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# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>CHICAGO</b>	Office of Origin <b>CHICAGO</b>	Date <b>6/30/61</b>	Investigative Period <b>6/6 - 26/61</b>
TITLE OF CASE <b>GUS ALEX, aka.</b>		Report made by <b>THOMAS W. PARRISH</b>	Typed By: <b>bjd</b>
		CHARACTER OF CASE  <b>AR</b>	

*Synopsis /*

**REFERENCES:** Chicago report of SA ROBERT A. COOK dated 6/12/61. New York letter to Chicago dated 6/15/61 (IO).

- P -

LEAD

CHICAGO

AT CHICAGO, ILLINOIS. Will continue to conduct and report investigation concerning the background and activities of GUS ALEX in consonance with Bureau letter to New York dated November 27, 1957, "TOP HOODLUM PROGRAM, AR".

INFORMANTS

CG T-1 is CG 6443-C who was contacted by SAs JOSEPH G. SHEA and WILLIAM A. MEINCKE on 6/7, 8 and 25/61;

**EXP.**

Approved	Special Agent In Charge	Do not write in spaces below	
Copies made:		92-3182-260	REC-80
3 - Bureau (92-3182)			EX-116
3 - Chicago (92-373)			

*Copy sent to Cu. Div. Dept 0-6 7/10/61*

*Copy in 4710*

COVER PAGE

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**67 JUL 17 1961**

CG 92-373

CG T-2 is a mail cover on ALEX's mailing address 9353 South Spaulding Avenue, Evergreen Park, Illinois;

CG T-3 is CG 6450-C\*;

CG T-4 is CG 6117-C contacted by SA AUGUST C. KEMPF on 6/1/61;

OTHER 4

CG T-5 is CG 6446-C contacted by SA ROBERT A. COOK on 6/14/61;

CG T-6 is PCI [redacted] contacted by SA THOMAS W. PARRISH on 6/20/61;

CG T-7 is PCI RUDY DRAZD contacted by SA ROBERT A. COOK on 6/6/61;

CG T-8 is report of Dun & Bradstreet obtained by IC FRANCIS G. KAHL on 6/8/61;

CG T-9 is Illinois State Senator ARTHUR R. GOTTSCHALK contacted by SA THOMAS W. PARRISH on 6/26/61 (by request).

CG T-10 is CG 6343-C\*.

ADMINISTRATIVE

This report has been prepared in conformance with Bureau instructions that all information which has been received from CG 6343-C\* be paraphrased and set out in the body of the report rather than have it listed in the cover pages. Therefore, all information received during the period covered by this report from CG 6343-C\* has been analyzed, interpreted and summarized in the body of this report by the reporting agent.

- B\* -

COVER PAGE

502-1001J

CG 92-373  
TWP:lac

On May 24, 1961, Miss BETTY GEORGE, 300 East 57th Street, Apartment 2C, New York, New York, advised SAs DONALD E. JONES and WILLIAM D. KANE that she first met GUS ALEX in approximately 1950. At that time, she was with the road company of the Broadway play, "Kiss Me Kate". Miss GEORGE stated that she is presently a singer who performs with the MILTON BERLE show. She said that after a performance in "Kiss Me Kate" in Chicago, she was with her mother at the Chez Paree Night Club, and one night after a show was introduced to ALEX by someone whose name she could not recall. She stated that she and ALEX had a very short, casual conversation, mainly dealing with the fact that they were both of Greek extraction.

She stated she next saw ALEX in 1955 when she was appearing at the Latin Quarter in New York City. ALEX attended a show one evening and between performances introduced her to his wife, MARIANNE, referring to her (Miss GEORGE) as his "Greek cousin". He invited her to have dinner with him and his wife, but she refused this invitation because of a prior commitment. Miss GEORGE stated that these are the only contacts she has had with ALEX. She said she knows nothing at all about what ALEX does for a living or who his associates might be. She identified photographs of ALEX and his former wife, MARIANNE.

Miss GEORGE further advised that during the month of June, 1961, she will appear with MILTON BERLE at the Flamingo Hotel in Las Vegas, Nevada, and that in the event she comes in contact with ALEX in the future, she will advise the New York Office of the FBI.

CG T-5 advised that he formerly operated a horse-book at Clark and Webster Street, Chicago, and at that time bookmakers were required to pay \$400 per month to the police for protection against harassment. He understands that now, each horse-book is required to make a payment of \$400 a week for the same type of protection.

CG T-5 said that he was acquainted with LEO "BOOKIE" SCHAEFFER when SCHAEFFER was operating one of the largest handbooks on Fullerton Avenue in Chicago.

CG 92-373

TWP: lac

Several years ago, the "syndicate gambling boys" tried to muscle him out of his business and rather than bow to the demands of the "boys", he told them they could have all of his business and he would leave the Chicago area. He did this and went to Newport, Kentucky, where he operated a book for a while, then went to Montreal, Canada, and returned to Terre Haute, Indiana, where he was arrested for bookmaking, in 1958. He was arrested by federal authorities and indicted for not paying the 10 per cent gross federal tax on gambling bets.

On June 14, 1961, CG T-5 advised that he had recently been in contact with GUS LIEBE and LIEBE informed him that the J&J Picnic Grove is still operating as a gambling casino on weekends in Will County, Illinois. CG T-5 stated that LESTER KRUSE is also working with LIEBE at the J&J Picnic Grove. He stated he is quite certain that GUS ALEX, in addition to other Chicago top hoodlums, are deriving a great deal of income from this gambling operation.

Sergeant FRANK NASH, Intelligence Unit, Chicago Police Department, advised that he has recently received information that GUS ALEX has taken over the gambling and other illegal operations of the 45th Ward of Chicago. His associates and assistants in this venture are MARSHALL CAIFANO and FELIX "MILWAUKEE PHIL" ALDERISIO. Sergeant NASH did not furnish the source nor the basis for the above information.

### III. LEGITIMATE ENTERPRISES

CG T-1 has previously advised that the Alberto-Culver Company, which manufactures VO-5 hair preparations, and whose plant is located in Melrose Park, Illinois, has "outfit" people connected with its ownership and operation.

CG T-8 advised that the Alberto-Culver Company, manufacturer of cosmetics at 2525 Armitage Avenue, Melrose Park, Illinois, is an Illinois corporation whose present management control began in 1954. The following is a list of officers and their titles: