# **NEW YORKERS CITED** IN SIEGEL SLAYING

Erickson and Costello Involved in Dispute That Led to '47 Killing, Kefauver Is Told

## By GLADWIN HILL Special to THE NEW YORK TIMES.

LOS ANGELES, Feb. 27-The slaying of Benjamin (Bugsy) Siegel here in 1947 stemmed from a Nevada gambling casino row in which a number of New York personalities figured, Police Chief Clinton H. Anderson of Beverly Hills testified today before the Senate Crime Investigating Comthe

mittee. The hearings, which are sched-uled to end tomorrow, are being conducted by Senator Estes Ke-fauver, Democrat of Tennessee and chairman of the committee. He is sitting as a subcommittee of one. Chief Anderson said the fight was over Siegel's extravagent

Chief Anderson said the fight was over Siegel's extravagant management of the million-dollar Flamingo Hotel in Las Vegas and that he was slain because of his refusal to conform with the de-sires of the other participants in the enterprise. the enterprise.

the enterprise. The officer said that while the slaying—a shotgun ambush at Sie-gel's Beverly Hills home—had not been solved, the investigation had indicated definitely that the per-sonalities involved in the dispute included the Fischetti brothers, Chicago gangsters; Moe Sedway, a former New Yorker, now a lead-ing figure in the legal gambling industry in Las Vegas; and Frank Costello and Frank Erickson, New York gamblers. York gamblers.

York gamblers. "I was in New York at the time Siegel was killed," the police chief said, "and just the day before talked with certain law enforce-ment officers who predicted he would be killed because he was in the bad graces of Costello and the bad graces of Costello and Erickson."

## **Puerto Rico Liquor Link**

Puerto Rico Liquor Lum. The officer mentioned as an-other individual interested in the Las Vegas set-up Morrie (Doc) Rosen, whom he described as a New Yorker who had dominated liquor distribution in Puerto Rico. The very morning of the Siegel slaying, Chief Anderson said, "certain members of the group" interested in the Flamingo, includ-ing Sedway, walked into the hotel and advised "certain people that they were taking over." Later, he said, after a dispute over control of the hotel led to litigation decided in favor of a faction represented by Sanford Adler, Adler came to blows with Rosen, representing the opposing faction, who finally exclaimed: "There's blood on our hands now and you're not going to get away and you're not going to get away with this.'" The chief said Adler had report-

The chief said Adler had report-ed this comment to him person-ally, and promised to assist him in further investigation of the Las Vegas dispute, but had left this section of the country and had never returned as far as he wnever knew. Chief Anderson indicated he was under no impression that many of the individuals he mentioned had any active hand in the killing, al-though he said there had been a telephone call from Las Vegas that could not be traced and that al-most certainly was the signal for the crime the crime. Costello was cited a second time in the proceedings during testimony by Los Angeles Police Chief Wil-liam Parker and his aide, Capt. James Hamilton, head of the Police Intelligence Branch.

#### Lottery Pay Off Dropped

Relating the history of the recent "International Sweepstakes" lot-tery run from Mexico, which was staged for two years and did not pay off the second year, the officers said that Eddie Nealis, a Western underworld figure, reportedly lost heavily in the fiasco and had to sell \$200,000 in real property to liquidate an obligation to Costello in the venture. An intricate

An intricate an obligation to Costello in the venture. An intricate cross-country un-derworld network leading into the widely known poker parlors of Gardena, Los Angeles suburb, was traced by the officers. Gardena has been the principal municipality in the state to capi-talize on a loophole in California's general anti-gambling law. This loophole permits draw poker as a game of skill. Five Gardena "clubs" take in millions of dollars annually "renting" seats at the poker tables to players at rates up to \$2 an hour. Nominally the clubs are locally owned. Recent investigation how-ever, the witnesses said, indicated that at least one of the establish-ments, the Horseshoe Club, "con-nects with Eastern rackets." Asked if any connection had hean established between the club

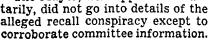
Asked if any connection had been established between the club and Jack (Greasy) Guzik, Chicago hoodlum, the witnesses said Guzik had had a conference at the Bever ly Hills Hotel last July with Charles Halloran, Horseshoe Club manager.

## **Interlocking of Personnel**

Interlocking of Personnel There was much interlocking of personnel, it was testified, between the operation of the Gardena clubs and the "Bridgo-Bingo" games that garnered millions of dollars within the Los Angeles City limits until the games were declared il-legal in September, 1949. One of the interest-holders in the 'bridgo-bingo" network, the officers said, was the Sensation Amusement Company of New York, New Jer-sey and Massachusetts, operator of enterprises at Atlantic City, of enterprises at Atlantic City, N. J., Revere Beach, Mass., and Mass., and

elsewhere. Earlier, Mayor Fletcher Bowron told the Senate committee that told the Senate committee that nacketeers, screening themselves beyind various legitimate busi-nesses, were awaiting an oppor-tune time to ply their illicit trades in Los Angeles and that they undoubtedly had a major hand in the recall campaign against him last year. The Mayor, who defeated the re-call attempt at a special municipal

The Mayor, who defeated the re-call attempt at a special municipal election last November, was the first witness as the committee re-sumed an inquiry, begun last No-vember, into interstate criminal influences in Southern California. The Mayor, who appeared volun-tarily, did not go into details of the alleged recall conspiracy except to corroborate committee information.



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