

## by Stephen Fischer

Septemver 13, 1945

Folsom's Guest Cottages on US Highway 91, six miles south of Las Vegas, had been closed since 1941. Harold Folsom had died and his widow, Maggie, just couldn't run the place. On September 13, Maggie received a long distance phone call from an attorney named Greg Bautser, who lived in Los Angeles. Mr. Bautser told Maggie that he had a client who wanted to buy the Folsom Cottages including the dilapidated buildings and 30 acres of property. Bautser's client would pay all the back taxes due on the property and would put \$500 in Maggie's pocket.

That afternoon, Mr. Bautser flew to Las Vegas with his client and the \$500, met with the Folsom widow and, over lemonade, a deal was signed. The client was Morris Sedway, who was employed by Ben Siegel..

Little Moey, as he was called, held onto the Folsom property for less than two months. Following the ownership trail on this piece of property - Moe sold the land and cottages to his attorney, Greg Bautser. Greg was representing his client, Billy Wilkerson in the transaction. Wilkerson owned two successful Hollywood nightclubs, Ciro's and the Trocadero, and was sole owner of the Hollywood Reporter, the movie industry newspaper.

Now, again following the ownership of the property, Billy Wilkerson held the Folsom Cottage property for less than a day.

November 24, 1945

George Raft's home on Coldwater Canyon Drive in Beverly Hills. There was a dinner at George's house. After dinner, Benny Siegel asked Raft to leave, his house was being used to lay out the building of the Flamingo Club in Las Vegas. The Flamingo Club was going to be funded and owned by a new California Corporation to be known as the Nevada Projects Corporation. The company that would build the Flamingo Hotel in Las Vegas.

Benny Siegel had already met with his general contractor, Del Webb, and his architect and builder, George Russell and Dick Stadleman. The working number that Benny had in his head was going to be one million dollars for the project. One million dollars would be needed to build Ben Siegel's Flamingo Club. (The earliest references to the Flamingo Hotel, in the newspaper articles of 1944 and 1945, referred to it as the Club - It became the Flamingo Hotel for licensing purposes in late 1945.)

The meeting was the normalization of the Nevada Projects Corporation. It was funded and the Flamingo Hotel was about to come off the drawing board.



Ben Siegel and George Raft

A list of the shareholders in the Nevada Projects Corporation - and their holdings:

Ben Siegel 195 shares

Charlie Ross, Phoenix banker 100 shares

Allen Block 10 shares

Billy Wilkerson, Ben's working partner 125 shares

"Solly" Solloway, Married to Ben's sister

20 shares

Hy Abrams 22.5 shares

Joe Ross, Ben's Beverly Hills attorney 45 shares

Sam and Harry Rothberg, brothers and owners of American Distillers, one of the largest liquor distributors in the country 244 combined shares

Allen Smiley, a friend of Ben's (Smiley was sitting on the couch next to Ben when he was killed)
15 shares

Louis Pokross, fronting for 15 people in the New York mobs unknown number of shares

Morris Rosen – also from New York and fronting for Frank Costello in most of his business deals in the 1940's 100 shares

Meyer Lansky 100 shares

The same day the ground was broken for the Flamingo, Ben Siegel's wife, Esta, established residency at a guest ranch just outside Reno, Nevada. She had to be a Nevada resident for six weeks before she could file for uncontested divorce. (As an aside, in 1931 the Nevada legislature passed a series of measures that helped insulate the state from effects of the Depression, (these included

legal gambling, instant weddings and quick divorces, and legal prostitution). It was an amicable settlement. The two daughters would stay with Esta and Ben would pay for their schooling and expenses until they were married, \$350 per week plus school tuition. Esta would get the house that Ben purchased at 200 Delfern Drive in Hollywood, their New York apartment, Ben's Cadillac and would also receive \$600 per week for the rest of her life.

This was 1945, postwar 1945, and building materials were very hard come by. Apparently, however, this was not the case for the Nevada Projects Corporation. With the help of his partner, Billy Wilkerson, Siegel obtained lumber and pipe right from the movie studios. Wilkerson applied pressure to his friends in the studios, and before long, trucks from Culver City and Hollywood were crossing the desert loaded with lumber and pipe heading for the Flamingo Hotel's building site. Ben imported expensive marble and decorative woods for the Flamingo's lobby through the Mexican black market. (Conveniently, he was involved in the drug trade in Mexico and his Mexican partners paved the way for him).

Siegel had truck loads of celebrity and political friends. One of his best friends was Pat McCarren, (US Senator from the great State of Nevada). McCarren reprioritized the building needs list for projects going on in southern Nevada so that Ben and the Nevada Projects Corporation could receive the copper, fixtures and tiling they needed to get the Flamingo up and running by Christmas 1946.

There were protest meetings held in Las Vegas and Boulder City by the VFW and the Elks. (Their members were finding that they couldn't get any of the fixtures and building materials needed for their projects.) All the building material seemed to be going to that "Gangster 'Bugsy' Siegel's joint, the Flamingo!"

While the Flamingo Hotel was being built, Ben and his girlfriend, Virginia Hill, were living down the road at the Last Frontier. They had rented Suite 401 on a yearly basis. Each morning Ben would drive down to the Flamingo worksite and sign for the morning deliveries. He wanted to be totally involved in the Flamingo construction, but he didn't know about business, especially, the construction business. During the day many of those deliveries would disappear out the back gate. The next day the same items would be resold to Ben and the Flamingo. One truckload of lumber looks pretty much the same as every other truckload of lumber, right? Ben's lack of business acumen mixed with his volatile personality ultimately contributed to the fact that Flamingo Hotel really wasn't going to be ready by Christmas, 1946 ...

Regarding his quick-trigger temperament, most people gave Siegel a very wide berth. (Apparently his craziness was based on real-life insanity.) He was a powder keg and, once he exploded, there wasn't much that could be done to calm him down. Abe Schiller was the central figure in a public episode of Siegel's volatile personality. (I've read in a number of places that Schiller was entertainment director at the Flamingo Hotel, but no one probably mentioned that to Chuck Gaskill, the general manager and entertainment director for the 65day life of the Flamingo. Nor did anyone tell Jake Katleman, Bernie Van Der Steen or the Hall brothers, Joe and Vic, the owners of the El Rancho Vegas, who at the time were giving Abe Schiller a paycheck every week to be the promotional director over there! There are many different versions of the incident described below, but I believe this is the way it happened.

On March 1, 1947 the Flamingo Hotel reopened as the Fabulous Flamingo. The grand re-opening was held on a Saturday morning.

There was no fanfare, but the hotel's front doors were opened by the Andrews Sisters, Patty, Laverne and Maxine. All three gals mingled with the guests, as did Joan Crawford and the Ritz Brothers.

There was free food and free drinks plus hot dogs and hamburgers out by the pool. People were encouraged to "bring the kiddies." One of the families showing up at the grand re-opening was the Schillers, Abe, Doris and their three kids. Although Abe worked over at the El Rancho, he wanted to see what was so fabulous about the Fabulous Flamingo. He and the Missus and kids got their swimsuits and drove in from Henderson to try out the Fabulous Flamingo pool, and the free grub.

Ben had heard that Abe Schiller was encouraging his comedians, (especially Joe E. Lewis), to joke about "that gangster up the road, Bugsy Siegel."

Normally Ben Siegel didn't carry a piece. He had three regular bodyguards who watched his every step, but Ben knew that his days were numbered and that there was a contract out on him. So besides his three regular guns, he hired one of the top button men in the country to become his fourth bodyguard, a monster named "Hooky" Rothman.

To be on the safe side, Ben was also packing a piece. He and his entourage were walking by the pool when he saw Abe Schiller in a swimsuit. He exploded. He hated Schiller and anyone else who criticized his Flamingo, so he took out his gun and pistol-whipped Abe Schiller to the ground. Then in front of Abe's wife

and kids plus 200 or so Flamingo guests, Ben made Schiller crawl around the entire Flamingo pool. Ben was walking alongside him, kicking him and shooting over his head into the pool.

Hooky Rothman pulled out his piece and made damn sure no one stood up, or did anything else. The guests and the Schiller family watched in horror as Abe, bleeding from his pistol-whipping, continued to crawl around the pool. Only then did Ben let another of his bodyguards, "Fat Irish" Green, take him inside. But that all happened on March 1, 1947.

Let's go back to December 26, 1946 at the first grand opening...

Ben Siegel had three Las Vegas managers: Moey Sedway, Davie Berman and Solly Solloway. Again, Solloway was family, he had married Ben's sister.

The properties that Ben controlled were the Northern Club, he had actually purchased controlling interest for \$50,000 in 1944, and the Frontier Turf Club. Ben had just sold his interest in the El Cortez, and his partner, Meyer Lansky did the same. The horse book at the Golden Nugget was run by Ben's bodyguard, Fat Irish Green, (the same guy who helped Schiller at the pool). Hymie Segal, another bodyguard and no relation to Ben, was running the horse book at the Las Vegas Club.

Ben also had a piece of the El Rancho Vegas. His racing wire, the Trans America Service, operating out of Los Angeles, was in place in every single horse parlor in Las Vegas. (The competitive racing wire, the Continental Wire Service based in Chicago, was managed by a man named James Regan.) For a number of years there was open warfare between the two services. Even

though 1946 wasn't a great year for Ben Siegel, James Regan was cut in half with shotgun blasts in Chicago during the grand opening week of the Flamingo.

Ben's chief lieutenants were Little Moey Sedway, who controlled many of Ben's Las Vegas ventures plus his warehouse business is Los Angeles, and Gus Greenbaum, who was living in Phoenix and running the gambling business for Ben in Arizona.

In 1944 Ben bought a warehouse in Cerritos, California, along with his friend Alan Smiley. They called it the California Metals Company, and were buying millions of dollars worth of stolen iron and other metals at very reasonable prices, and then reselling them to the government. Moey Sedway was in charge of California Metals.

Sedway was beginning to make some decent money, but, apparently, he was getting too full of himself for Ben Siegel's liking. Ben had Moey physically thrown out the front door of the Flamingo Hotel and told him that he would be killed if he ever entered the Flamingo again.

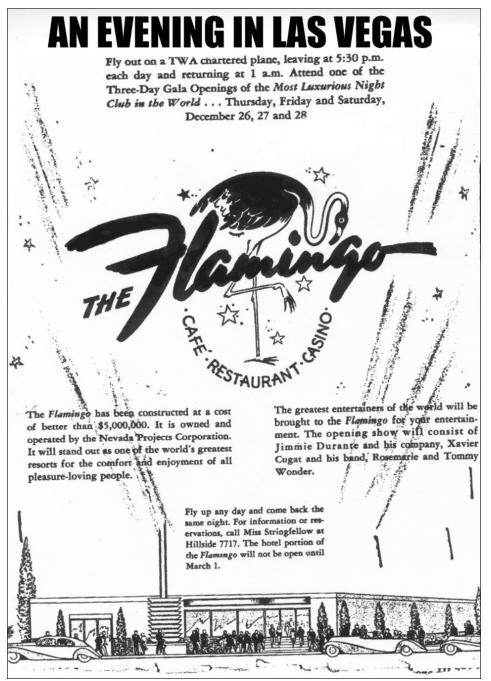
Very surprising because, for years, Moey Sedway was Ben Siegel's "Go-To" guy. If something needed doing, it was Moey who made sure it was done. If someone needed something from Ben, they had to clear it through Moey first. In a fit of rage and frustration, mostly aimed at the construction delays, Ben threw his number one ally out. But Moey Sedway did what many mobsters from around the country did, they reinvented themselves in Las Vegas and became respectable citizens. Then Moey went one step too far for Ben. He was asked to run for the Nevada State Assembly. Whether it was jealousy or not, Moey was definitely persona non-grata in Ben Siegel's world.

Moe Sedway was liked by almost everyone in the community. He got things done, to be sure, and he did them with style. He was on the board of aldermen of Clark County, being paid \$1 a year for his services. He was head of the United Jewish Appeal in Las Vegasand he was on the board of directors of the Clark County Library.

Ben Siegel was another story. The merchants downtown, and the small casino owners were aware that he was going to be taking over Las Vegas. He had already gotten points in every casino which had a horse book, and the writing was on the wall. Ben represented organized crime, and organized crime was something that Las Vegans didn't want. When the Flamingo Hotel was ready for its opening, a whisper campaign was conducted all over Las Vegas. Dealers, deskmen, bellhops, valets, waitresses and other hotel personnel were told to speak to guests and gamblers about staying away from "that gangster-ridden Flamingo..."

Local Las Vegans also began shying away from the Flamingo that opening week. In Hollywood, one by one, stars like Spencer Tracy and Katherine Hepburn, who had told Ben that they'd love to come up to the Flamingo for the grand opening, came up with an excuse. Clark Gable developed a head cold. Marlene Dietrich sprained her ankle, Gary Cooper said his mother was sick and he had to fly to Texas to see her. It seems everyone was pulling out of a commitment they'd made to show up at the grand opening.

The MGM movie stars were told by William Randolph Hearst, known to close friends as "W.R.", that if they valued their careers, they'd stay out of the Flamingo. MGM stars were banned from the hotel for months. One of he reasons that Hearst hated



Ben Siegel was Marian Davies. Hearst had information that Ben and Marian apparently had 30 or 40 onenight stands. This was just after Marian and "Daddy,", as she privately called W.R., had stopped seeing one another. Ben, among his other enterprises, also owned the Screen Extras Guild. He could and *did* hold up studios for extortion money or he would and *did* pull the "extras" off the shoot at a moment's notice. Hearst had a lot of friends in the movie business who hated Ben Siegel.

But the actors were not part of this group. Ben socialized with everyone in Hollywood. It was the studio heads who hated him, especially Hearst. W.R. let it be known that no motion picture star, especially those with MGM, was to show his or her face at the Flamingo, or else. Billy Wilkerson, Ben Siegel's original partner in the project, was still involved with the Flamingo. Wilkerson tried to promote the Flamingo among his movie-star patrons at Ciro's and the Trocadero, but with little success.

George Raft did recruit a number of his friends to the grand opening at the Flamingo Hotel, an event starring Rose Marie and Jimmy Durante.

Numerous articles have been written about the disastrous opening night at the Flamingo. Though Ben had hired twelve uniform guards to watch the patrons, many of the dealers were helping themselves to money. Luck was running against the house and two rival casino owners, Tutor Scherer and Beldon Katleman, both won nearly \$100,000. The decks and the dice were running cold. George Raft was the only well-known loser that first night, it's said he dropped \$75,000 at baccarat. But even with that net gain, the house was down nearly \$200,000 on its first night ...

The Flamingo Showroom was barely half filled. The great Durante played to fewer than 80 people on opening night. Ben had leased three TWA Constellation jets to fly the rich and famous guests from the Los Angeles area to Las Vegas, but the weather kept all of the planes grounded. The following night, December 27, was much worse. Rose Marie played to fewer than 20 people and Jimmy Durante said it was the smallest crowd he'd ever seen, even back to his saloon days. New Year's Eve was a little better, Lucille Ball and Desi Arnez were guests of the hotel, as was Georgie Jessel and Leo Carillo, better known as Pancho, the Cisco Kid's sidekick.

One of the problems was that the Flamingo Hotel wasn't really a hotel, It was a casino with a showroom and a coffee shop. It only had 90 rooms and they were constantly being worked on. Each of the rooms, per Ben Siegel's instructions, had its own private sewer system and furnishings were running at nearly \$11,000 per unit. Without hotel rooms to keep the guests on your property, they're going

to play for a while and then head back up to the El Rancho or the Frontier where they had paid \$5 for their room for the night, it was a long drive back to the Flamingo. "So how about if we play right here at the Last Frontier after dinner, Mildred?"

The Flamingo Hotel lost in the neighborhood of \$700,000 during the 65 days it remained opened. By the first of February, Ben had closed some areas of the casino, the Flamingo Showroom and the outside bar. The casino still had a blackjack table, one craps table and the slots on the east side of the casino. Those gamblers and vacationers who wanted to see the Flamingo and try their luck there were soon chased out by either the constant noise of hotel construction or the occasional very scary glimpse of Ben Siegel and his muscle, the four bodyguards scowling at everything walking through the casino. Dealers would cower hoping than Ben wouldn't stop at their table.

Enough was enough! On February 6, 1947, Ben Siegel told his two publicists, Paul Price in Los Angeles, and Hank Greenspun in Las Vegas, to prepare press releases that the Flamingo Hotel was temporarily closing but would reopen as the Fabulous Flamingo within the month, billed as the World's Most Glamorous Hotel!

The Fabulous Flamingo did open within the month, on Saturday, March 1, 1947. The Andrew Sisters and the Ritz Brothers, two of the hottest acts in the country, were booked to open. And, as they say, the rest is history. In retrospect, I think many Las Vegas historians would agree that were it not for "Bugsy" Siegel, there possibly might not have been a Las Vegas.

Regarding the murder itself: Ben was 41 years-old the evening he was shot. He had gone out to dinner with his friend and partner, Allen Smiley.

(Smiley was Russian, something that's not often reported). They went to Jack's on the Beach in Santa Monica then came back to Virginia Hill's mansion at 810 North Linden Drive in Beverly Hills. Ben was on the couch reading the newspaper when someone fired a 30-caliber army carbine rifle nine times through an outside window. Four bullets hit Ben. (Apparently the first shot hit him in his eye, it was found on the fireplace hearth across the room.) Of the four hits, two were head shots and two were body shots. According to the police report of the shooting, the distance from the window to where Ben was sitting was "between 4 and 4.5 feet."

There are many theories on who killed Ben Siegel. It's generally agreed that his death sentence was voted on during the Mafia meeting on December 26, 1946 held on the penthouse roof of the Hotel Nacional de Cuba. Do you remember the scene in the second Godfather movie where Hyman Roth is showing off his birthday cake to everyone while Michael Corleone and the rest of his group are soaking up the Havana sun?

To this point we've covered the Flamingo from its beginning to the evening of June 20, 1947. On this day Ben Siegel was gunned down at about 10:40 p.m. Two hours later, at about midnight, Little Moey Sedway and



Morris Rosen walked into the executive offices of the Fabulous Flamingo as the new bosses. The very next day there was a meeting of the stockholders at the Flamingo. Attending the new Flamingo owner's meeting were: Joey Ross, Beverly Hills (an attorney representing Ben Siegel's interests), Meyer Lansky, New York and Havana (de-facto chairman of the group), Morris Rosen, New York and Las Vegas (representing the mob and the Fabulous Flamingo), Gus Greenbaum, Phoenix and Las Vegas (Ben Siegel's #1 man in Phoenix and #2 man in Las Vegas), Moey Sedway, Las Vegas, Joe Epstein, Chicago (a mob lawyer)

If you take a look at the cities that these men traveled from, and then realize that this meeting took place less than 24 hours after Ben's death, there has always been speculation that this group was already in Las Vegas when Ben was shot.

After the discussion about the future of the Flamingo without Ben, Lansky and the Flamingo board of directors took a break. They went downstairs to the Flamingo Sunrise Chuckwagon, (all you can eat for only 99¢ per person), then they began interviewing two potential groups to manage the Fabulous Flamingo.

Charlie Resnick, Sanford Adler and Israel "Icepick Willie" Alderman were invited in to discuss the Flamingo. Their resumes: Charlie Resnick, a 33% owner of the El Rancho Vegas in 1947. Sanford Adler. Back in June 1947, when this meeting took place, Sandy Adler was one of the owners of El Rancho Vegas. In later years Adler became famous as the casino boss at Caesar's who pulled a gun on Frank Sinatra during a fistfight they were having at the \$100 minimum craps table. Sandy was a tough no-nonsense guy. How many people do you imagine would

get into a fight in Las Vegas with Sinatra and then pull a gun on him? Sandy Adler, like other casino owners, didn't back down easily. Israel "Icepick Willie" Alderman. Willie hailed from the Twin Cities of Minneapolis and St. Paul. It was said if you got Icepick Willie drunk enough, he loved to share his story about the "even dozen" guys who got in his way and never lived to tell about it. His nickname came from the signature method of ending discussions known as the quick icepick lunge. It seems if you quickly jam an icepick into someone's ear, death is instantaneous and quiet. It looks like the person has just fallen asleep. After he left the Twin Cities there were very few of these unsolved murders with that particular signature around any more. But some did show up in Las Vegas in the late 1930s and early 1940s.

Charlie, Sandy and Icepick made their presentation, thanked Meyer for his time, and left. The next group making their bid for the Flamingo management included Davie Berman, a friend and assistant to Gus Greenbaum, Al Abrams, who ran one of the big legal brothels just outside Las Vegas, and Sam Diamond, a Bigtime bookmaker.

The decision that Meyer Lansky and the other Flamingo owners arrived at was they wanted Sanford Adler to be their new front man, their man in the counting room. The "skim" was the main reason for the mob's intense interest in the new ownership.

Sandy Adler bought the Fabulous Flamingo along with his partner, Charlie Resnick. Icepick Willie only had a small piece of the ownership. Sandy and Charlie were both current owners of the El Rancho at this time, and they were looking to expand because the El Rancho was beginning

to "slide" a little. Remember, this was 1947, the year before Beldon Katleman came into the El Rancho Vegas scene.

A final price of \$3,900,000 was agreed to. Sandy Adler and Charlie Resnick only had to put down \$550,000 to secure the purchase.

Sandy and Mrs. Adler moved into the "owner's suite" at the Flamingo on June 21, 1947. (The owner's suite was formerly Ben's.) It was the steellined penthouse on the third floor of the Oregon Building, the one always pictured behind the Flamingo swimming pool. The building came with escape tunnels, buried floor safes and all-bulletproof windows.

Sandy, Charlie and Icepick, and Mrs. Sandy, Mrs. Charlie and Mrs. Icepick, were enjoying the perks of being casino owners. In 1947 Las Vegas was a still a pretty small town. And being a casino owner, or being the wife of a casino owner, was pretty big juice. You got to socialize with the upper crust of Las Vegas society. It meant when BMI, Basic Magnesium, Incorporated, was having one of their formal balls and dances at the country club, you got invited. Or when the Cashmans or the Squires were having couples over for dinner, you got an invitation. Can you imagine how Mrs. Icepick Alderman felt when she got an invitation from Mrs. Tom Hull to attend afternoon tea at the Last Frontier to meet the guest of honor, Mrs. Eleanor Roosevelt? This was real heady stuff.

As far as Sandy Adler himself goes, it sure was fun owning a hotel like the Flamingo. More benefits than you could possibly imagine, most can't even be discussed here. All in all, it was a happy time for all the owners and their wives. Only the real owners of the hotel, Meyer Lansky and Company, weren't at all happy. In the

short time period since Ben Siegel was killed, the Flamingo still wasn't making money. Meyer's daily question was: "Who ever heard of a casino not making money?"

Sanford, Charlie and Icepick knew the Flamingo wasn't making money in the nine months since they took over. So, one day in April 1948, Sandy Alder got a call from Jake Lansky, Meyer's brother.

Sandy Adler: "Hello?"

Jake Lamsky: "Sandy? This is Jake. Meyer sends his regards and says he wants for you to sell your interest in the Flamingo back to him. OK, Sandy?"

Sandy Adler: "What? No way am I gonna' sell out of the Flamingo. You tell Meyer that our luck's been running a little cold, but it's about to turn around."

Jake Lansky: "Oh! and Sandy? I was also told to tell you that you and your partners are going to have your throats cut and buried out in the desert if you don't sell out right now. And Sandy? Give my best to the wife and kids."

Again, Sanford and the boys were very happy owning the Flamingo. They all agreed: "No way are we gonna' let them kick us out. No way!" Sanford and Charlie Resnick, and their junior partner Icepick, decided to talk to the "law." Actually, it was the Nevada State Taxing Authority who controlled casino licenses in the 1950s. They told the tax boys that they were being "elbowed out" by the mob.

All three of them flew to Carson City to meet with the Nevada taxing guys. The tax guys kind of agreed with them, they shouldn't be kicked out of the Flamingo if they didn't want to go. So it very quickly became public knowledge that the "supposed" ownership of the Fabulous Flamingo and the "real" ownership of the

Fabulous Flamingo probably weren't one in the same. That was something that the Nevada Tax Commission found very interesting. Even you and I know that when you take the mob's money and get into bed with them, you're not supposed to go crying to the law about it. Unless you're ready to go into hiding, that is.

But Sandy Adler made a mistake. After his trip to Carson City, he went back to the Flamingo. When he was walking past the reception desk in the lobby, he ran into Morris Rosen and a couple of his gorillas. Moe Rosen snarled at Adler and said: "We talk – Now!" Sandy Adler was quoted as telling Moe Rosen to "Go f\_\_\_ yourself". To the horror of guests in the Flamingo lobby, Sandy Adler was restrained by two mobsters while two others beat him unconscious.

Adler woke in up 10 hours later in the hospital and came to his senses. He realized what he'd just done. He was released from the hospital and Sandy and Mrs. Adler immediately drove to Beverly Hills. There Sandy stopped at the Beverly Hills Police Department and explained the entire situation to his friend Clint Anderson,

Chief of Police. Chief Anderson told him it probably wouldn't be safe for him to move to Beverly Hills. So the Adlers moved to Reno and, with the help of their attorney on the very day they arrived in town, they sold 100% of their stock in the Flamingo Hotel.

The very next day, Gus Greenbaum was named president of the Flamingo.

The day that Sandy Adler was selected, he hired Abe Schiller from the El Rancho Vegas to start work as the Flamingo's new publicity and advertising director. That same day, Hank Greenspun, Ben Siegel's long-time publicist, resigned his position as the Flamingo's publicity and advertising director.

Greenspun went to work for a small Las Vegas weekly newspaper, then joined Wilbur Clark for several years while the Desert Inn was in its planning stages. He eventually ended up at the Las Vegas Sun, working his way up to publisher.

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Virginia Hill's mansion.