAL, NOT
NAMED, MIGHT ARRIVE LATER. AT SEVEN PM, [REDACTED]

[REDACTED] LOS ANGELES, REGISTERED FOR ROOM ELEVEN THIRTYFOUR, AT
ST. FRANCIS HOTEL. AT FIVE FORTYFIVE PM, [REDACTED] REGIONAL

ATTORNEY [REDACTED] TELEPHONICALLY ADVISED [REDACTED] [REDACTED]
ADJOURNED UNTIL [REDACTED] [REDACTED] [REDACTED]

[REDACTED] HAS COMPLETED HIS RESERVATION. [REDACTED] [REDACTED] [REDACTED]
STIFIED THAT THE FLAMINGO HOTEL DEVELOPMENT [REDACTED] [REDACTED]



Memorandum • UNITED STATES GOVERNMENT

A. Rosen

SUBJECT: BENJAMIN "BUGS" SIEGEL, with aliases
MISCELLANEOUS
INFORMATION CONCERNING

Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy

I communicated with Ostholtzoff [redacted] which was received from the San Francisco Office. The teletype had not yet been brought to the attention of Ostholtzoff and I, therefore, pointed out that the information furnished by the San Francisco Office did not state specifically whether the witnesses at the CPA Commissioner's hearing were CIA indicants. [redacted] were CIA indicants that [redacted] were CIA indicants appearing, but there was no indication that [redacted] which was made of the CPA here in [redacted].

b7c

I instructed Ostholtzoff to obtain a copy of the wire, [redacted] the San Francisco Office to Los Angeles, [redacted] to immediately check with San Francisco on the point raised, witnesses being placed under oath, and that he was to bring up [redacted] any subsequent developments. Ostholtzoff said he would immediately do this and call me back.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/28/88 BY SP-7 MJE/DA

RECORDED

62-81578-135

EX-6 SEP 8 1948

70 SEP 15 1948

b7c

110

FILE DESCRIPTION

BUREAU FILE

SUBJECT BUGSY SIEGEL

FILE NO. 62-81518

SECTION NO. 4

SERIALS 136

to

165

Office Memorandum

UNITED STATES GOVERNMENT

TO : MR. ROSEN

DATE: September 3, 1946

FROM : [REDACTED]

SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS
CRIME SURVEY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/7/93 BY SP-7mz/dfs

- Mr. Tolson _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Coffey _____
- Mr. Glavin _____
- Mr. Ladd _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Mr. Carson _____
- Mr. Egan _____
- Mr. Gurnea _____
- Mr. Hendon _____
- Mr. Pennington _____
- Mr. Quinn Tamm _____
- Tele. Room _____
- Miss Gandy _____

EW

21579

PURPOSE

To advise you that I discussed with [REDACTED] of the Training Division the facts concerning the hearing held in San Francisco on the construction of the Flamingo Hotel. [REDACTED] is of the opinion that the facts do not warrant sufficient information to base a successful prosecution for perjury.

BACKGROUND

Per your instructions, the writer on September 3, 1946, discussed with [REDACTED] of the Training Division the facts concerning the Benjamin "Bugs" Siegel case and specifically the building of the Flamingo Hotel in Las Vegas, Nevada. [REDACTED] was advised that the construction of the Flamingo Hotel was halted by a CPA order dated March 26, 1946, which was a general order issued by the Civilian Production Administration on all commercial construction. [REDACTED] was advised that after the freeze order of March 26 was issued, Siegel and his associates communicated with the Regional Office of the CPA and contended that the general freeze order issued by the CPA did not effect further construction of the Flamingo Hotel inasmuch as construction had started prior to March 26. [REDACTED] was advised that the architect for the construction of the Flamingo Hotel was granted permission to proceed with the construction of the hotel until a hearing was held which hearing was commenced on August 13, 1946, at San Francisco, California. The point of issue at the hearing was whether plans of the Flamingo Hotel were for one building or a group of buildings. [REDACTED] was advised that present at the hearing were [REDACTED] Benjamin Siegel and [REDACTED] in addition to three attorneys for Siegel. It was pointed out to [REDACTED] that the testimony at the hearing in San Francisco was not under oath; however, before the hearing commenced, [REDACTED] who was appointed to conduct the hearing advised all of the witnesses that it would be a violation of law for them to make false statements at the hearing, however the Commissioner did not specify the statute which he had in mind.

OPINION OF [REDACTED]

[REDACTED] was of the opinion that inasmuch as the witnesses who appeared before the hearing in San Francisco were not placed under oath there could not be sufficient grounds to consider a perjury charge against any of the individuals testifying.

ACTION TO BE TAKEN

[REDACTED] has advised he will submit a memorandum setting forth his opinion concerning this matter.

20 SEP 11 1946

RECORDED

EX-1162-81518-136

b7c

b7c

116

Office Memorandum

UNITED STATES GOVERNMENT

GOVERNMENT

TO : THE DIRECTOR

DATE: 9/3/46

FROM : H. H. GIBSON

21578

SUBJECT: BENJAMIN "BOGS" SIEGEL
MISCELLANEOUS
CRIME SURVEY

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Pennington
- Mr. Quinn Tamm
- Tele. Room
- Miss Gandy

You have expressed an interest in the possibility of successfully prosecuting the above-named subject for perjury or subornation of perjury as a result of the testimony before the Commissioner of the Civilian Production Administration at San Francisco, California.

It has been ascertained from the San Francisco Office that the witnesses who testified were not placed under oath, and Siegel did not testify. The Commissioner, however, informed all of the witnesses that it would be a violation of law for them to make false statements at the hearing.

Section 231, Title 18, U.S.C.A., the Perjury Statute, clearly provides that the taking of an oath before a competent tribunal, officer, or person is a condition precedent to a perjury violation. Therefore, from the facts as determined at the present time there could not possibly be successful prosecution for perjury or subornation of perjury.

Section 80, Title 18, U.S.C.A., however, is a very broad statute and provides that the making of or the causing to be made a false or fraudulent statement in any matter within the jurisdiction of any department or agency of the United States is a violation with a penalty provision of ten years or \$10,000, or both. It appears the facts in the present case may constitute a violation of this section.

[Redacted]

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DATE 10/29/45 BY SP-7/ma/bs

RECORDED
EX-14

62-71518-137

F B I
32 SEP 6 1946

[Redacted]

70 SEP 11 1946

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FEDERAL BUREAU OF INVESTIGATION 61853

THIS CASE ORIGINATED AT **SAN FRANCISCO, CALIFORNIA**

FILE NO. **62-2812** *b7c*

REPORT MADE AT SAN FRANCISCO	DATE WHEN MADE 8/26/46	PERIOD FOR WHICH MADE 8/20-20/46	REPORT MADE BY [REDACTED]
TITLE BENJAMIN "BUGS" SIGEL			CHARACTER OF CASE MISCELLANEOUS - INFORMATION CONCERNING CRISIS SURVEY

SYNOPSIS OF FACTS:

Subject arrived San Francisco on afternoon 8/12/46 for Civilian Production Administration hearing on stop order issued against his Flamingo Hotel now under construction at Las Vegas, Nevada. On 8/9/46 subject reportedly contacted [REDACTED]

[REDACTED] at which time [REDACTED] was asked to "get to" CPA Commissioner hearing case.

[REDACTED] appointed by CPA to hear case against subject and associates, contacted and agreed to notify office in event anyone approached him re matter. Subject secured room at St. Francis Hotel and [REDACTED] secured nearby suite on 8/12/46. On following morning subject had meeting in [REDACTED] suite, apparently with [REDACTED]

[REDACTED] of Dot Webb Construction Company

End one

[REDACTED] they secured as additional attorneys

[REDACTED] reach

[REDACTED] unsuccessful attempts were made to

[REDACTED] CPA hearing held on 8/13/46. Prior to hearing on second day a meeting was held in [REDACTED] suite with at least following apparently present: subject, [REDACTED]

[REDACTED] At this DESK

NOV 10 1946
ST. FRANCISCO

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 10/29/83 BY SP-1/MLP/BS

APPROVED AND FORWARDED: *J.B. Fletcher*
SPECIAL AGENT IN CHARGE

COPIES DESTROYED
211 NOV 18 1964

DO NOT WRITE IN THESE SPACES

62-81518-138

F B I

32 SEP 6 1946

RECORDED & INDEXED

- COPIES OF THIS REPORT
- 3 - Bureau
 - 2 - Los Angeles
 - 2 - Chicago (Attention: Assist. Director E. J. CONNELLEY)
 - 1 - Salt Lake City (Info.)
 - 3 - San Francisco

55 SEP 11 1946

Ch detailed 8712

b7c [REDACTED]

meeting it was mentioned [redacted] had "covered up one of the plans", that the Del Webb representative was to testify that he had followed only the plan of January 12 which was put in evidence and that no mention was to be made of a plan dated March 22. On 3/15/46 [redacted] was recontacted and advised he had not been approached on the matter and that he had had to decide in favor of subject and associates since CPA had presented a very weak case and failed to show the building under construction was different from that started prior to the freeze order of 3/26/46. He stated however, that he had allowed CPA until 9/5/46 to re-open case with new evidence. [redacted] and [redacted]

[redacted] CPA, San Francisco, advised CPA would further investigate the case and would ask for further hearing on 9/5/46. They refused to make CPA files or transcript of hearing available on grounds it might interfere with this further investigation.

- P -

REFERENCE: Telephone call from Los Angeles on August 9, 1946.
Teletype from Los Angeles dated August 10, 1946.

DETAILS:

On August 9, 1946, Special Agent A. E. OSTHOLTHOFF, Los Angeles, telephonically advised Special Agent in Charge H. B. FLETCHER that BENJAMIN "BUGS" SIEGEL and associates were building the Flamingo Hotel in Las Vegas, Nevada which was believed to be operated as a gambling casino and that the Civilian Production Administration at Washington, D.C. had sent out an order stopping construction of the hotel. Subject and associates were to be afforded a hearing by the CPA on the stop order on Tuesday, August 13, 1946, at San Francisco, California. It was stated that subject would attend the hearing at San Francisco along with [redacted] of the Del Webb Construction Company. b7c

Referenced teletype from Los Angeles dated August 10, 1946 was to the effect that a report had been received that [redacted] had advised SIEGEL that the hearing was to be held before a Commissioner named [redacted]. Thereafter SIEGEL contacted [redacted] at which time he asked [redacted] to "get to [redacted]". It was further indicated that another associate at the Flamingo project, b7c

XXXXXX
XXXXXX
XXXXXX

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) b7c b7d with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:

62-81518-138 pg 4

XXXXXX
XXXXXX
XXXXXX

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X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

12

San Francisco File No. 52-2812

69857

[REDACTED]

On August 10, 1946 arrangements were made [REDACTED] to be advised in the event subject or his associates made reservations [REDACTED] it having been determined no reservations had been made up to that time.

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59858

San Francisco, California, subject was observed by the writer and Special Agent [redacted] entering the St. Francis Hotel and [redacted] it was determined that subject registered at Room 1097 at the St. Francis Hotel as BEN STEGEL. [redacted]

[redacted] advised that one of the two Commissioners who heard cases for the WPB and now for the Civilian Production Administration was [redacted] Stanford University. Informant stated that [redacted] was regarded as a very high type and reputable man and agents of the San Francisco Field Division who formerly attended Stanford University Law School knew him favorably.

On the evening of August 12, 1946, [redacted] was interviewed at his home. [redacted] by Special Agent [redacted] and the writer. At this time he advised that he was not employed by the Civilian Production Administration, but acted as a Special Commissioner under an appointment received from DONALD NELSON when he was head of the War Production Board. [redacted] further advised he had been requested to hold a hearing at San Francisco on August 13, 1946, but he had not been informed as to the names of the parties nor the subject matter involved. He further stated that this was the first hearing he had held during the past year. He stated he had not been approached by anyone in connection with the case and agreed he would immediately notify this office in the event he were so approached. [redacted]

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b7D

On August 13, 1946, [redacted] advised that [redacted] of the Hal Webb Construction Company, 800 South Spring Street, Los Angeles, California, had registered at the Palace Hotel at 10:00 P.M. the previous evening. They had Rooms 3024 and 3026.

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On the morning of August 13, 1946, [redacted] and [redacted] Las Vegas, Nevada registered at the Palace Hotel for Room 1097. [redacted]

69859

San Francisco File No. 62-3112

[REDACTED]

46 5/1

On August 13, 1946, [REDACTED] furnished the following information to Special Agent [REDACTED]

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On the morning of that day a meeting was held in Suite 310 of the St. Francis Hotel occupied by [REDACTED] at which apparently subject, [REDACTED]

[REDACTED] of Del Webb Construction Company and [REDACTED] were present. At this meeting a discussion took place

b7c

apparently concerning the construction of the Flamingo Hotel in Las Vegas, Nevada by subject and his associates and the CPA stop order on which a hearing was to be held on that day. One individual remarked that they had been building for approximately sixteen weeks when they received the stop work order from the United States Government and subject and his associates had already put about \$2,000,000 into it.

It was mentioned that a man by the name of [REDACTED] was in charge of the CPA in San Francisco. This apparently refers to [REDACTED] Civilian Production Administration, 1355 Market Street, San Francisco. [REDACTED]

b7c

It was also mentioned that they had to go before the CPA Commissioner at 1:00 P.M. on that date and that they had their lawyers, [REDACTED] with them.

b7c

One of the men asked another person in the room if they knew a Senator whose name was not obtained. The name of Del Webb was mentioned, and it was stated that he (apparently referring to a representative of the Del Webb Construction Company) would be at the meeting at 1:00 P.M. on August 13, and the remark was then passed that they did not believe the CPA Commissioner has jurisdiction to stop work on the hotel.

A call was made to Tuxedo 9542, listed to the 110 Eddy Club, and someone talked to a man by the name [REDACTED] and it was later ascertained that the man who asked [REDACTED] was apparently [REDACTED] to come up to Room 310 at the St. Francis Hotel at once as he needed him. [REDACTED]

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69860

San Francisco File No. 62-2812

[REDACTED]

b7c

[REDACTED] subject stated that he had called [REDACTED] twice at the lake yesterday and stated he could not reach him. There was a discussion concerning opening a gambling establishment in Sacramento, California, and the man believed to be [REDACTED] stated that gambling had not paid at Del Monte or Del Mar (phonetic) and he did not believe it would make a nickel there.

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SIEGEL stated that he left Los Angeles yesterday, and it was very hot there. He stated that he got a cab at the San Francisco airport and came directly to the St. Francis Hotel, and that the plane had taken better than two hours, and that he had then tried to contact [REDACTED] but could not locate him yesterday afternoon or last night, that being August 12, and that he had left a call in [REDACTED] hotel box for him to call at approximately 9:00 P.M. last night.

b7c

One of the men stated that he first met [REDACTED] when he was [REDACTED]

[REDACTED] It was mentioned that [REDACTED] (phonetic) were on the CPA Commission, and he stated that we want to show them that we don't come under their jurisdiction. One of the men then stated that [REDACTED] (phonetic) and two other Senators were known to him. [REDACTED]

b2c

Shortly thereafter a man known as [REDACTED] entered the room and asked for [REDACTED] stating that he had just come in from the East New York City. The man who was talking with [REDACTED] stated that [REDACTED] was not in just now, but was down the hall and would call him. [REDACTED] came into the room and asked [REDACTED] if he knew the CPA outfit, and stated that [REDACTED] was on the Commission. Another man then stated that he started to build a hotel in March, and at that time he met a man by the name of [REDACTED] (phonetic), and that [REDACTED] had given him the O.K. This apparently refers to District Director of the CP, at Reno, Nevada. Later he was told [REDACTED] that

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69861

They went stop building, at which time this man stated his organization had called Washington, D.C., and Washington had told them to stop building or they would go to jail. One of the men then stated that someone was putting pressure on the hotel building, and that he did not like this inasmuch as [redacted] has just started building in the South, and all he has are his stakes in the ground, and he has received an O.K. to build.

One of the men then asked what the name [redacted] was, and [redacted] remarked that he was a friend of [redacted] (phonetic). [redacted] put in a long-distance call to Sacramento and told the operator he must get this call through to Sacramento before noon. He asked for the number Sacramento 4711. This number was obtained and [redacted] asked for [redacted] and was told that [redacted] was out of town on a day's trip.

[redacted] then asked someone in the room if someone was putting the pressure on, and a man answered, "Yes". This person then stated that he had a Hollywood reporter [redacted] and a Las Vegas, Nevada, attorney [redacted] representing him.

Then [redacted] stated to [redacted] that he thought he might know the CPA guy. [redacted] then stated that they had until tomorrow, August 14, and might get a Federal restraining order. One of the men then stated that [redacted] (phonetic) claimed that the Las Vegas outfit who was building the hotel was backing [redacted] (phonetic) against him. [redacted] This apparently refers to [redacted]

[redacted] then called Elbrook 1881 and asked for a person whose name could not be understood, and apparently was given another number to call this person. [redacted] then asked one of the men in the room if [redacted] was really putting the heat on, and if the Las Vegas outfit was really backing the other man against [redacted]. This man stated to [redacted] with quite a bit of profanity that he did not care if both men broke their legs. [redacted]

[redacted] then called Elbrook 4461 and asked for [redacted] stating that he thought [redacted] was having lunch there. A man

69862

San Francisco File No. 62-2812

then came to the other end of the line whom [redacted] addressed as [redacted] and he told [redacted] that some friends of theirs from Las Vegas had finished seventy-five per cent of a hotel and had now received stop orders from the Government, mentioning at the same time that SINTA was building a \$1,500,000 building and had been given the Government O.K. [redacted] then told [redacted] that the hearing was before a Stanford professor and asked [redacted] if he could help them, stating that the decision must be rendered by tomorrow, August 14, and stated to [redacted] that maybe it would be worth your while to help us out. He then asked [redacted] to come to Room 310 at the St. Francis Hotel by 12:30.

b7c

After finishing the conversation, [redacted] remarked to someone in the room that [redacted] was an attorney and was formerly on the Stanford University Staff, and someone stated that they would make it worth [redacted] time. One of the men then stated that someone would probably send the FBI guys up to investigate the building. At the time [redacted] entered the room and stated that he got intoxicated last night and got in early this morning.

b7c

Shortly thereafter the telephone rang and someone in the room asked a man downstairs to come up to the room, and then called to [redacted] stating that [redacted] is coming up. [redacted] came into the room, and one of the men there told him the story of the hotel being built in Las Vegas and about the stop order the Government had rendered. He stated to [redacted] that SIEGEL and his friends apparently did not know what was going on, and that [redacted] apparently was fighting the project. He asked [redacted] if he could do them any good in this matter. SIEGEL stated to [redacted] that his attorney in Nevada was [redacted]. He stated that a man named [redacted] was in charge of the CPA there, and that he, SIEGEL, had got all the stuff set for building, and now the Government said that they would have to quit work.

b7c

At this time [redacted] stated he would assist them, but that he could not go to the hearing today as he had a meeting. Then one of the men called the CPA Commission, this being about noon, and requested them to postpone the meeting from 1:00 to 1:15 P.M. that day. At this time one of the men stated that [redacted] is on the CPA Commission, and that they'd better leave. They left the room. After [redacted] left the room, one of the men asked who would take care of the free end of this situation. An unknown individual remarked, "I will."

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[redacted] furnished the following information to Special Agent [redacted] on August 13, 1946:

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69863

San Francisco File No. 62-2812

At approximately 7:00 P.M., August 13, [redacted] and an unidentified woman arrived at Room 310. About an hour later SIEGEL, [redacted] and a third person, subsequently identified as [redacted] entered Room 310 and talked to the woman who had arrived with [redacted]. They referred to her as [redacted]. She told them that [redacted] had picked her up at La Conga, where she is employed. She said that [redacted] had passed out in the bedroom. [redacted] persuaded [redacted] to call [redacted] in an effort to line the rest of them up with girls for the evening.

b7c

A short while later [redacted] came into Room 310 from the bedroom, obviously still intoxicated. He wanted to know of [redacted] where he met her, and she said in effect, "Well, you ought to remember. It was at La Conga. You said you owned it." At about 9:00 P.M. [redacted] left the apartment saying that she would be back at 11:00 P.M.

b7c

[redacted]

b7c
b7D

[redacted]

b7c
b7D

[redacted]

b7c
b7D

Shortly thereafter [redacted] left the apartment with the announced intention of going to the Bal Tabarin. SIEGEL said that he was going to bed.

b7c

[redacted] furnished the following information to Special Agent [redacted] on August 14, 1946:

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69864

San Francisco File No. 62-2812

SIEGEL entered Room 310 at 11:45 A.M. that morning and immediately contacted the hotel switchboard advising them that he was presently in [redacted] room, and that they should refer all calls for him to [redacted] room. A few minutes later that morning, two unknown individuals were admitted to Room 310, [redacted] Shortly thereafter [redacted] remarked that he had a "terrific speech" to make at the hearing. He made reference to a "yellow ticket" which had been received while the job was progressing. He stated that he was going to ask the Commissioner at the hearing to permit continuance of work on the project.

b7c

At this time SIEGEL stated that he wasn't impressed with the Commissioner and did not like him. [redacted] continued, stating that he was going to argue that at the time the work was commenced, it was not illegal to build; that the hotel was now almost half built, and a great amount of money had already been expended. SIEGEL then remarked that he could have gotten [redacted] to straighten up the whole affair rather than having sent several lawyers and paid them a great deal of money.

b7c

Around noon an individual identified as [redacted] entered Room 310. It is believed that this [redacted] previously mentioned. A call was thereupon put in for room service requesting that a steward bring some lunch to Room 310, and the orders were placed upon the arrival of the steward a few minutes thereafter with instructions that he deliver the food in sufficient time so that the party could leave by 1:00 P.M.

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Thereupon followed a conversation regarding two plans for the building structure of the hotel and surrounding structures. A plan of March 22 was referred to as well as a plan for the building dated January 12. [redacted] stated that the plan of March 22 was to be considered a plan for one single structure. A discussion thereupon followed regarding the building of a tunnel to join the casino with the other building. A remark was made as to whether it would be most expedient to build a tunnel or merely build a trench in which to bury pipes. [redacted] remarked that it would be better to have a tunnel since it would be good insurance.

b7c

[redacted] thereupon continued by referring to Exhibit 6-A which he identified as the plan of January 12, which he stated would be compatible with the letter under which they had gotten authorization to build. He related that [redacted] had covered up one of the plans, and that the Del Webb Construction Company was to testify that they followed the plan referred to as Exhibit 6-A. It was also to be testified to that even though they proceeded under the March 22 plan, this plan contemplated

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69865

San Francisco File No. 62-2812

a single continuous building. A remark was thereupon made by one of the unidentified individuals that the Webb Construction Company was to have no knowledge regarding the March 22 plan.

[redacted] continued by stating that the most important thing was to have WEBB testify that he had followed the plan of January 12 and no other; that the Del Webb Company was to know only that the basement was one continuous plan. The testimony was further to be that the building was to be a horseshoe which was to be left open on one end with no determination at that time as to which end would be considered the open end. The testimony also was to be that there had been no deviation whatsoever from the original plan of January 12.

b7c

[redacted] furnished the following information to Special Agent [redacted] on August 14, 1946:

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b7c b7d

During the course of the conversations above set forth, an individual who referred to himself as the [redacted] of the Del Webb Construction Company, said that one [redacted] (phonetic) had written to him, the district manager, saying that the matter had been fixed up by [redacted] with Senator [redacted] (possibly [redacted]). The district manager had started to outline a whole series of transactions that had taken place in the negotiations for the building of the Flamingo Hotel, but was interrupted by others and did not finish.

b7c

There was some conversation about [redacted] the hearing commissioner of the CPA, which centered on the question of who he was and what his background was.

b7c

One of the individuals in Room 310 said that [redacted] (phonetic), apparently a CPA investigator, testimony concerning new construction which was not reflected in the plans submitted to the CPA was most unfair. It had developed that he had reference to a tool chest.

b7c

Mentioned was made of the [redacted] "letter", which seemed to be critical.

b7c

In discussing further the testimony of the previous day's hearing, one of the individuals in Room 310 said that [redacted] (phonetic), [redacted] was not competent to testify because he did not know the plans under which the building was being constructed. One of the men, possibly SIEGEL, said that all the persons working on the job were specifically instructed to tell anyone who made inquiry that this was one job.

b7c