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Memorandum

TO : DIRECTOR, FBI (137-7685)

DATE: 9/30/66

FROM : SAC, LOS ANGELES (137-2528)

SUBJECT: CONF. INFT.
LA 4367-C-TE
TECIP
PROGRESS LETTER

Ed Morgan

REC-105
W. J. Messenger
Files & Comm. Div
put Xerox of
pages 1+2 in
file of
Edward P. Morgan
67-140750
268
10-12-66

2 cards

Re Los Angeles letter to Bureau, dated 6/1/66.

1. CURRENT ACTIVITIES OR EMPLOYMENT

Source is unemployed with a 20 point interest as landlord of the Silver Slipper Casino, Las Vegas plus interest in parking lots in the Los Angeles area.

2. DATES OF CONTACT

5/31/66, 6/1/66, 6/2/66, 6/3/66, 6/6/66,
6/14/66, 7/14/66, 7/19/66, 7/25/66, 7/27/66, 7/28/66,
8/1/66, 8/3/66, 8/4/66, 8/9/66, 8/11/66, 8/13/66, 8/16/66,
8/17/66, 8/22/66, 8/26/66, 8/30/66, 9/12/66, 9/20/66,
9/26/66, and 9/28/66.

3. OUTCOME OF CASES NOT COMPLETED

None.

4. SUCCINCT SUMMARY OF INFORMATION FURNISHED

On 5/31/66, source advised the following:

SIDNEY KORSHAK called source from Chicago the morning of 5/31/66 and asked source to obtain six copies of the Los Angeles Sunday Examiner reporting KORSHAK and his activity in the grape workers strike and send them to KORSHAK in Chicago. KORSHAK indicated he is staying a few more days in Chicago.

2 - Bureau (RM)
1 - Los Angeles

GEB/jt
(3)

alvin
EX-104

REC-19

137-7685-22

15 OCT 3 1966

NOT RECORDED
68 9 OCT 20 1966

(copy) XEROX
OCT 20 1966

PERS. REC. UNIT

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Source mentioned his long-time friend, former Bureau agent ED MORGAN, Washington, D.C. attorney. He seemed very disappointed in MORGAN because he had heard that MORGAN is going to represent CLIFF JONES, former lieutenant governor of Nevada. Source did not believe MORGAN had let himself become involved with people like JONES.

Source mentioned that BERNIE EINSTOSS had died. Source was approached by JOHNNY DUNN, who is working for JERRY ZAROWITZ at Caesars Palace Hotel, Las Vegas, concerning source managing the reservation office for the hotel in Beverly Hills. Source informed DUNN that he was not interested. Source said he considered the possibility to talking to ZAROWITZ to obtain information concerning Caesars Palace but rejected the idea because KORSHAK might hear about it and wonder why source was even considering this type of employment.

Source had heard that the Security Exchange Commission had held up the sale of the Fremont Hotel to the Parvin Dorman Corporation because of EDDIE LEVINSON reportedly staying on in the deal with the Fremont.

On 6/2/66, source advised that on the previous day, JOE COHEN was doing the book of the Silver Slipper and found them off balance. COHEN talked to MAURICE FRIEDMAN about this matter and reported that FRIEDMAN was "shook up".

On 6/3/66, source advised that he spoke to IRVING LEFF on 6/2/66. LEFF informed source that during World War II, MAURICE FRIEDMAN was selling black market suit linings and was caught and talked his head off involving everyone except JACK BARENFIELD, who was also guilty. LEFF also said that someone beat FRIEDMAN for some money playing cards and FRIEDMAN went to the District Attorney claiming he was cheated. Source assumed from the above as statements by LEFF that LEFF thought FRIEDMAN would be a "fink" under the proper circumstances.

On 6/6/66, source mentioned he was at the

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Beverly Wilshire Hotel that day at about 1:30 PM and saw JOHN ROSELLI talking with LOU LEDERER. LOU had recently been in an auto accident and received a concussion.

Also the previous day source saw SIDNEY KORSHAK who informed him that MOE MORTON had told him that SAM ANDERMAN was subpoenaed concerning the JOHN ROSELLI grand jury investigation.

It is interesting to note that there has not been a grand jury inquiring into JFK Law 10(a)2

On 6/14/66, source advised that KORSHAK left Chicago on 6/13/66.

On 7/14/66, source advised that KORSHAK has been in Chicago for about a week and has not as yet returned to the Los Angeles area.

Source was told that MIKE BROWN brought ABE PHILLIPS to MORRIE FRIEDMAN, who took him in the New Frontier Hotel deal.

Source has now learned that DAN TEITELBAUM and SAMMY LAZES set up source in the Miami bookmaking scam involving \$50,000 which source had previously mentioned several years ago. Source has been told that TEITELBAUM was with Murder, Incorporated out of New York years ago.

On 7/19/66, source advised that KORSHAK has returned from Chicago and in about ten days is leaving for a short trip to Rome and London. His paramour, STELLA STEVENS, the actress, is meeting him in Europe.

On 7/27/66, source learned from KORSHAK that he is going to meet someone in Rome or London or both and the trip is for business reasons.

He has heard that BERNIE ROTHKOPF has been losing a lot of money at cards at the Friars Club and at La Costa Country Club near San Diego to MORRIE FRIEDMAN, who is fleecing him.

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Source also learned that an Italian who has a bookmaking operation at the Harbor Island Spa, Miami Beach, as well as being a bookmaker in New Jersey, name unknown, reportedly sent someone to Los Angeles to see TEITELBAUM. Reportedly, TEITELBAUM was advised to cease taking money out of Florida. It is noted that source has advised in the past that TEITELBAUM visits the Harbor Island Spa every winter and wins very large sums of money in crooked card games.

On 8/1/66, source advised that the recent publicity in the Chicago newspaper reporting a raid on gambling equipment in Tulsa, Oklahoma mentioned crooked dice and the Riviera Hotel as well as KORSHAK by name. KORSHAK was very mad because his name was mentioned in this article.

Source said there has never been any doubt in his mind that the Desert Inn, the Stardust, and the Dunes Casinos use crooked dice and have done so for a long time. There may be others also guilty but these are the ones source has reason to believe are guilty.

On 8/3/66, source advised the following:

About two years, MAURICE FRIEDMAN, JOHN ROSELLI, and DAN TEITELBAUM arranged to cheat HARRY KARL and TED BRISKIN at gin rummy at the Friars Club. They brought in a man known as the spotter, who is the same man that TEITELBAUM uses in Miami Beach, who drilled peep holes in the ceiling and was able to signal with a transmitter to FRIEDMAN so that he would know what cards to play. FRIEDMAN used AL MATHES as a partner playing against KARL and BRISKIN. Source was told this by MATHES who was not in on the deal but found out about it later. After several months play, KARL and BRISKIN reportedly lost several thousand dollars and never knew they had been cheated.

The source again mentioned crooked dice being used in Las Vegas and said possibly the only honest casino in his opinion was the Golden Nugget, where he would play if he were going to gamble, next would be

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possibly the Sahara and then maybe the Tropicana. In his opinion, in all probability all the other casinos would use crooked dice on occasions when they considered it necessary.

KORSHAK has returned to town and has left again. He usually goes to Las Vegas the first of every month. Source speculated that this is probably to pick up money.

Source recalled that on 7/22/66, he observed JOHN ROSELLI and ALLEN SMILEY meeting two young girls for dinner at the Bistro Restaurant, Beverly Hills.

Source also mentioned that the Detroit Italian hoodlums had attempted to get into the Silver Slipper but as far as he knew, they were unsuccessful. The lessees now operating the casino are JACK SHAPIRO, SHELLBY WILLIAMS, T. W. RICHARDSON and Dr. FRIEDMAN, no known relation to MORRIE FRIEDMAN.

On 8/4/66, source advised he saw HARRY KARL the previous night. KARL recently lost \$25,000 at the dice table at the Riviera Hotel. When KARL returned from Las Vegas and read the newspaper accounts of the crooked dice game, he asked KORSHAK if he should pay his loss at the Riviera since they were reportedly using crooked dice. Although the remark was in jest, KORSHAK got mad.

On 8/17/66, source advised that he accidentally met JOHN ROSELLI on the night of 8/15/66 at a restaurant. ROSELLI requested source to contact him to telephone him the following day. Source did phone ROSELLI at his residence on 8/16/66 and ROSELLI said he was concerned over the investigation currently being conducted by the Nevada Gaming Control Board and the FBI in Las Vegas. He indicated that he was aware that source in the past has been extremely close to Gaming Control official BUTCH LEYPOLDT. ROSELLI said he suspected that LEYPOLDT and the head of the FBI, Las Vegas were working in concert in

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an attempt to embarrass and harass casino operators and their associates. ROSELLI specifically requested source to contact LEYPOLDT to see if he could persuade him to reduce the heat on Las Vegas. Source told ROSELLI that if he should run into LEYPOLDT, he would mention it.

Source said that while he was operating in Las Vegas as a hotel owner he was in frequent contact with LEYPOLDT, whom he described as being very honest but he has not seen LEYPOLDT for the past six years and has no intention of bringing this to LEYPOLDT's attention even if he should run into him by accident.

On 8/26/66, source advised that on the previous day KORSHAK told him that Sands Hotel executive JACK ENTRATTER is currently in the process of arranging to buy out all Italian hoodlum interests in the Sands Hotel based on the Italian's desire to be disassociated with Las Vegas as a result of current disclosures and heat applied from skimming information. KORSHAK mentioned his information is that all Italians having hidden ownership in Las Vegas casinos are interested in divorcing themselves from their ownership and getting out of Las Vegas completely.

KORSHAK further advised source that MOE DALITZ, president of Desert Inn Hotel, has been in contact with ALBERT PARVIN about buying and taking over the Desert Inn.

On 9/12/66, source advised that KORSHAK was in Cedars of Lebanon Hospital for three or four days last week. He was suffering from a stomach disorder. He was scheduled to go to La Costa Country Club over the past weekend to attend a labor meeting concerning a race track presumably Del Mar, but he was too ill and someone from Chicago went in his place.

On 9/14/66, source advised that AL MATHES told him that day that LOUIS TOM DRAGNA had been shaking him down for money. MATHES used to be a bookmaker but is now a restaurant owner in partner with STEVE CRANE and AL PARVIN is also partner in their newest restaurant, the Scam, on Sunset Boulevard.

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On 9/19/66, source advised the following:

About four weeks ago, he was contacted by ALBERT PARVIN who desired to buy land owned by source in Las Vegas and offered three million. Source requested three and a half million and no agreement was reached at that time. On 9/7/66, source met with SIDNEY KORSHAK and attorney HARVEY SILBERT. KORSHAK and SILBERT told source independently that when PARVIN bought the Fremont Hotel he made a secret agreement to pay off the hidden Italian interests for two and a half million within a year and a half from skimmed funds. Now based on skimmed revelations, the Italians want their money. PARVIN desires to purchase source's property as a device to obtain a kickback of one million dollars under the table in order to make this money available to the unknown Italians. Source agreed to sell his land for four million dollars and go ahead with their proposal to attempt to compromise PARVIN, KORSHAK and SILBERT in this matter. SILBERT said the price was too high but invited source to travel with he and KORSHAK to Las Vegas on 9/20/66 to further discuss the deal. Source stated that the Italians' names were never mentioned but speculated they would probably include JERRY CATENA of New Jersey because he was previously associated with prior owners of the Fremont Hotel.

On 9/22/66, source advised that he did travel to Las Vegas on 9/20/66 with KORSHAK and SILBERT and they stayed at the Riviera Hotel. Source again presented his offer to SILBERT, who was non-committal. During this discussion AL PARVIN left for Europe so was not in on this past negotiations.

On 9/26/66, source advised that KORSHAK left on the morning of 9/25/66, probably for Chicago. PAUL RAFFLES told source that KORSHAK is using RALPH STOLKIN, wealthy principal stockholder of Brunswick Manufacturing Company and National Video in an attempt to take over the ownership of Columbia Studios.

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On 9/27/66, source advised that JAKIE ROSENSTEIN, publisher of Closeup Magazine, wrote that STOLKIN was trying to take over Columbia Studios. MORT GOULD is sponsoring JIM AUBREY to take over the management of Columbia Studios. ROSENSTEIN knew of KORSHAK's involvement behind STOLKIN but on the request of source did not mention KORSHAK's name.

5. RECOMMENDATION

It is recommended source be continued.

6. EMOTIONAL STABILITY

There has been no indication of emotional instability, unreliability, or the furnishing of false information by source.