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Agency Information

AGENCY : FBI
RECORD NUMBER : 124-90132-10012
RECORD SERIES : HQ
AGENCY FILE NUMBER : CR 92-7354-6

Document Information

ORIGINATOR : FBI
FROM : MM
TO : HQ
TITLE :
DATE : 08/11/1964
PAGES : 7
SUBJECTS :
LUE AARON CHESLER
JACK RUBENSTEIN
DOCUMENT TYPE : PAPER, TEXTUAL DOCUMENT
CLASSIFICATION : Unclassified
RESTRICTIONS : 4
CURRENT STATUS : Redact
DATE OF LAST REVIEW : 09/25/1998
OPENING CRITERIA : INDEFINITE
COMMENTS : RPT

MM 92-1176

- INFORMANTS -

MM T-1 is MM 962-PC.

MM T-2 is CG 6443-C.

MM T-3 is PCI.

OTHER 4

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III. GAMBLING INTERESTS:

A. HORSE RACING

The following investigation was conducted by Agents of the Chicago Office:

On July 2, 1964, FRANK CROSBY, head of the recently organized Illinois Race Track Commission Police, was contacted for any information he might have as to any race track holdings in Illinois by CHESLER. CROSBY advised that a review of his records failed to indicate any holdings by CHESLER and that contacts with persons familiar with Illinois race track personnel were not aware of any rumors as to CHESLER holding any undisclosed interest in any Illinois tracks.

MM T-2 was contacted on several occasions during June and July, 1964, relative to information reflecting contact by LOUIS CHESLER with Chicago hoodlums, SAM GIANCANA and LESLIE EARL KRUSE, and possible connections of these individuals with the Lucayan Beach Casino. The informant advised that he had heard no additional information indicating any current contact between these individuals and LOUIS CHESLER. It was previously reported that these individuals had indicated they had a financial interest in the Lucayan Beach Casino.

B. LUCAYAN BEACH HOTEL
GRAND BAHAMA ISLAND

As previously reported, STANLEY R. MOIR, Superintendent, CID, Nassau, Bahamas, advised on April 17, 1964, that the control of the Grand Bahamas Development Corporation and subsequently, interest in the Bahamas Amusement Company, was to pass from LOUIS CHESLER. On April 24, 1964, Mr. MOIR advised that members of the board of

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directors of the Grand Bahamas Development Corporation announced that they would include certain members, and it was noteworthy that the name of LOUIS CHESLER was omitted as a member of the board of directors. No additional information has been received reflecting any change in the status of the corporation or the Bahamas Amusement Corporation, Ltd.

In the July 26, 1964 issue of "The Miami News", Miami, Florida, an article captioned GRAND BAHAMA MOLDS A TOURIST PARADISE by LARRY BIRGER, business editor, reportedly sets forth a telephonic communication with LOUIS CHESLER at the Duke Medical Center in North Carolina. It was reported that CHESLER continues to be a patient at the Duke Medical Center, and is expected to remain there until the fall of 1964. Mention was made in the article that CHESLER resigned as president and director of the Grand Bahama Development Corporation, and as head of the Grand Bahama Amusement Company, Ltd. CHESLER is quoted as saying that "I coulh't very well run the company from here." He was commenting, of course, on his current stay at the Duke Medical Center in North Carolina.

IV. HOODLUM CONTACTS

As set forth elsewhere in this report, LOUIS CHESLER has been under doctor's orders and has been a patient at the Duke Medical Center in North Carolina, since approximately the middle of May, 1964. It is anticipated that he will remain at the hospital until the fall of 1964. There has been no information reported concerning any contacts on the part of CHESLER with known hoodlums since he has been taken ill.

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