

The “Gray Bar Hotel & Casino” The Nevada State Prison Casino

Nevada’s Unlicensed Gambling Establishment

by Howard W. Herz

NRS 463.151 Regulations requiring exclusion or ejection of certain persons from licensed establishments: ...

(e) To ensure that gaming is conducted honestly, competitively and free of criminal and corruptive elements, all gaming establishments in this state must remain open to the general public and the access of the general public to gaming activities must not be restricted in any manner except as provided by the Legislature.

NRS 463.151 Regulations requiring exclusion or ejection of certain persons from licensed establishments: ...

3. In making that determination, the Board and the Commission may consider any: (a) Prior conviction of a crime which is a felony in this state or under the laws of the United States, a crime involving moral turpitude or a violation of the gaming laws of any state;



Imagine a casino with the best security in the state, a pit boss’s dream of a consistent clientele, and virtually no need for a big advertising budget to attract players. No fussy cocktail waitresses, and cheaters can be dealt with on the spot. Even regular business hours and all of the best casino games including a sports book and pari-mutual betting. All in one well defined space. Oh - and by the way, all of the players get full comp meals and rooms.

With the start of the casino at the Nevada State Prison around 1932, gambling in Nevada took on a different look and certainly a unique experiment in prisoner rehabilitation. In a state that had legal poker (since an Attorney General’s decision in 1919) and virtually wide open gambling in Reno and many other towns, gambling in the Nevada State Prison seemed to be a normal activity. With the introduction of legalized gambling in 1931, the prison’s casino gained a veneer of legitimacy despite that fact that it did not have a gambling license (at least one has never been found).

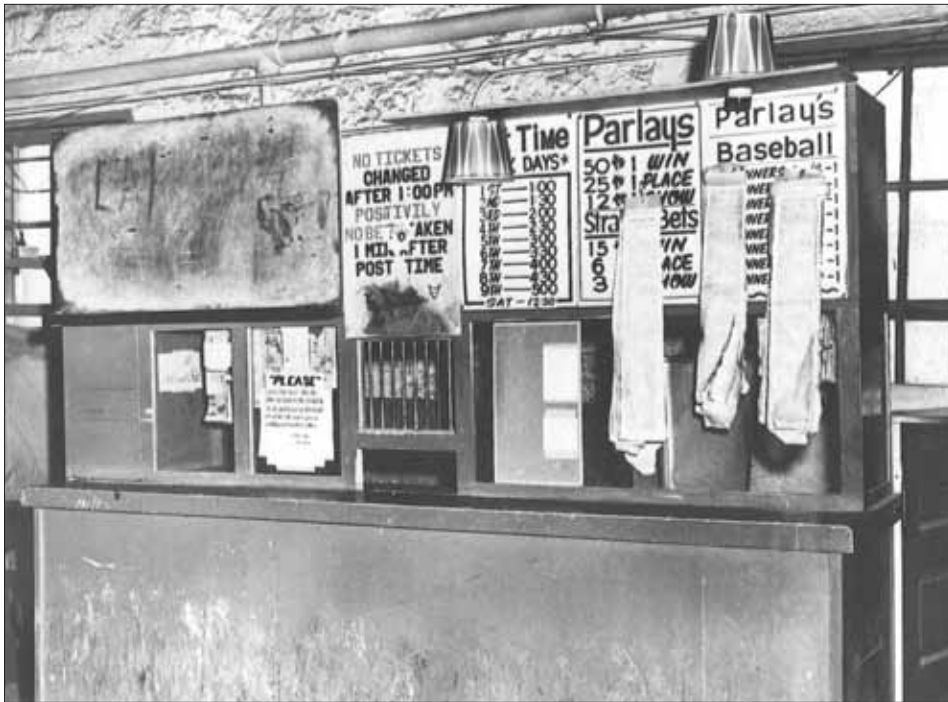
At first gambling was conducted in the original windowless solid rock room carved from the natural sandstone surrounding the prison location in Carson City. Termed the “Bull Pen” casino because of its proximity to the prison central yard, the casino became a unique feature of the Nevada Prison.

At some point in the 1930’s the casino was moved to a larger sandstone block building that included barred windows, allowing light in the day and more room for its games.

Inmates “bought into” the games when they could present evidence that they possessed enough money to bankroll a game and had the permission of an elected committee of inmates. A six month fee to run a poker game was about \$25 and \$75 for craps and blackjack. Each game boss was required to make a percentage contribution to the Inmate Welfare Fund.

One of the more interesting aspects of the Nevada State Prison was that the inmates had their own





coins and currency that could be interchanged for U.S. currency within the prison. With their own monetary system, betting was easy and managing the games was simple. The inmates ran the games, managed the casino and of course ran the security.

The brass coinage of the prison served as the gaming checks and tokens of the casino. During the second World War when brass was scarce, a form of currency was printed on canvas, but counterfeiting soon limited its usefulness. To the best of our knowledge, generic chips were

probably used on the games along with the prison token and can be seen in use on the craps game.

In January of 1962, Nevada's famous brothel owner Joe Conforte began a three-to-five year sentence in the prison. One of the first prison institution to feel his influence. Joe bankrolled the games to a new level, once penny ante, the games were expanded and even a few quests were invited in from the outside. Under Conforte's direction the casino expanded to include betting on all professional and collegiate sporting

events, pari-mutual race horse betting, craps, blackjack, high and low-ball poker, panguingui and tonk. One member of the warden's staff commented that on one day the craps game was crowded with denim clad inmates jostling for position around the table with suit and necktie clad members of the Carson City Kiwanis Club. One of the prisons' wardens vouched for the honesty of the games. He called it the most honest casino in the State of Nevada. "If someone was caught cheating, they'd stick a shiv in their ribs."



As for the issue of a gaming license, the casino was operated under the authority of a branch of the state government - the department of prisons. All of the gamblers had their finger prints on file and the security was excellent. "I think the casino operated with a 'wink and a nod' from the authorities.

The casino was not exactly unknown outside of the prison. Noted Nevada State Journal columnist Frank Johnson did an "expose" in January of 1960. Most likely after he visited the casino. Warden Art Bernard certainly considered the casino to be in the spirit of Nevada institutions and was not about to close it. When Jack Fogliani took over as the warden in 1959, he left the operation in place. In early 1967, shortly after Nevada's new governor Paul Laxalt was sworn in, the prison had a riot. Faced with an overcrowded prison population and a number of other issues, Laxalt appointed Carl Hocker to be the prison warden. Hocker was a veteran of San Quentin and brought with him a number of professional changes to the entire prison. The fate of the casino at the prison became an issue.

A number of Nevada assemblymen introduced a bill to prohibit gambling at the prison, but the measure was defeated in the senate. In the end, it was the wish of warden Carl Hocker that prevailed. The State of Nevada Prison board had the authority and closed the casino in April of 1967. The sandstone building that housed the "Bull Pen" casino was torn down shortly after the casino closed.

After the closing the casino, the prison's brass money was turned in and credited to each prisoner's account. Script was issued to substitute for the brass and sets of the coins were sold by the prison with the proceeds going to the Inmate Welfare fund.



Joe Conforte at the craps table

The prison newspaper announced that braiding, painting and beadwork would be substituted for the casino activity.





State Prison Operation Change Slated

CARSON CITY, (AP) — New Warden Jack Fogliani is planning several changes at Nevada's only prison, some of them started by his predecessor.

One of his first moves, Fogliani says, will be to close up the "hole"—a dungeon used for solitary confinement to punish trouble-making prisoners.

Former Warden Art Bernard noted he had started action toward abandoning the dank cells, which are carved out of sandstone cliffs at the prison.

A new maximum security cell block currently is under construction to replace the "hole." A convicted Clark county robber, William Burman, 28, has just been released and probably will be the last to occupy the old solitary cell block.

As did Bernard, who stepped down as warden last week, Fogliani said he disapproved of the prison's open gambling casino, but he added that it would be difficult to stamp out gambling among inmates.

"I guess gambling is one of those necessary evils," the new warden said, "but I think we could put these fellows to better use."

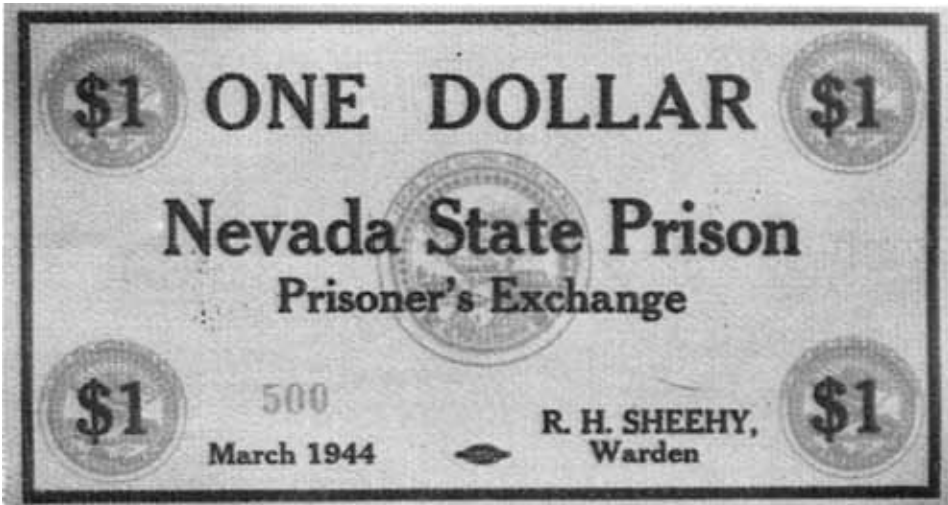
Other improvements planned by Fogliani include:

Improved television facilities for inmates. Colored trusties currently have no television.

Better communication between prisoners and the prison administration. "We'll do a lot more listening to prisoners' troubles," Fogliani said.

More extended medical care for prisoners. "There are several men in the yard who are sick," the warden said, "and we'll have more interest in their welfare."

Fogliani said further that inmates now imprisoned in maximum security cells would be interviewed to determine whether they still belonged there.





New Warden Gets Break; Gambling Den 'Exposed'

In the years when Art Bernard was warden of the Nevada State Prison, we reporters found it periodically expedient to expose the fact a full-fledged gambling hall was being operated just off the prison yard.

It got so Mr. Bernard was actually hurt if somebody did not show up at least every six months with pad and pencil to ask questions about the prison casino.

In fact, he even called me once to ask if he had offended the fourth estate in some manner.

"It has been months since the press has been around to expose my gambling den," he complained. "I am getting lonely."

Neglected Warden

In view of the past history of exposes, it strikes me we have been treating Mr. Bernard's successor, Jack Fogliani, downright shabbily.

Except for a brief mention late last summer that business was falling off somewhat because of the large number of prisoners working at productive jobs, we haven't exposed it once since he became warden.

To make up for it, I will now report that the casino is still in business and enjoying a brisk winter trade at the crap, panguingui, blackjack, poker and 'Tonk' tables.

Moreover, I will disclose that the casino last Thursday enjoyed the patronage not only of the regular clientele (distinguishable by dungaree jackets cleverly embossed with white-stenciled numbers), but also of state officials and Carson City Kiwanis Club members (distinguishable by business suits, neckties and freshly-laundered white shirts.)

High Roller

The only Kiwanian or state official to be observed actually bucking the tiger was George Jolly, the Commissioner of Labor, who risked thirty cents on the blackjack table after Mr. Fogliani assured him the dealers were absolutely honest at cards, if not in other pursuits.

Mr. Jolly won the first hand, displaying a solid 20 to the dealer's 18, and was paid off in chips because hard cash, except during the rare visit of a labor commissioner, is banned in the casino.

Cheered on by fellow players, Mr. Jolly doubled down for the next hand and lost when the dealer hit his 15 with a queen.

Elsewhere in the casino, Emmett Munley, retiring chief enforcement officer of the Nevada Gaming Control Board, was watching the crap table sharply, trying to determine if the dealer's face was a familiar one.

He did not, however, take official notice of a number of violations of the state gaming laws and regulations, such as the absence of a Nevada gaming license.

We're All Guilty

This particular oversight on the part of the prison casino makes every one of us taxpayers guilty of a gross misdemeanor, I suppose, because we all theoretically own a chunk of the state lock-up.

The law governing the licensing of casinos reads, in part, "Any person who shall knowingly permit any gambling game, slot machine or device to be conducted, operated, dealt or carried on in any house or building or other premises owned by him, in whole or part, except by a person who is licensed . . . shall be guilty of a gross misdemeanor."

Another violation readily apparent is the fact the casino, despite the rules and regulations of the Nevada Gaming Commission, caters to, assists and employs, "persons of notorious or unsavory reputation, or who have extensive police records . . ."

On the plus side, one can say not only all employes, but all patrons as well, have their fingerprints on file with the authorities.

And the gaming is conducted in a location that is "easy to police."

End of expose.