

NEW YORKERS CITED IN SIEGEL SLAYING

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

By **GLADWIN HILL**

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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 Committee.

The hearings, which are scheduled to end tomorrow, are being conducted by Senator Estes Kefauver, 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 extravagant management of the million-dollar Flamingo Hotel in Las Vegas and that he was slain because of his refusal to conform with the desires of the other participants in the enterprise.

The officer said that while the slaying—a shotgun ambush at Siegel's Beverly Hills home—had not been solved, the investigation had indicated definitely that the personalities involved in the dispute included the Fischetti brothers, Chicago gangsters; Moe Sedway, a former New Yorker, now a leading figure in the legal gambling industry in Las Vegas; and Frank Costello and Frank Erickson, New 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 enforcement officers who predicted he would be killed because he was in the bad graces of Costello and Erickson."

Puerto Rico Liquor Link

The officer mentioned as another 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, including 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 with this."

The chief said Adler had reported this comment to him personally, 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 knew.

Chief Anderson indicated he was under no impression that many of the individuals he mentioned had any active hand in the killing, although he said there had been a telephone call from Las Vegas that could not be traced and that almost certainly was the signal for the crime.

Costello was cited a second time in the proceedings during testimony by Los Angeles Police Chief William 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" lottery 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 cross-country underworld 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 capitalize 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 however, the witnesses said, indicated that at least one of the establishments, the Horseshoe Club, "connects with Eastern rackets."

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 Beverly Hills Hotel last July with Charles Halloran, Horseshoe Club manager.

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 illegal 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 Jersey and Massachusetts, operator of enterprises at Atlantic City, N. J., Revere Beach, Mass., and elsewhere.

Earlier, Mayor Fletcher Bowron told the Senate committee that racketeers, screening themselves beyond various legitimate businesses, were awaiting an opportune 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 recall attempt at a special municipal election last November, was the first witness as the committee resumed an inquiry, begun last November, into interstate criminal influences in Southern California.

The Mayor, who appeared voluntarily, did not go into details of the alleged recall conspiracy except to corroborate committee information.