

# MARY FERRELL FOUNDATION

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IDENTIFICATION FORM

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Transmit the following in \_\_\_\_\_  
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Via AIRTEL AIR MAIL  
(Priority or Method of Mailing)

**TO: DIRECTOR, FBI**  
**FROM: SAC, CHICAGO (92-350)**  
**SUBJECT: ACTIVITIES OF TOP HOODLUMS  
IN THE CHICAGO AREA**

*C TOP HOODLUM PROGRAM*

DAILY SUMMARY

Re Chicago Daily Summary airtel, 2/8/62.

INFORMATION RECEIVED FROM CG 6486-C\* IF UTILIZED SHOULD BE CAREFULLY PARAPHRASED SO THAT THE IDENTITY OF THIS SOURCE IS NOT DISCLOSED.

CG 6486-C\* advised during the early morning hours of 2/8/62 that SAMUEL GIANCANA held a lengthy discussion with one POTSY, believed to be identical with MORRIS "POTSY" PEARL. PEARL has long been associated with Chicago hoodlums and was observed at the Fourth of July party of ANTHONY ACCARDO in 1954 and at the wake of the mother of MICHAEL SPRANZE in 1961. PEARL, whose last known Chicago residence was 2901 West Estes, Chicago, was last known to drive a 1961 black Lincoln with 1961 Illinois license MP 2901. PEARL has been described by SANDY SMITH, Chicago "Tribune" reporter (protect identity), as having strong connections in Las Vegas and while in Chicago was connected with MAISH BAER and FRANK ZIMMERMAN, leaders of the Jewish hoodlum and bookmaking element in Chicago. According to SMITH, PEARL now spends most of his time in the Las Vegas area.

Las Vegas is requested to peruse the information contained in this airtel and advise Chicago of any pertinent information therein. Also advise if PEARL is known to reside in the Las Vegas area. If it is ascertained that he is not a resident of Las Vegas, Chicago will give consideration toward opening an anti-racketeering matter regarding this individual. The conversation is as follows:

- ③ - Bureau (RM)
- 1 - Las Vegas (Info) (RM)
- 1 - Chicago

Approved: *James H. Gale*  
(5) Special Agent in Charge

REC-29

*62-9-9-9508*  
*[Signature]*

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22 FEB 12 1962

7 FEB 20 1962

*[Stamp]*

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GIANCANA: .....that's all right.

PEARL: Well you see what happened SAM was I figured I could do all this myself, I mean \$50,000..... I mean MOONEY they didn't tell me you were away!

GIANCANA: I was here.

PEARL: .....because the World Series started the first part of October.....

GIANCANA: Well wait a minute now I was on the road with that broad (PHYLLIS MC GUIRE) doing summer stock. We were ten days in each spot.

PEARL: Well BUTCH (DOMINIC BLASI) said he expected you back. So he said he expected you back in a couple of days.

GIANCANA: Well all you had to do was tell him you had to have some money.

PEARL: But I figured you'd be here SAM.

GIANCANA: Well I could have been here, how long does it take from New York an hour and 40 minutes? As a matter of fact I would have told him to go over to a spot where he could get it and when I came back I would have replaced it, that's all. Always remember regardless, I mean regardless, I can always put him so that he knows where to go and get it. All you gotta tell him is when something like that happens, just say I need some cash that's all.

PEARL: Yeah, but \$50,000!

GIANCANA: That's all right.

PEARL: Well if it was 15 or \$20,000 it would've made a difference.

GIANCANA: That's all right, that don't make no difference. Didn't I bawl you out the last time when you said went over and borrowed money off of what's his name, the guy that's got the restaurant? You know what I mean.

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PEARL: Anyway.....I got ahold of my brother and I had to do it fast. I said I need money and I need it tomorrow. ....I remember the World Series was starting that Wednesday and I folded up Tuesday.

GIANCANA: I was stuck on that, on the second game. No, wait a minute it was the third game because I won the first one, lost the second, so mine was ten for five parlay it and take the odds. So we were talking in this joint and SKINNY (PAUL D'AMATO) was there figuring and all these wise guys blah, blah, blah, so I thought to myself (obs) I'll stay with 'em and go down the shoot. So I had the Yankees in the third, what'd I lose? Whatever it was I finally wound up winning 12,000. ....anyway always bear that in mind.

PEARL: SAM, it's a lot of money. I didn't want to put BUTCH on no spot. He told me you were coming back in two days, don't you understand?

GIANCANA: That's all right, I'm liable to say almost anything. I might say I'm gonna 'be back today but like he didn't even know I was in town. I was in town for two days and even he didn't know it.

PEARL: I didn't know that. He told me he expected you back positively the next two days and he would call me and he said to me I'll call you as soon as he gets in. So he never called me.

GIANCANA: I was on the road for, let's see, it was five weeks. The idea is you gotta trust your friends and I guess you didn't trust me so that's what hurts.

PEARL: Well I needed the money MOONEY, I had to pay them people off. So I turned around and I sold my stock in the company and at least I made some money on that. It cost me 20,000 and I sold it for 35,000. But that money wasn't worth two cents until that joint got the Folies Bergiere. It was ready to fold. Don't you remember the story

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I told ya, it was IKE (probably IKE BERGER) and we tried to get ya and we tried to get ya. I would've had 50 per cent of that.

GIANCANA: What's IKE doing now?

PEARL: He's at the Stardust. (Stardust Hotel, Las Vegas) For two and a half years.

GIANCANA: He's not there.

PEARL: Sure he is. As sure as I'm talking to ya.

GIANCANA: Didn't he get fired or they let him go or something?

PEARL: No, no. About a year ago, I heard, they had some words or something. He tried to buy a couple of more points or so. I don't know the set up.

GIANCANA: Well they gave all them guys points but they can't sell it.

PEARL: In other words, when they get you they take it back to them?

GIANCANA: That's right.

PEARL: But IKE is there, he's been there for close to three years.

GIANCANA: Well the broad was down there, PHYLLIS.

PEARL: Well I was away and then I come back and I run into ROCKY and he said you know SAM was here and I nearly died. And then I heard that BOBBY was out there, out at the.....that's one thing about ya, you always take care of your friends and the people you know, that's the truth, you shake your head but that's the truth, I know. Number one, anyway I told the boys that it was no good for you; number two that KELL HOUSSELS don't take no money under the table. (JOHN KELL HOUSSELS is an owner of record of 41½ per cent of the Show Boat Casino in Las Vegas and in the El Cortez Hotel in Las Vegas) He won't do it. I don't blame the guy. He's the only gambler in the whole joint.

It's possible but if he is taking money, he's taking it for himself.

GIANCANA: Well I don't know.

PEARL: Well I'd say he don't because what is he in business for, us? Now you see (sounds like SPRETZEL), do you know what his salary is? SPRETZEL is getting 42,000 a year. He gets \$179.00 a day. He pays the income tax so they'll declare dividends. So we were talking when I was out there Christmas and the money I could use anyway but I can't buy the points with it. So he said POTSY I want to try to sell my points. So I said well listen the joint is going good, it's got over two million dollars for a bank roll, what the hell, I said as long as I spend all this time with it, I figure I should double my money. Well he said POTSY he said that's a lot of money. Well I said what the hell, if you don't buy it I'll sell it to one of the other stockholders. So I got home last month and I was home about a week so one of the other fellows, (sounds like BUCK PERCY) was one of the stockholders and he was out there for a meeting on the 29th of January. About a week ago and he come back and he says POTSY he says they had a big meeting and they gave a raise to KELL HOUSSELS and they gave him a 10,000 bonus and they gave a 10,000 bonus to his son and the money was flying around like nobody's business. So I said OK give me 40,000 a point and he said well you don't have it in your name which means that I'm gonna have to declare a capital gain, so he said give me 35,000. So I thought well what's right is right, if I had it on my name I'd have to do that and that place is no good because they got one guy running the joint. He does all the counts. But two boxes SPRETZEL (could possibly also be FRITZEL) counts. The grave yard shift, 11 o'clock in the morning, KELL HOUSSELS himself counts it, so he knows what he counts. What would stop him from taking out 500 or a 1,000 a day? On top of that I wanta chase my brother back anyway. But then I saw IKE out there when I was out there. He's working pretty hard. But

that's water over the dam. But like I say SAM the only damn thing BUTCH steered me wrong on is when he said I expect him tomorrow or the next day. But you see MOONEY in a way I'm not too unhappy, I'll tell ya why. I had FREDDY and I had HYMIE. But I never went near there, I couldn't afford to go near it. I gotta put up all the money. So I had too many headaches, maybe it's for the best. It was one of those things where things were going along real well and one week I'd win four or five thousand dollars and then the next week end would come along and I'd get drunk. But them Philadelphians they lost 86 games I think out of 110, then they added two teams, the Los Angeles Angels, but you see they didn't like no 12 to 5 bets. They'd take the three teams and parlay the three favorites, so I kept losing and losing and that's what knocked me out of the ball game.

PEARL apparently is a gambler who makes book on primarily sporting events, principally baseball. From the conversation, PEARL lost a considerable amount of money last season by virtue of the fact that some additional teams had been put into the American League. This would explain the reason why he needed \$50,000 immediately during the World Series to pay off his bets and was unable to locate GIANCANA at the time to obtain this money. GIANCANA is apparently very much put out that his long-time friend did not make greater efforts to obtain the money from GIANCANA.

Regarding information above pertaining to KELL HOUSSELS, it would seem that it is not possible for individuals such as GIANCANA or others to invest money in that establishment in view of the fact that HOUSSELS virtually controls the Show Boat Casino and the El Cortez Hotel. It also seems from the conversation that PEARL has a hidden interest in this hotel which he was thinking for a time of selling to the individual believed to be PERCY. Conversation continues:

PEARL: But I'm just figuring that maybe when Sportsman opens up maybe I can go out there and make some money. The way things are now though it's so rough I'm afraid to do anything because with the G on ya.....I'm in bad shape. The property is in my name and if they ever get near me they can close in on me like a vice. It's the same old story, You, you got the house,



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that's all you got. But you got the motel.

GIANCANA: I got nothing.

PEARL: Ain't the motel in your name? (referring to the Thunderbolt Motel which is in trust; however, GIANCANA is listed as the sole beneficiary of the trust)

GIANCANA: No.

PEARL: Well then that's all you got is your house. But it's rough. You told me last February, no last January, before KENNEDY was appointed Attorney General, but I never thought it would be this (obs) rough. You told me when they put his brother in there we were gonna see some fire works but I never knew it would be like this. This is murder. The way that kid keeps running back and forth I don't know how he keeps going.

GIANCANA: They're not bothering the outsiders. I come back the other day and I, we had everything all tagged out, you know what I mean? Certain states, certain neighborhoods and they concentrate on them certain areas and on certain individuals.

PEARL: You mean the outfit?

GIANCANA: Yeah.

PEARL: Yeah, the syndicate.

GIANCANA: Yeah.

PEARL: How bout in the city here?

GIANCANA: Same thing.

It appears from the above conversation that GIANCANA, wherever he has been, and he had stated previously that he had been in Florida, the primary purpose of whatever the meeting was it was to ascertain the full extent of the Government investigation presently being conducted and the term "tagged out" apparently means that each person who is under intensive

investigation has been identified. They figure that the bulk of the investigation is being concentrated on the syndicate and this in certain cities, individuals, and areas. This would explain, possibly, the series of conferences held by GIANCANA commencing with 2/2/62 whereby he passed the order concerning the breaking up of the bookmaking activity. It may be expected in the future, at least during the extent of the investigation being conducted, that bookmaking and other activity which heretofore has been associated with organized criminal activity will decrease considerably. Conversation continues:

PEARL: Let me ask ya a question. I don't know how much ya show on your income tax and it's none of my business but the traveling that you do.....

GIANCANA: I do very little but as far as that I'm covered.

PEARL: Because they they tailed ya all over. Like when they tail ya to the airport, they tail ya when ya get on and when ya get off.

GIANCANA: Well they can't prove nothing.

PEARL: Well I'm glad you're careful boy, that's all I can tell ya because I told ya a long time ago I said listen SAM you're a friend of mine..... and you can call me up at any time, at four in the morning, if I can do ya a favor SAM I'll get up in the middle of the night and do it for ya. I just want ya to know that. I didn't forget our friendship. Of course, lately in the last year or so with things hot the way they are I don't see much of ya. But these are conditions over which you have no control. Let me ask ya something. When I was out in Vegas I stopped in the Dunes, you know MAJOR RIDDLE? I hear you went out there you know, I know SID WYMAN, I'm pretty friendly with him. We sat down and were talking and he told me that he's in there since.... of September. He and his partner.... that CHARLIE RICH, little short fellow originally there from St. Louis, before that he was in the Sands and before that he was at the Royal Nevada. And the last joint he was in was the Riviera, big tall heavy-set fellow, you know him? Anyway SID and I are pretty friendly and I said to him how the (obs) did you wind up in this joint. So he said POTSY he said if CHARLIE and I

don't get in here.....they got me with blowing all this money. You know that seven or eight million or whatever it was that he had invested in the joint. So I said how much you got in here SID. He says I got 50 per cent with this group, so like I say I'm pretty friendly with him, I says SID I says how's business. Well he said POTSY he said I'll be honest with ya, business is much better than it was when we got here.... MAJOR RIDDLE is a real nice guy but he don't belong in a casino so he says now the set up is MAJOR RIDDLE ain't got a word to say in the casino. Nothing. He walks aound and everything but he's got nothing to do with the casino and the operation of it. He said I'm here he said and CHARLIE SPRETZEL. So I said well is business much better. So he says POTSY he says yes much better. As things go along he says if I behave myself and I don't gamble everything's gonna be all right. I said so how about the under the table stuff. He hesitates a second, and he says you know I never go into an operation unless I can make money. Anyway they have 50 per cent of it and there's a few points open he says. So after all he knows me and he knows that I know quite a few people, you know around Chicago, and he figured that if I were to invest in the joint that I might do the place some good and I might do myself some good. So I asked him I said how much would it cost to get some points. So he tells me, he says.....and then he says maybe a little bit less. So I says well I'll think it over. But the main point is this I said to him I might get a couple of guys that might be interested, so he says well that's perfectly all right if you're the guy that I have to deal with. So I said well SID I'll think it over and let you know. And if I decide I can always call ya. But when we talked we talked vaguely, you know what I mean? So I didn't pin him down or anything, I just said SID show me what your handle is for the last month so if he thinks as much of money as I think he does he'll be more than happy to show it to me. So let me ask you your advice MOONEY. Whata you think?

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GIANCANA: Well didn't they sell that joint or they're gonna sell it or something? I understand they're just about to complete the sale.

PEARL: The Dunes?

GIANCANA: That's what I heard.

PEARL: Now another thing he told me so I asked him how much they pay him a month. So he said they pay me \$70,000 a month. You know for the operation but he says they got me to get a commitment from the Bank of Chicago that's already written on paper. The contract is signed and he's getting so much money and they're gonna build 200 or 300 rooms on a high rise. So they'll have around 700 rooms more or less. Then he says the rent will be 120,000 a month. But you tell me the joint is for sale?

GIANCANA: Yeah, I heard that a couple of days ago.

PEARL: Is that right! Let me ask ya this, if the joint isn't for sale are you.....

GIANCANA: Well if it isn't for sale then I think it would be a good whatayacallit?

PEARL: Because the way conditions are SAM it looks like the only thing left open is Nevada and with SID, like I say, one thing about the guy he's a real high-glass fellow.

GIANCANA: Maybe you can get that guy, what's that guy's name over at the Tropicana, no the Stardust, what's his name, that IKE? He'd be a good man to look out for your interests.

PEARL: Yeah, he'd be a good man but this WYMAN he's a high-class fellow. Number one he's got two factions in that place he's 50 per cent and then JAKE, his end. It's not like KELL HOUSSELS here the one faction offsets the other in the grave yard counting. The main thing is about this thing is that SID has told me that no matter what the operation is when he gets in there he always takes two or three thousand off per shift.

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But the reason I say that to ya is, you probably hear more about that than I do. Maybe you don't hear nothing who knows.

GIANCANA: I hear very little.

PEARL: Do you think that it's a good, should I look further into it?

GIANCANA: Yeah, I think it's a good, a good whatayacall it? Because if you build those rooms your stock will go right up.

PEARL: So you think I should look into it further?

GIANCANA: Sure. And if I were you I'd try to cut the ticket.

PEARL: Well it's hard for me to get on the ticket because I can't show much. You know who I would like to have to go in with me is LOUIE LEWIS, HYMIE FURST's partner, a real nice guy. He had a point but he dropped it when HYMIE got sick so he sold it. But HYMIE said LOU sell it so LOU sold it. But if I can get LOUIE LEWIS and I'm gonna talk to him and then he and I would take a ride out there and sit down with SID WYMAN and CHARLIE and see what they can show and if they can't show it we won't go in.

GIANCANA: Well you can always make a loan.

PEARL: Well I can't do that either because of certain things, but I can always put it in LEWIS' name. But I'll let ya know.

GIANCANA: What did ya do with that carpet business? Did ya go out of business?

PEARL: We lost, we wound up.....we didn't know the operation of it. Well SAM thanks very much.

(both leave)

MARY FERRELL FOUNDATION  
The foregoing is more or less self explanatory and concerns apparently the prospective investment by PEARL into some points in the Dunes Hotel in Las Vegas. The Dunes Hotel

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is one of the largest hotels located on the "Strip" in the Las Vegas area and has, in addition to the hotel, a large bar and lounge adjacent to the gambling casino plus a convention hall which seats approximately 700 persons. Entertainment is provided by name entertainers and Broadway shows. The following information concerning the Dunes Hotel, which is the M and R Investment Company, the owners of record with their percentages are listed as follows:

MAJOR RIDDLE	57.28%
ROBERT RICE	12.72%
CHARLES RICH	6.00%
SIDNEY WYMAN	6.00%
GEORGE DUCKWORTH	3.00%
WENDELL FLETCHER	15.00%

It is interesting to note from the above figures, if they are current, that WYMAN has advised PEARL that he owns 50% of the Dunes Hotel and is interested in having some money invested in this operation. From the description given by PEARL, GIANCANA is also interested and if any deals are consummated with regard to the Dunes Hotel apparently GIANCANA will be included in this transaction.

GALE