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GUNS
ORGANIZED CRIME
KNAPP, JACK
MEXICO, RACKETEERING AND SUBVERISVIE ACTIVITIES
GUTHRIE, STEVE

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The first seven recordings of this meeting are not transcribed in detail inasmuch as they are not pertinent to this matter but the following brief is set out.

*Meeting betw. P.R. Jones, Guthrie,
Butler on 11/1/46 at
home of Guthrie*

Record 1

Discussion of the new home which GUTHRIE has purchased at cost of \$11,500.00. JONES stated that he had built a house on Blanch Circle which home cost him \$6,500. It is to be noted that this home was purchased from Pollard-Simmons.

Record 2

Discussion of GUTHRIE's German Shepherd dog 2½ months old.

Record 3

JONES discussion of the power of money relating that a few years ago \$50 a week was good money but now was nothing.

Record 4

GUTHRIE stated that he had chance to buy a .357 Magnum revolver and he described to JONES the penetrating power of the weapon stating it would shoot completely through a Packard automobile. PAUL advised GUTHRIE not to buy any kind of gun. He stated friends will give him guns and guns he will confiscate at the Sheriff's Office will more than satisfy his needs. JONES discusses the relative merits of various firearms stating that in his estimation a 32.20 is a gun he believes best suited for his purpose as it will penetrate a bullet-proof vest, however, JONES stated this gun had no shocking power, that it would go through a man and not do much damage. He advised GUTHRIE to carry a firearm with the most shocking force. PAUL says his gun is a Colt.45 automatic with hammer and trigger guard sawed off.

Record 5

He described this gun as being loaded with a clip containing three shells, which clip holds the ejected cartridge case after the bullet has been fired. He relates that this gun is extremely handy inasmuch as it is difficult on a rainy night to crawl around on your hand and knees looking for ejected cartridge cases. He states he knows a man who smuggled in 100 guns from Germany and they are perfect. JONES stated that he never hit a man with a gun in his life and never wants to be hit by one. The only time he had ever taken a gun from his pocket, or would ever take it from his pocket would be for one purpose and that would be to kill someone. A gun to him is a weapon only to be used for murder.

CHICAGO CRIME COMMISSION

5/13/58 - 1cc to Mr. Kelly - McClellan Brown

MAR 29 1951

NOTE TO _____ FILE _____

Record 6

JONES relates again, my people do not like automatic guns because they eject the shells. If you ever stop in the rain on a dark night and try to pick those things up you will understand what I mean. GUTHRIE ask PAUL if that was a voice of experience speaking, to which he made no reply.

Record 7

Further discussion by JONES, BUTLER, and GUTHRIE of the value of a .357 Magnum and Jones agrees he will give both GUTHRIE and BUTLER a magnum which he will purchase on his trip to Chicago in a few days.

GUTHRIE: Dallas, Texas is the hottest spot in the country and George knows it. I don't have to tell George. I'll bet Dallas is the hottest spot in the United States today, the hottest spot. Not only that, but -----

JONES: Why is it hot?

G. Because they let this vice get out of control. I know there is going to be dice games, bookie joints, and ---

J. Why not control it?

G. That's what they should have done, but they let it get out and the only way to control it is this way now, -----

J. It can be controlled.

G. I'll tell you what Paul. I don't have to tell you who Bennie Binion is, who Ivy Miller is or Dalton, and you know all the big boys in the racket here in this syndicate. Binion takes off one million flat dollars a year, one flat million. On policy alone.

J. What does he get -----

G. Probably two thousand dollars a week peak.

J. They offered the thing to me when the blow up came and Binion and all of them got scared when some of these people were identified here in town, right after Minyard was hit and they came to me and offered me the thing for \$5000 dollars a week. I told them if the town wasn't worth more than \$5000 a week I didn't want it.

- G. Why, that's chicken feed.
- J. They said well, we'll let you have everything for \$5000 a week. I said I don't want it for \$5000 a week. They said how about \$4000. I said you are going the wrong way. I said because you can't do for money what I would want you to do or you would want a hell of a lot more than \$5000 a week.
- G. Well, -----
- J. Because I can show you. I know what they make and that is the reason you laugh about it.
- G. I know it is.
- J. Because they hang out with each other. I can show you Binion and Caudin in the Century room together.
- G. You mean Dean Caudin the District Attorney goes with Binion the big gambler. Would I be seen on the street with that Bastard; would I be seen on the street with one of those Son-of-a-bitches, Hell no. Here is the deal Paul. Everybody knows the city, the Mayor I guess, the Sheriff's Office I don't know I guess that they are paid off, we know they are paid off but what I want to know is this, how in the Hell they get all the way to Austin and get a pay off down there. You can't pay off a Ranger.
- J. No they tell me they are pretty good.
- G. I have turned down a pretty good offer. I told you what I turned down. Look who I would be bucking, I would be bucking Will Wilson, District Attorney, Conzaullas the Ranger, I would be bucking everybody. How could I get on a ticket like that without knowing something. How in the Hell would I know.
- J. I'll show you how you can do that. Here's what I propose. As I told Mr. Butler, we are not interested in you for two years. I'll tell how we can control Binion. I'll show you. There would be no trial. We won't have to shoot nobody and you won't have to shoot nobody.
- G. Well, now that shooting in Dallas county. I'll tell you right now, I'm fed up with that shooting. I don't care if a man is a gambler he don't have any right to be shot up.
- J. We don't shoot nobody. We don't shoot nobody. There won't be no shooting.
- J. We're not going to bring no more people in here. We need no more than we already have. I propose to use this man as example because he says he is a good friend of yours. During the campaign he came

to me and asked me to support you and he told me he was a very good friend of yours and asked me to make a statement concerning a little action Smoot Schmid took to get a little publicity. He took some pictures and put in the paper saying we ran them out of town, done run them out of town; Benny Goodwin ran them out of town.

G. A publicity stunt for his campaign.

J. I raised hell about it, and this friend of yours said will you tell a couple of people about it. I said not only will I tell them but I'm going to tell the Federal Judge about it. Before I go any further you tell me whether he is a good friend of yours, CHICK LANCASTER.

G. Chick is a fair friend of mine. I went to school with him. Played football with him. We were good friends and Chicago was a good boy.

P. There is no shooting. No shooting. But here is what I want to do, just like we opened in Charleston, West Virginia the first of the month. Same set up that I propose to you. We operate all over the country, understand.

G. Didn't you all take New Orleans.

J. We put Morrison in town there and paid his father-in-law and supported him in Mexico City.

G. His dad has control of something big in Mexico City doesn't he?

J. That's right.

G. Is that Dean Morrison.

J. Yes.

G. Is he the Chief of Police of ----- no he is Mayor of New Orleans isn't he.

J. That's right. In Mexico City we did something even Capone failed to do. I went down there and there was a little heat on, and I wanted to go to Mexico City for vacation. I met people I had never been able to meet before. If you will live like they live and become one of them, I will grant you they offer you anything. Friendship, that's what I like. I'll show you a card from Chief of Federal Police in Mexico. It's in Spanish. He is Chief of the Federal Highway Patrol. He let me haul anything in Mexico and let me alone.

- G. Is he a German Paul. You don't have to answer this if you don't want to. Isn't any Bastard Communist or Nazis or those crappie guys tied to this deal are they.
- J. With me? No.
- G. I fought for this country and if I take anything or make any deal with anybody ----
- J. Look, you want me to tell you something. We have had more men in service than any one company in the United States. You know Fritz always wanted Marty Ochs but could never find him because he had no criminal record. You know the thing I am burned up about is these people that sit and holler about the Chicago hoodlums. The last three had never been arrested before in their life. I was the only one in the group, two were Masons and Shriners and the other a 22 year old kid. They were held in jail two days and two nights without even being asked their names. When the lawyer came in with writs they released them and ran them out of town, that is they took their pictures and said they ran them out, and I am raising Hell because they didn't have any record.
- G. Who is Tamayo?
- J. He is chief of the Federal Highway Patrol.
- G. I can speak Spanish a little. Eugenia Amellie Tamayo. If you can pronounce that after I spell it I'll kiss your nose.
- J. Tamayo.
- G. If you think this guy is not a German listen to this name. "Maus", who in the Hell is he.
- J. He used to be plant superintendent.
- G. Zassenhaus, that is a pure dee German.
- J. Here it is John Watterman, New Orleans, Walnut 4768.
- G. Casino, I've heard the name.
- J. Mayor's private telephone number, Boco 10 (other numbers not identifiable), Watterman don't live there, he lives in Mexico City. Well I'll tell you what. There was a lot of trouble started down there when Luck Luciano came out. He left Italy headed for Kentucky.

- G. He's still there isn't he?
- J. We didn't help bring Lucky Luciano to Mexico although U. S. Immigration gets the idea that we are responsible for Luciano coming here so they tried to put the heat on us. The Trade Department came down and I had a long talk with them. I explained to them, I told them I'll take your people and show you what our interest is. We operate nearly 100% legitimately. We have a distillery in Mexico. We control nearly 80% of the textile industry.
- G. Are you all the ones that have a controlling interest in the Ice Cream business in Mexico?
- J. We have nearly all the ice cream business in Mexico.
- G. I heard something about that, let's see, if they wouldn't buy their milk from somebody, somebody didn't get something.
- J. Didn't get the machines. We had the machines that made the ice cream.
- J. You don't have to pick him up, we pick him up. Or if anybody robs a filling station in a district, we control. There are districts you do and districts you don't.
- G. Oh, sure.
- J. We understand that. We do that ourselves because if we have a man in office who is co-operating with us it is to our advantage to re-elect him. We have got to keep him in office. We've got to protect him.
- G. Monterrey.
- J. Monterrey, Mexico.
- G. How do you pronounce this, Sutcliff.
- J. Sutcliff, he is an Englishman. That is the name of our company down there, the Textile Company.
- G. Are they Englishmen or -----
- J. All Mexican.
- G. This is a comfortable chair.

- G. Do you remember one of the fellows who was in your line-up at Dallas. You remember Breakstone. Here George you can tell me. Supposing, and you damn good and well who controls Dallas now, supposing Binnie Binion and all this bunch, you know they control it, and suppose somebody else comes in here and they happen to buy me off or not buy me off but happen to take care of me, what's going to happen to Binion and them. They are going to do lots of shooting.
- B. There ain't going to be no shooting.
- J. Hell, there would have to be.
- B. In friction like that Paul -----
- J. In the first place those people are pretty smart and in the second place they are not as rough as they claim to be. Don't let nobody ever kid you that he wants to invite trouble. Don't nobody want to invite trouble. Now let me tell you something. It is like a lawyer that came to me one time and said he wanted to advise me that there might be some trouble. He says course I want you to know that if you get into any trouble I'm a lawyer and if any of your boys get into any trouble I'll help defend them. I knew he sent for me and I told him that you go back and tell them "that for every hair that is harmed on the head of my people I will put 10 stiff's in your door every morning. Every morning there will be 10 stiff's packed in your door." You can go back and tell them that. He operate awfully funny. In first place we are armed. We are honest. People cannot understand that. We are very very honest. I mean, in other words suppose Butler is with us and we sent him somewhere to see somebody. He tells me who he is to see and who he sees. If anything happens to him we go to see and get the person whom we went to see. Suppose we sent him somewhere to take some money and he don't come back with the money. It may take one month or 6 months but we will eventually know what happened to Butler and what happened to the money, and if Butler was in the wrong, that's all, but if Butler was in the right we will see that Butler's people are taken care of and the people who were on Butler are taken care of. Let me tell you something. Let me show you how we operate as a syndicate. We O.K. a lot of people, people who are in no way at all connected with us. They come to us wanting to know if we will OK them operating place. We investigate them and if OK we let them operate for a piece of the operation. We OK'd Lipski down here. We did not OK him for some things that he said he would like to do and as soon as we knew those things we immediately took our OK off Lipski and ran Lipski out of here.
- B. I though Lipski was the head chief.

- J. You know how we get mixed up with Lipski. He was a dairyman in Chicago. Lipski started the Farmers Co-operative Association and he wanted the Dairyman Union, of which we are interested in, and he wanted us to OK him and his Cooperative Union. After while Lipski left the Dairy business and left us. He went into the black market whiskey business with a fellow named Louis Isharo (phonetic) and they made about one million dollars quick. Lipski and Isharo bought the Lockheed factory in Los Angeles. The Internal Revenue moves in on him and he loses everything. Lipski goes to Nick DeJohns and said I am broke. I want to leave Chicago and would like a little help. He had never been to Dallas, Texas in his life. I got him a room and he came to Dallas and just drove around and told me he would like the liquor. Wanted to know the law on beer here. He said he had an opening for 5,000 gallons of bonded whiskey in kegs.
- G. 5,000.
- J. Yes, he said I would like to have a store to put it through. I said what's the deal. He told me. He said I have already talked to Nick. I said why don't you go back to Chicago and talk to Nick and I'll call Nick and tel him you'll be down. We opened a store, then a bigger store as the first one wasn't big enough. He said send me two clerks from Chicago. I ask why he didn't hire local clerks and he said he had rather have somebody he knew and could trust. I said OK. He sent 2 fellows whom I did not know. He told them to come to me. They called me and told me they were in room so and so at the Adolphus, so I went down to see them. I look at them and they tell me that Lipski sent them down. They continued living at the Adolphus. Next time I talk to Nick I told him these 2 liquor clerks sent from Chicago were still living at the Adolphus, eating at big places, and opened charge account at Neimans. I said how about it, a little high isn't it. He said move them. I moved them to the Scott Hotel. They didn't like it. One of them said that is a hell of a way to treat me after what my dad did for you. What your dad did for me. He said, yes. I said, who is your dad. He said Dago Mangano. I said sure your dad was a good friend of mine, but what are you and Jimmie doing clerking in a liquor store. He said, clerking in a liquor store, we are going to take over all the whiskey places with Lipski. I call Nick and said come to Dallas and bring Lipski with you. They came that night. I said before I tell you anything I said tell Nick what you told me. He said sure I will tell him. We are going to take over all the retail whiskey stores in Dallas with Lipski, Marty Ochs, Jimmie (the) Bee. Nick says, Lipski, you are out of the whiskey business in Texas. "you are out". I want that store closed down as quickly as possible, liquidated, and you and Jimmie come on back to Chicago. When you arrested them there wasn't a bottle of whiskey in the store.
- G. But they had their orders in.

- J. I want to explain how that happened, because that stinks to high heaven. Lipski said he was going to lose lots of money liquidating the store. He said he would stay here if Nick would let him. Nick said Paul is there anything you can do with him. I said there is a distributorship that can be bought. Lipski said I'll buy it. I said where are you going to get your \$70,000. He said I'll get it from Paul. Paul's night Club, Chicago. Sgt. Akard from the Chicago Police brought \$60,000 and he bought one half interest in Southwestern Amusement Co.
- G. Is Lou Schneider one of his men.
- J. Yes, Lou was one of his men but Lou came later, he was in the Army at this time. Lou says to me I want to operate in Dallas. Lipski says to me, look I'll guy in in Dallas. I say, now Marcus if you want to get in Dallas I'll go to Chicago with you and we'll sit down with the man in Chicago and get their OK. After we did this they said, look Paul whatever you say is OK, we'll hold you responsible you've been at Dallas 6 years and you know how things are.
- G. Paul I thought you were a Dallas man.
- J. No I have been here 6 years.
- G. Are you from Chicago?
- J. Yes, but I have lived here 6 years. My people are from Texas; my cousin is a mechanical engineer in Gainesville. The Chicago people said they would hold me responsible for Lipski's activities in Texas. Lipski says, Paul here is what I want to do. I want to take over all slot machines. I say, all right you tell me how you want to do and we'll see what we can do. Lipski says to me, Paul we'll grab Minion, Miller, Dalton, and Bennie Bickers, those four, and park them in a car in front of the police station. *dead.* I put a stop to that. I'm not going to spend the rest of my life in the "stir". I told him that I have lived with these people, I have worked with them and played with them and I think I know their reaction. That would be the wrong thing to do. In the first place you're not going to take them over. If the opportunity ever presents itself I'll take them over, not you. We argued for several days. He said well Paul what about the slot machines, how about me taking over all them. I said all right I'll give you the slot machines but you are going to have to buy them and at their terms. I'll get them all together and find out how much money it will take if they want to sell. So I bought out the slot machines and juke boxes in Shreveport, Monroe, Ruston, Louisiana, Ft. Smith, Arkansas, Mineral Wells and first oen place and another. I then left for Mexico City and Nick called me in Mexico City and told me to come to Dallas. He had gotten some reports from Dallas and they weren't very good. So I came back and the first

person I ran into was Danny Lardino. So I called Mark. I said Mark I want you to come out to see me, what are you going with Danny Lardino down here? He said Danny Lardino is with me. I said, Danny Lardino is with you, what are you trying to do show power down here. He said, why not, why not. He said, I have all the slot machines and juke boxes down here and will as in New Orleans, why not show a little power down here. I said I am going to show you a little power Mark. I pick up telephone in his presence and I called Nick and I told Nick, I want Mark and "everybody" connected with him out, not only in Dallas but in the South. I want them out quick. Just so there won't be any trouble and that they pack and pack quickly you had better send me some men down here. Nick says who do you want Paul and I say so and so and so and so. Mark says no Paul, wait Paul, wait Paul, I'll bet out. I said to Nick, wait a minute Nick maybe it won't be necessary. Nick said he would call Danny Lardino's brother to have Danny to return to Chicago immediately. So they called all Mark's people back home.

G. Is that why they left town?

J.ONES That's when they left town. Here's what happened to me. My people called me and told me to come here and straighten out this matter. I called Captain Fritz when I came into town, and I found out that everybody had been picked up and questioned and I ask them what they had done. They said nothing Paul, we ain't done nothing. I said to Lipski, what have you been doing. Nothing, not a thing Paul. I said if you are not doing nothing there is not going to be any trouble. But I found he was trying to buy a big building in town they were building for him across from the Ranger Hotel where he was going to open a big bookie house. I told him, I said, look, you are going "back", so I called Fritz, Dallas Police Department. Now this is the thing I hold against Fritz, because Fritz don't need to treat me like a kid. One time Bill Decker called my lawyer and my lawyer called me in Havana, Cuba and said, Paul, Bill Decker wants to talk to you. I caught the first plane out and went to see Bill. That's the way we work. I don't care who you want of my people regardless of where he is he will come in immediately. I called Captain Fritz. I said, Captain Fritz this is Paul Jones. He said, yes how are you. I am a little tired I just flew in. I said Captain Fritz I want to talk to you. He said yes Paul come on down. I said OK I'll be down in a few minutes. I go down and he says sit down. While I am waiting there I kept waiting and waiting and pretty soon I say Captain what is this a small time frame. Pretty soon he says come on in here Paul. He takes me in another room and locks me up and goes out and picks up everybody in town and throws them in jail. We stay in jail until my attorney goes to Lake Dallas and gets the judge to sign a writ to get us out early Sunday morning, and Fritz hasn't talked to me yet.

G. That's pretty damn cheap.

- J. This is what I wanted to tell Fritz. Look Fritz we OK'd some people down here and made a mistake, it was the understanding that they were not to bother anybody and did not want anything other than business they were already in. I'll have them all out of town in a couple of days. I'll send them back to Chicago. I am sorry it happened and promise it will not happen again.
- B. Who did they put in Paul.
- J. Weinberg, Labriola, Breakstone, Hou Schneider, Jimmy Barcella and some others.
- G. Is Schneider still living?
- J. Yes.
- G. I heard he got knocked off.
- J. No, one of Lipski's boys, Conklin, in Houston. Yes it was Conklin. Here is what Conklin tried to do. He went back to Houston and tried to cross us. He beat it from here to Houston. Here is my idea that I am very much interested in. I am going to ask a question. Are you opposed to Joe Cunningham being my lawyer?
- G. I don't know I would have to think it over.
- J. Let me tell you this ----
- G. I like Joe Cunningham.
- J. If I told you Joe Cunningham was my lawyer would Joe Cunningham have your whole-hearted interest.
- G. Well, before you go any further let me tell you something first. I have been a poor man all my life. I know there is going to be gambling in Dallas. I'm not going to be a fool, I don't care who I play ball with regardless of who it is I am not going to be anybody's fool, but T. K. Irwin and Joe Cunningham offered me the measley sum of \$7,500 to buy me out of this race when it is worth one half million dollars a year to a man if he plays it right and I know it. I know what Smoot Schmid has been paid, and I know what Bill Decker has been paid. I don't know exactly what they have been paid but if he wanted me to get out why didn't he offer me some money.
- J. I mention Joe Cunningham because I trust Joe Cunningham to the (nth) degree.

G. Well I wouldn't trust anybody in that office if they just offered me \$7500.

J. Here is my proposition to you. You pick a man, a local man, we will put him in business. We will rent him a building but we will finance it. He will put in some juke boxes, some marble tables, some slot machines. He will get him a mechanic and a pick-up truck. He will start hustling getting him some locations, legitimately, no muscles attached. Somebody that you trust. If you trust him, I trust him. We will furnish him all the slot machines, marble tables, punch boards, etc., we will operate and there will be only one gambling house in the COUNTY.

G. And you will open the Southland and the Blue Bonnet and ----

J. Wait a minute, let me finish. I am talking about when you take office.

T. The county is all you have; you can't mess with the city to begin with.

G. That's what you think

J. Well, I mean to be a good sheriff.

G. Now wait a minute. To be a good sheriff I am over every man in Dallas. I can come in any time I want to.

J. No, but wait a minute. But if you do without having it properly set up everything is going down and nobody will be coming up.

G. In other words, I can close town, I mean the whole town.

J. Yet, you cannot OK somebody to run the town.

G. You are right there it has to come from other sources.

J. Let me get the other sources before you start anything in town. I am going to show you how to get the other sources. Let's just think in terms of the county now. We will immediately open a club. We'll use local men.

G. You want bring in any Chicago men.

J. I will have only one man there who is capable of stopping the money. But he looks like a preacher, he is quite, he is not a Dago, he is not a Jew, and even your man won't know who he is. But he will be there every night shooting dice. He'll lose. He'll win. He'll lose and he'll win. He protects the game.

G. While we are on this subject I want to get a few things straight. I am a young man at this thing. You know the church people put me on. You know yourself that nobody was behind me. What would they say if I opened up a joint out in the county.

J. You're not going to open the joint.

G. Well I mean if a joint is opened. What about Gonzauillas, he'll can my ass off.

J. You have nothing to do with this joint.

G. I know, I won't even know it is out there.

J: The man that you get, this local man, has a place of business, regular business. He will hire local men to run it. In other words I know local men like Bob Fletcher, Tom Cooley, Sherman Little. They will go with me tonight. See what I mean, they are all local men. They will be the ones that are running it, yet your man will handle the money. All I am going to have out there is a man to protect the game to see that the "deals" don't throw the money away. Your man is there to handle the money, and I am going to have a man there to protect him because he is not going to be smart enough, because all he can do is to keep somebody from taking it out of his pocket. And if Jerry New Yorker, Clint Matheson or some of those boys come in, and they will be in with a couple of hundred thousand in their pocket to shoot at you, you want to be able to protect yourself.

G: I think that is out of the question as to the county.

J/ Why?

G: Well you know why, they haven't had it so far.

J: Why?

G: The damn state would get on their ass, man/

J: Why doesn't the state get on "Top of the Hill".

G: Because Amel Carter takes care of that I imagine. You take Gonnzaulles. I don't know whether he has anything to do with this or not but he is rough.

J: They take care of Gonzaulles in the City why not in the county.

G: Yes, but do they take care of him in the city, do they?

- G: Here is what I am trying to get straight. You know you are my friend. I can trust you. How in the Hell are we going to open a place when there hasn't been a place in the county.
- J: That is one reason why the syndicate has no complaint to make, that is why I want to open in the county.
- B: The County, virgin territory.
- G: I know it is virgin territory.
- J: I am not stepping on no bodys toes if we open in the county.
- G: Oh, shit man, you don't know. I am telling you boy, I am scared of thos Rangers. They can get me.
- J: How?
- G: They say, Guthrie, come here we are going out here and put a pad-lock on this joint. Then there goes all the money.
- J: All right, suppose they come out and are caused to close the place. Before they do that, before they come in don't you think it would be smart for you to raid the place once in a while.
- G: But Paul you can't get by those boys. They slip in here without anybody knowing it.
- J: Well maybe if the Rangers get too active, maybe they might be transferred to El Paso or some place like that for their health.
- G: How about Gonzales?
- J: Gonzaulles gets along here allright. He has not bothered anybody. Has he bothered anybody?
- G: Well I don't know that he has bothered anybody but I know he is here 24 hours a day, six days a week.
- J: There is only one man I am not sure of and that is Will Wilson.
- G: Well, I tell you one thing, Will is rough.
- J: I would like to know how we can handle Will Wilson.
- G: Well he is a little rough, Paul.

- J. Your man handles all the money. He hires the people he wants to work. All I can do is give him the facts from the background. I'll advise him. No body is going to know that I am going to have anything to do with it. I am going to show him how to make money. We are going to finance everything 100%.
- G. All right you say you are going to finance everything 100%, how much are you going to put out for Will Wilson?
- J. I would offer Will Wilson _____
- G. I mean an initial proposition. He has got a little money.
- J. I would offer Will Wilson a percentage.
- G. No initial?
- J. No, I'll tell you why. I want you people to see how it is. You have no idea what your take would be, because here it is. You have your payroll, your mechanic, office help, that all comes off the top. You have got to take care of Gonzaulles, you have got to take care of this Vice Squad, that all comes off the top. Then you arrive at the profit. We will divide the profits 50-50. All profits from the gambling, marble tables, slot machines, punch boards, go into the company. When we later take over the city of Dallas it will all go into this company. I will guarantee you that you will have no opposition for re-election.
- G. How much would my take for a week be, give me an idea.
- J. I'll tell you what it should amount for a month. It will take some time to get it organized.
- G. No body else but mine.
- J. You should have \$40,000 a month. Forty or forty-five thousand dollars a month.
- G. I have a question to ask. See my salary is \$7700 a year. I could take \$40,000 a month but where in the Hell would I put it.
- J. I'll show you.
- G. You have to pay the tax.
- J. Yes you do, you can't beat it. The best way to do it is, I'll tell you how we operate. Now if I didn't feel we are going to make a deal I wouldn't tell you.

- J. You wouldn't want me to go around town saying I am negotiating with you. Even after I make this offer if anybody says I said it, it is a damn lie.
- G. Sure.
- B. That's right.
- J. Just let me tell you that when time comes for you to make your income tax out a man will take you to the Income Tax Department and your Income Tax will be made up properly and you want pay on that kind of money but they will settle with you. Each return is a compromise settlement. See what I mean. It is like this, you walk in and say, listen, I made a lot of money, didn't keep no records and don't know where lots of it came from, but my man does the talking. He takes you to the man who knows what it is all about.
- G. You know Paul yourself that you can't spend a pocket full of money.
- J. We are going to worry about you more than you are going to worry about yourself.
- G. I don't know about that.
- J. They are not going to let you do anything that will embarrass you because it is our interest to protect you, we have got to. We do everything possible to keep crime down in the county. You know that when crime is committed the heat is put on you. We can't keep kids from stealing automobiles, but we can keep any known criminal from operating in the county.
- G. I don't think you can get to Will Wilson without an initial offering.
- J. What do you mean an initial offering.
- G. I mean he will have to have some money in advance.
- J. Let me tell you something. From Wilson's standpoint, it would be a mistake for him to do that. Because Wilson is not sure what he can do for us.
- G. You know what he can do for me.
- J. Look, if I go down and give Wilson \$5000 to protect me, but if Wilson is a partner in something all he can do is the best he can. We want you to be a good Sheriff. All we want to know is when this and that is going to happen. When you are going to raid the dice games so we want

have our good equipment out. Come on in and chop up the tables, just let me know. We want Will Wilson to be a good District Attorney. We own in the United States today all the plane enamel wire, that is why there is no more available. We have nearly all the out put of the steel mills tied up. See what I mean. You see all I do for my people is organize the territory. I organize the territory but anything I tell you, only tell you what I can do. See what I mean. You can't see me. I can't be active. I have other business to do. Someone will advise them constantly, and train them. The mechanics will come with the machines. They just aren't available down here.

G. How will I get tied in. You know there is going to be a new city election in April.

J. I want you to recommend, Now I tell you one thing about Joe Cunningham ---

G. No, I like Joe personally, but I ---

J. No you don't have to worry about Erwin.

G. You say you don't have to.

J. No. T. K. will do just what I tell him.

G. He will?

J. The reason we use T.K. ---

G. Did you all run Joe?

J. We tried to keep him from running and he wanted to run.

G. You all didn't have anybody in the DA race?

J. Not no body. Priest offered me for \$10,000 campaign expenses that, that was all I would have to give him for two years.

G. Now tell me, no you don't have to tell me unless you want to. Did you get tied up in the Sheriff's race?

J. No, not at all.

S. I don't think Smoot Schmid is getting anything out of the city of Dallas. Now I tell you where he is getting all that money. His two Deputies who are uniform cruisers in the Sheriff's office, that operate on the Northwest Highway. I know the fellows with slot machines around White Rock Lake, and Roff's Chicken Shack. They pay these men \$25 a week a piece. Now they are cheating on Smoot.

- G. You mean these uniform men take the money.
- J. Yes, \$25 a week each for leaving those machines alone.
- B. How many machines would you say he had in all.
- G. He must have about 30 in all going. Don't you know somebody in the Sheriff's office is operating machines. You know who is operating them too, Al Meadows.
- J. But all this can't be done in a day or a week, it has to be done gradually. Here is what I want to do. I could have come to you and offered you so much a week or month and get a protecting account. You want to be Sheriff.
- B. Didn't you mention being in Charleston and operating there. Is that a new Sheriff? I believe they run their city and county together.
- J. Yes, everybody works together. Now that is what I want, definitely we want to cooperate. We want to be interested in this new city ticket that is coming. We will pour some money into that election and we'll have a favorable administration in the city, one that will be the city administration that you people want. We will go down the line with them.
- G. You know you are awful big, but I still wonder if it would be worth the \$40,000 a month, about one half million a year.
- J. You are very conservative.
- G. Do you think I could make the one half million a year for six or 8 years?
- J. As long as you want to be Sheriff.
- G. I know big money is being paid in Dallas but still ----- I know they could cover the money up but Hell what good is going to do me, I don't make but \$7700 a year, you can't hide it under your house.
- J. You are not going to have to hide it. You are going to pay income tax on it.
- G. But suppose somebody went down to the Income Tax Bureau and say we want to check on Guthrie's Income, some of my opponents, and they see where I cleared nearly one half million dollars. Suppose some of my opponents do that, well man I am whipped.
- J. Mr. Guthrie, we'll let our worrying Department worry about that.
- G. Yes, but I have got to know about these things. I don't want to get

in that Federal pen. I want to go on in there and make myself some money. I want to be honest, but I want to make some money because it is there to make.

- J. We have never beat a man who where. No where. I don't know of an incident where we were responsible for a man being beat. Take Tucson, Arizona, during election this year. There was 16 people running for Sheriff; but when all was over the man was elected without opposition. You mention the churches. We contribute to them too. We don't forget them. You can be Sheriff of this County as long as you want to Steve.
- G. Is that why Smoot has been Sheriff so long?
- J. Oh, I don't know, of course they took pretty good care of me. I got everything out of the Sheriff's Office I ever ask for.
- G. We all know that ~~Bill Decker~~ is a pay off man with Binnie Binion. You know it don't you? You know that George.
- B. Yes.
- J. Look, I have got to make a call or the lawyer will be calling. I'm going to call Chicago collect. (Jones calls Haymarket 1427)
- J. West Virginia is a monopoly state. No whiskey during O.P.A. Governor of West Virginia said my people want whiskey. He said I want to make a deal with you. You furnish us enough whiskey for West Virginia, I'll give you exclusive gambling privileges in the entire state. I said, it's a deal. We started shipping whiskey in the State.

In next record Jones relates about Bob Minyard getting killed. States it was done by somebody who was mad at Bob for some personal reason such as jealousy, rather than being gangland killing, the only justification was that Minyard was shot with a shot gun.

Next record Paul Jones relates conversation in which resulted in his contacting Bob Minyard, local deceased gambler, on occasion in which Paul had requested his wife to contact Minyard to obtain \$1000 to send to him in West Virginia. Minyard allegedly became fresh with his wife and apologized to Jones when Jones contacted him.

On this record Jones relates his association with a negro Doctor in Dallas whom he names as Dr. Keys, a negro Dentist which Dentist recognized him on the streets in Dallas and told Paul that he would give him anything he wanted in negro town if he would get negro Policemen on the Dallas Police force. He relates that Dr. Keys took him to negro Chamber of Commerce meeting and introduced him to many influential negroes throughout Dallas.

Jones relates that through this association his organization will have no trouble in taking over policy games among negroes in Dallas.

In the next record Jones relates an amusing incident regarding his meeting a former negro maid of theirs on streets of Dallas while he was accompanied by his wife.

Jones says this business I am in is organized business. We fight a lot of those. Dope; we are not interested. We know who sells dope in a town and we have nothing to do with it. We don't handle it; we don't touch it. Only horse bookies, dice, slots, etc.

G. Isn't slots the main idea.

J. I'll tell you. Here is why we like slots. Slots sit there and grind all day and all night. They make a lot of money. A slot will last 25 years. It is not cheating, you know what it will pay off.

G. This thing is such a big organization Paul is there any chance for anyone else to come in?

J. No chance.

G. As Capone boys still living?

J. Yes.

G. Ralph?

J. Yes.

G. Is he operating the main thing?

J. No. He is not the main man but he has done an awful lot of good work. Ralph was never a big man. Guzik. Jack Guzik is the main man.

G. He is head of the whole thing.

J. They call him Greasy Thumb. I'll tell you one thing we are trying to do. We would like to do it down here through the next legislature, that is to operate a currency exchange. Jones relates how currency exchange operates. States they control all exchanges in Chicago and that for small service charge they will pay all the persons bills or cash their checks. He points out that this is an aid to gambling inasmuch as an influential person who drops a lot of money at a crap game may need to cash a check to pay off his debt although he would not desire to have a check made payable to a dice table or a known gambler. Therefore he can pass a check through a money exchange which is a respectable organization.

In these exchanges Jones relates that they are ideal for cashing black market checks.

First part of record forty-one Jones continues to describe the working of money exchanges and other casual conversation.

- G. Paul what about the Internal Revenue Department on this deal?
- J. They have never at any time prosecuted anyone without first offering to settle. They want your money, that is all they want.
- G. How about Capone? He got sent up on Tax evasion.
- J. They tried to use him for an example and that was the only thing they could ever convict Capone on. They knew he was guilty of lot of things but that was all they could make a case on.
- B. Where is Capone now?
- J. Jones did not reply.

Jones states that an example of Internal Revenue's operation was Steinberg case. That Internal Revenue offered to make a settlement but Steinberg refused. Reason being if he made settlement with them he would admit his black market activities and was afraid of prosecution. Jones said if he had been Steinberg he would have settled with Internal Revenue and taken his chance with O.P.A.

- G. Paul did you ever pull any time.
- J. Yes.
- G. How many?
- J. 9 years 7 months 5 days altogether.
- G. Federal case.
- J. No, State, for killing a State witness.
- G. For killing a state witness.
- J. I got two life terms to run concurrently. I was pardoned. My record shows released expiration of sentence.
- G. Where did you get your time.

J. Kansas

G. Leavenworth?

J. Yes.

G. Paul you know how stories go around but I heard that while you were in prison you entertained and traveled around with the Governor and other people a lot of time.

J. Yes, I spent lot of time in Indiana, New Orleans, Minneapolis and St. Paul. The Governor should have taken me hunting with him we elected him. Nobody ever heard of the man till we elected him and later made him Secretary of War.

G. Who was the Democratic Secretary of War?

J. Did you ever hear of a fellow by name of Harry Woodrum?

G. Sure, I'll be darn.

J. I'll show you what we did, and they left that up to me. I was out on appeal bond at time I figured out how I could get out. They put me in a coal mine digging coal, and I got to figuring that they had only had 3 Democrat Governors in history of the G— D— State and that it was always Republican. I got to thinking how we could elect a Democrat Governor. If I could get one elected he would be so obligated to me that he would have to pardon me the first thing he did, his first Official act. Not even my people thought of this, nobody but me. I was the only one that thought I had a chance to get out, because there was a State Senator involved in it. He was the Speaker of the State Senate who was afraid if I ever got out I would either involve him or kill him one or the other and I used to read his letters of protest in which he would beg and plead that the prison authorities place me in solitary confinement. I contacted my people and got them to get the mail service to send out material to all precincts and committeemen. All the Committeemen in State of Kansas would get letters each week from different people mailed from this post office. We contributed large amount of money for Democratic campaign to further the cause of the Democratic candidacy in State elections. We contributed to this year after year and there was no known connection between me and this movement. Finally after building up this organization elected Woodring as Governor of the State. We later elected Eumuth. I was handling this while in the prison office. I did the buying for the prison. I opened a business in the prison of loaning money to prisoners. Would loan \$10 taking off interest given them \$9.

We can even elect Smoot Schmid but two Centennials, one State Fair and a Harvey Bailey is enough for any one Sheriff. Harvey Bailey was a nice pay off deal.

- G. How much did he make off Bailey.
- J. It was a nice pay off but I don't remember how much. Bailey was a nice fellow.
- G. He didn't get very far on that break did he?
- J. Did you ever see Bailey?
- G. Never did.
- J. He was a nice fellow. Looks like a businessman. Nice, quiet, gentleman acting fellow, nice and quiet, scholarly gentleman appearance. After they took the warden they opened the gates and invited everybody to get out. It must have been a half hour after they got the warden that they got out. Bailey was the one they brought the guns to.
- G. Paul do you remember the Urschel kidnapping case?
- J. Oh, yes, well. We engineered it all.
- G. Where did he go on that case?
- J. First to Leavenworth then on the Rock. Here is what I couldn't understand, the fact that Bailey shot his way out the Kansas State Prison is the reason he went to the Rock. But Bailey would be a prisoner until he got an opportunity to go out. He was a model prisoner. Kept a clean cell and abided by every rule and regulation. Would ask for nothing, didn't want to see a lawyer, use a telephone, just sit down and do his time.
- G. Was he ever the big boss?
- J. No, you remember the Valentine day when Bugs Moran put on Police Uniform and met all men at Garage lined them up but I don't know who was with Bugs on the deal. Morris and Bailey were the ones who actually did the job, but nobody can do anything about it.
- G. Look wouldn't it be better for me to go with some gang not so well known, they are liable to tie Capone right on my "butt".
- J. Nobody is going to know you have made a deal.
- G. They are going to know something is going on.
- J. It will be local.
- G. All of them?

J. Every one of them. Everybody will be.

G: There won't be any outsiders?

J. Not a one. The only outsider will be a slot machine mechanic. Every slot machine in Dallas at present time, I sent from Chicago. If you don't want one from Chicago, I have one in Buffalo, N.Y. I can send. This will be all local man, and won't be anybody come in. The only people who come down here will be ones who come only for a visit, they won't go around the place. See what I mean. Nobody will know they have anything to do with it. There won't be man one down here. You pick the man. All we are going to do is train him. The man you pick. I will take him to Chicago with me for couple of weeks or maybe to New York. Let him stay there. Let him see everything, then I will put him in business. I'll rent the building in his name, nothing will be in my name, will be local, the only man we have here will be that one crap shooter. He will never speak to us on the street. Nobody will ever know him. All I want to do is train and finance. But its got to be local. Let him find the building, put in his office, and the equipment will start coming to him marked paid. Everything paid. He bought and paid for it.

G: In other words if we made a deal then I would not have to worry about Will Wilson, District Attorney, or anybody else.

J. I am going to get to Will Wilson. My man may come to you. I mean my lawyer, and believe me you have got to tell my lawyer everything.

G. That's right.

J. That's why I say if you are opposed to Joe Cunningham, then I have got to take who you tell me to take. I would like for it to be Joe Cunningham.

G: In other words it will all be off of me. You will take care of the DA, Rangers, and everybody.

J. I won't, who ever is in charge of the thing will, my lawyer.

G: How you know he can do it?

J. We are going to do it but my lawyer is going to do that. My lawyer is going to do what I tell him. Would you go with my lawyer to Will Wilson or would you talk to Will Wilson first.

G. I might do it after he has been felt out.

j. He has already been felt out.

G. He has?

J. Yes, he has already been felt out. After I make my deal with you I am

crawling out of the picture. I don't want to discuss it with you any more.

G. Is the FBI _____

J. They are all right. Don't worry about the Government. I don't worry about any of them, they are not going to bother us, in any shape form or fashion.

G. They are kindly rough.

J. I don't care how rough they are they are not going to bother us. They are not going to bother us.

Let me tell you something about Joe Cunningham. Joe Cunningham knows to win. In fact we had Dean Gauldin in Chicago at the last World series, not this last time the one before.

G. You had Smoot Schmid?

J. Yes, they all came to Chicago and sit in our boxes.

G. That's right.

J. The whole crew, and they know who we are. We also sent them on to Washington. We had the unusual case to come up. We had Tom Clark too. Tom Clark knows who we are. We had the unusual case to come up.

Jones tells about a kid boy associated with them who got in trouble over the draft with a Lt. on the West Coast. The first Lt. was paid \$500 by this kid for a 6 months deferment. The Lt. gets knocked off in California and gets some time. He squawks and tells who has paid him and how much. They immediately grab the kid. Jones made them defend him. He goes before Judge B. But two days before the trial Judge B. loses 3 sons overseas. The only 3 children in his family. He hears the trial and finds the kid guilty and the judge gives him 15 years. The Judge gave him all he could to run consecutively. The kid had no record. Good kid. We went to bat for him to try to do something for him. We went to offering money from Tom Clark up on down. The Judge was so prejudiced, so bitter that he gave him an unreasonable sentence. We have had no luck, the kid is still in.

G. Looks like somebody like Clark or Mannegan could get him out.

J. They wont budge an inch now, they eventually will but they won't yet.
(Remaining part of record casual conversation).

Majority of conversation inaudible, concerns discussion of slot machines.

Closing remarks by Guthrie that if arrangements could be made with big boys in Chicago to start as they have arranged it, they could start in the county and all make big money.

TELEPHONE CALL FROM PAUL JONES IN CHICAGO TO GEORGE BUTLER,
NOVEMBER 3, 1946, OPERATOR 6440 in CHICAGO

- 25A -

Stating they will be in Dallas Tuesday with "top" people. Wants Governor's Suite to Adolphus for several days. Three from Chicago; two from Las Vegas. Make reservations Paul Jones & party. Has Gun ordered. Guns are hard to get. Wants room big enough where they can have conference and there will not have to be any going out and in.

MEETING BETWEEN PAUL R. JONES, JACK KNAPP,
PAT MANNING, SHERIFF-ELECT STEVE GUTHRIE, DALLAS
COUNTY, AND DETECTIVE GEORGE BUTLER, DALLAS PO-
LICE DEPARTMENT, HELD AT HOME OF STEVE GUTHRIE,
DALLAS, TEXAS, NOVEMBER 7, 1946.

- P: We have told STEVE that he's going to have a clean administration and that we're going to guide him and not embarrass him in any way, shape, or form. The program is just this, horse booking, slot machines, dice, numbers, everything. We're going to keep it clean. We're going to take over quietly. We're not going to embarrass him. We've got about a month and a half left before he takes office, and it will take a month and a half to get things set up.
- S: Now, on that starting immediately, I've got something to say about that. If you start immediately you're gonna immediately have trouble with some of these people.
- P: We've got a month and a half. We've got to get a building to service and house these machines, these slots and marble tables and all.
- S: Well, that may be true.
- P: We'll pick a local man who will be the front man for that. So far as everybody knows, he's the man who's putting these machines in, the local man. We put the money up and train him and advise him and show him how to set up.
- M: Have you got that man?
- KNAPP: Well, we've got a lot of prospects. We have got a half dozen.
- M: You can't go out on the street. Then it leaks out and he's preparing and arranging. You know what I mean?
- K: We got a half dozen.
- M: I'd rather wait.
- S: I'd rather wait too.
- M: You can't be too hasty about these things. I'd rather wait and sacrifice. I'd rather sacrifice two or three months.
- P: Well, my idea in starting, and this is the only reason. When he goes in, he's gonna close everything.
- K: He's got a pretty good point there.
- P: I want him to close this man too. See what I mean? Now, this man's not gonna get active. Maybe he's only going to have a half dozen machines going by the time this man takes office. When this man takes office, he closes everything.

This man too. Everything goes down. He closes all the operators. This man will stop, too, which he actually will be stopped. Then he starts out again.

K: He's gonna start first.

P: He starts first. See what I mean?

M: I don't think it exposes you so if you throw a man in business who hasn't been in business before as soon as he takes office.

K: But could you come out now with four or a half dozen machines under this present system.

P: Yes, under this present administration. I can come out with eight or ten machines. I can get the County Judge to go to BILL DECKER and tell BILL DECKER. I can't go to BILL DECKER myself and tell him I want to run a few machines. He's going out; he's got two more months. "I want to get you a little money, BILL." You see, then they're gonna be spotting for the machines,

M: I see

P: When I talk to the County Judge, I'm not promising for nothing. I talk to the County Judge just like I do the Sheriff.

M: These machines that are approved by the County or State, how do they go about it? How do they access? Who do they see? Is there any kind of county charge or tax.

K: \$100 tax on each one and the Council allows the machines.

P: Oh no, it's fixed with the Vice Squad.

M: For the machine, in other words. It isn't a thing that's legitimately open or anything?

P: It's open but -

GEORGE: It's over-looked.

P: It's protected.

M: That's what I mean. It's over-looked.

G: I understand when they call in down there, they go out and pick up.

S: Pick up a few.

M: When they've got a drive on? When they've got the heat on? Publicized by the newspapers.

S: That's right. Then they pick up a few and they take pictures of them breaking 'em up, you know.

M: I see.

G: One thing I'd like to ask PAUL here. He's pretty much a planner from what I hear him say and pretty wise in the way of politicians, etc. Working for the city like I do and knowing how more or less vicious some of these boys are in the local set-up, I just wonder how he would go about moving in. I know almost in my mind that he has plans already made within the organization that they have. How are you going about moving in?

P: There'll be no gun-play because I can take BURNS.

S: Well, now, there's some rough boys.

P: I know but BURNS will go with me. All right, when BURNS goes with me, that eliminates AL MEADOWS and those fellows.

S: Well, I know AL MEADOWS and all them. They're three times losers and all that. They've got the wrong kind of people hooked up in some of their businesses, but -

P: MEADOWS is the head of the slot machines.

S: Well, there's been four killings here, and you know it yourself - Paul, there's four boys here that'll kill anybody when they get ready, and all they have to do is get \$10,000, \$20,000 or \$30,000, and they'll do it. And that's the boys that I'm worried about, those four. I'm not worried. I mean I can take care of myself. I can shoot 'em and they're paid for. But they're going to make it rough on me by shooting somebody else, I'm afraid.

G: The thing we're getting into -

M: They've been here and have the thing?

P: No, they don't have it.

S: No, they don't have it. They're the trigger men.

P: The muscle man. They're thieves. They even steal slot machines from the Syndicate and sell 'em back to them.

M: That can be eliminated. That you'll find anywhere.

S: Oh, I don't care how we eliminate 'em.

M: Regardless of where you go, you find that in small and big counties. A certain amount of petty thieves, you know that's all they are. They should be run out of town anyway.

S: I know and I intend to run them out.

K: That's where you come in.

S: I really want to run them out.

M: The Chief of Police and everybody else, that's their business. If they are undesirable characters, they have no business in the city.

S: No, and I don't want them here.

M: So we see to it that they are run out of town ourselves.

S: MR. MANNING, here's the deal.

M: Call me Pat.

S: O.K. Pat, this set-up here. There's a boy named LOIS GREEN. There's a boy named JOHNNIE GRASSAFFI, JUNIOR THOMAS, MAC BARNES, and who else?

G: Monk Wright.

S: MONK WRIGHT. Now, those boys are all up in the money now.

M: They should be run out of town.

S: I know they ought. Now, I feel like I can get rid of these boys. I would like to get rid of 'em for good. I would like to take them out here and get rid of them, that's what I want to do, and if I possibly can, I will. But I just have to run them out, they're gonna make it awful miserable for me. They hit. They go either to San Antonio or Houston. They've got tie-ups all over Texas. I'm just telling you this because it's a thought. They go out here and get these boys, and they'll make them come in here and hit me and then run. Hit and run. Blow a safe, shoot somebody, take out. Well, it's hard to keep those guys out when you don't know who they are. In other words, they go to Houston, and pick up a boy and say "Come on, we got a place cased. Go and knock it off and run." So what do you think of that deal?

M: Well, Sheriff, it's like I told you in the beginning on that. Nobody in their right mind is going to come in here.

S: I think you got something there, too.

P: Because I know all these boys. I've had AL MEADOWS and all of them come to me. They come to me with all kinds of propositions, and I told them I don't want no part of it. "Some guy's selling slot machines, they come tell me. "We'll go get all of his machines. How much will you give us for it?" I tell them I don't want these machines.

M: Where do they get these machines?

- P: Some other operator. They tell us, "We'll go -" In fact they did go out here to old lady SNYDER'S place, you know. Backed a truck up there and took all of her equipment out. Took it all. An operator here in town backed a truck up and took all of the equipment. But AL MEADOWS and JOHNNIE and DELOIS GREEN and those people are not going to bother you in no shape or form.
- G: But here's what I really had on my mind, is the local gambling syndicate, BINTON and MILLER and those fellows.
- S: That's right. They tie up.
- G: They make a big lot of cash, you see, and they might not want to take this lying down. They might want to fight, you see?
- S: The take right now - I know this, the take now - net for one man out of the policy game is one million a year net. That's his net.
- M: Well, have you no such thing as a mouthpiece for this syndicate:
- S: Yes, but he's gone. He don't stay here. There's about 25 or 30 people trying to get him, and he stays up in Montana.
- P: He left here when the town went down before, when they had a little trouble down here. They all run out of town. They closed everything down. He ain't come back here and as long as I'm here, he won't come back.
- S: But he's still running the town.
- P: He's still running the town.
- S: From Montana.
- P: He won't come back because his number two man got killed here.
- M: What's his name, BINYON?
- P: BINYON.
- S: BENNIE BINYON.
- G: Have you ever heard about him up there?
- M: No, never have.
- S: He's a pretty big man.
- M: I'd like to make notes. Do you mind?
- S: No, have you got something to make them on?

G: Let's get him a piece of paper.

S: Here you are.

M: Jot these names down. I can write on this.

P: Bennie Binyon, B-I-N-Y-O-N.

M: You mentioned one of the present fellows here. What was his name, ANGELOTTI?

S: JOHNNIE GRASSAFFI.

K: Is he an Italian boy?

S: Yes, Boy, he's a killer.

M: What's his last name?

G: G R A S S A F F I

P: This JOHNNIE, tough, is just a local boy.

S: Yes, but he's in the money.

G: He's the one who does the killing for 'em.

S: He's the trigger man.

P: He handles dope. He's got three or four whores working for him. He's got three Cadillacs that cruise up and down the streets with gals in 'em.

M: Where are the city police? Where do you come in?

G: This is a different phase of the work than I'm in. I'm on vacation now.

S: I'm gonna have him transferred to the Vice Squad.

G: I don't know. They pick these girls up. They've a policy here of picking them up regularly and letting them pay fines and suggesting to them to discontinue. It's a regular set-up. There's 1400 of them a month go through there.

M: A situation like that a month certainly departs the law. I mean, that's the time you should go right on through and prosecute, because they are a menace to society. When you get in office, you should go out and bring them in. After all, you got a law here. You don't have to take things like that from those petty hoodlums. For what? They only embarrass you again while you're in office. Maybe the Sheriff, ridicules him going out in the street and shooting up Main Street, whatever your main street is here.

- S: Oh, they do it too. They do it. Walked up here - You know what happened no so very long ago? This LOIS GREEN, he's power crazy.
- P: That's the one I was telling you about. Let me tell it; it's a funny story.
- S: About the street car deal? Is that what you mean?
- P: No, I'm gonna tell about shooting this guy through the house.
- S: Let me tell him about this street car deal.
- M: At home they get caught every time they walk the street. We have certain squad over there, you know. They come out and get some of these certain fellows here. Every time they walk, they won't let them walk the street. Put 'em right in their car, right to the bureau. Keep 'em there for two or three nights, unless they get sprung before. Every time they walk the street.
- S: I'll show you how tough this GREEN thinks he is, and he is tough. He gets on the front on the car track, street car track, and the street car man rings his bell for him to get off, and he just sits right on it. So the street car man just keeps ringing his bell for him to get off, and he wouldn't get off. So finally LOIS stopped his car right on the track, got out, pulled his gun out, and went up and broke the window and said "If you ring that bell again, I'll blow your head off".
- M: Well, he's not tough; he's crazy.
- S: He's been tough. I mean. We know what he's done.
- M: He's probably out of his mind. He belongs in a cell. That's right.
- S: That's right.
- M: The toughest guys I know, you never get a word out of them for four hours. Those are the tough guys that I know. The guy that you just described as a tough guy, he's no tough guy.
- G: Now here's what's -
- M: They should be driven out of town or kept in the can, and you can tell them that you'll see to it that he is.
- G: Here's what STEVE don't want and here's what's happened. The reason this guy is running around like he is. He does that promiscuously, yousee. Like PAUL was fixing to tell you about him shooting up a house with a machine-gun down here. Well, he didn't do it, but had it done. He'll come up and say, "Yeah, I did it, MR. BUTLER. I'm not a bit sorry. You would have done it yourself if he had done you that way." Well, he can go right down there and get those indictments quashed. They don't want to have to put up with that kind of deal. In other words, you and the District Attorney have been elected on a

more or less clean up ticket. To get rid of the gang, and it's been a source of embarrassment to the Police Department. We file on them and they go down there and you say "bingo" -

S: They never put one in the penitentiary.

P: You remember we had a new District Attorney elected. All right, so you bring in a murder indictment against GREEN, or you bring in any kind of a warrant on Green that you want on him, and he's not going to get quashed in that grand jury, not under WILL.

S: I don't think so.

P: I know he's not.

S: I don't think so either, not under WILL.

P: He's not going to get it.

G: Tell Mr. MANNING about this bird shooting up the house Paul, you had some story there you wanted to tell.

(PAUL JONES tells the story of GREEN'S going to the home of a dope peddler, sitting out in front in the car waiting until the man comes home. GREEN doesn't see the man until he's going right in the door, so they go around to the side of the house and get a view through one window of about where the man is. He then shoots the man through the wall clear through the side of the house.)

S: What does that sound like to the Police Department? The next day they see what has happened here.

K: Something wrong with the Police Department.

S: Yes, where are they?

M: This is all so petty, so small.

P: The law, they don't go at night. The only man you got to worry about, STEVE, is the fellow who goes to church every Sunday and you don't know who he killed. That's the guy you got to worry about, and you don't know that he killed anybody.

S: You know yourself how many have been killed this year. I don't want any of that stuff on me.

P: Ordinarily when two people like that tangle, like LOIS GREEN kills POOLE or POOLE kills LOIS GREEN, they don't even mention it in the paper. Why should they mention it? Here's a couple of dope fiends. One killed the other.

M: Well, they encourage it in Chicago, because that's the only way you can do it. Let them take care of themselves. Let them kill each other.

P: But that has nothing to do with it. Those things are petty.

M: Now, when you get in office, you know all of the prominent and most popular petty thieves.

S: I know them all.

M: You can call them in immediately and lay the law down to them. You know how to talk to them. It's your business.

S: I sure do. I know how to talk to them.

M: That's all.

G: Well, let's let him alone. STEVE can tend to them.

M: Oh, I know. That's his business.

G: Really the only thing you men are interested in is a legitimate go?

M: That's right. It's just a matter of our business is all it is.

G: Well, you've branched out, I understand, a little bit.

M: What do you mean?

G: Well, some of these other towns, like New Orleans, maybe. The same type of organization in other words that He's proposing to us.

M: Well, they all get along.

G: Yes, that's what I mean. If it works, it should work.

M: One hand watches the other, and it keeps business in the family. That way things are done, whether it's in New York, Chicago, or New Orleans.

G: Well, you see, there may be some difference in the temperament of the people in Chicago and down here.

M: No.

S: Something else, here as it is, and I don't like the set-up, the District Attorney is tied up with the Sheriff and the Council, etc., and you can't indict anybody in Dallas County for anything.

G: If they've got the money.

S: In other words, there's a fix for any indictment in Dallas, Texas. All you got to do is have the money. Now, I don't want to tie myself down as to where--- in other words, if PAUL keeps himself clean and if his men keep

themselves clean and don't get into any trouble, everything's all right. But if they get into trouble, I'll indict them as quick as I will anybody, and I want them to know that. But, in other words, I want that clear.

M: I told you STEVE that I wouldn't tolerate it myself.

M: I know we don't in Chicago. We don't have that kind of people around.

P: There's one thing we won't tolerate at all, and that's thieves, murderers, dope peddlers. Those things are out. We don't have nobody around us, nor will let anybody be around us that are connected with it in any way, shape, or form.

S: I understand. Oh, I understand that.

* * * * *

P: As we are to keep our slot machines going, because we absolutely have no love for them at all.

S: What do you think about that firm?

M: I don't know anything about it.

S: You don't know anything about it?

M: I just met MR. JONES not so long ago.

G: Well, you've kinda sold us, PAUL has, on his know here. In other words, his knowledge of the town and political set-up.

S: He does. He knows everything that's going on.

M: That's what I had heard.

S: Yeah, he knows.

M: Particularly the last couple of days.

G: He's a pretty good fellow.

S: We know ourselves that, being a law enforcement officer and a good one, I feel like I am, I know I am. We know that the money is going to be going somewhere. We know there's going to be dice games, and so I don't feel badly about talking about it, because I like to play cards, maybe shoot a little dice myself, and, you know, at the right time and right place. But we have got - Another thing you might be able to help PAUL on. Naturally, I'm interested in a good offer. I want to know approximately what it would be worth to me to put this thing over, because I walked my feet off and I worked like a dog, and it's worth an awful lot to me to take a chance, for it's taking a chance in a sort of way. In other words, I want to know what it's going to be worth to me.

M: Well, you can't say. But I'm sure it'll be worth your while.

G: As you can see from STEVE'S house, he needs a little furniture and how much it's going to take to get it. All the ready cash he had went into his campaign.

S: You can get all of the furniture you want, but you can't get that long green. I spent everything I had.

G: I know that it has been more or less of an embarrassment to him to have to stand around here.

M: If he stays around us, he'll be doing well in ten or fifteen years, I'll say. Everybody's happy. Everybody's got beautiful homes, living comfortably, go away a month or two at a time. That's all I could tell you. Like I say, I won't lie to you or tell you what you can look for or expect; - Because I wouldn't want to lie to you. I don't like to do business that way.

S: Now, look. Let me tell you this. I want to get this straight with you, PAUL. In other words, the only thing that you are going to expect from me is protection, that's all?

P: That's all.

S: But wait, you can go a little further. The only thing you expect from me is protection on gambling, nothing else. That's all?

P: That's all.

S: Nothing else. I want to get that straight.

M: Something I'm against, that's dope peddlers, pickpockets, hired killers. That's one thing I can't stomach and that's the one thing the fellows up there won't stand for, things like that. They even go to headquarters and ask them why they don't do something about it. If they don't, they say a change will be made and it will be done. Oh, we're against things like that. It really don't help the office. It doesn't help you out on the street.

S: Well, now, I'm going to be offered a big sum of money here in a few days by the local people, by somebody who's not exactly one of the local boys but who can take up where the local boys left off. I won't tell you the sum, but I'll tell you it's way up in the money. Now, personally, I don't know whether they are good organizers or not. I don't know whether they can organize this thing. I want somebody that's business.

M: It don't mean it'll last longer. The most money it comes but don't last long.

P: It's like I told you. Now this is what I told him. I said first, he's not going to be in want. Even if we are six months getting started, we're not going to let him be in want. I mean like furniture and things like that, STEVE, and your incidentals. These are minor things.

S: Well, I know.

P: I told STEVE, I said, we may be so slow that he may wonder when are they going to get all of these things started? When is PAUL going to do all of these things, that he said he was going to do? We are only going to do them as fast as we can and not jeopardize you and ourselves, and if we can make a million dollars a month in a business-like manner, we are going to make it. If we can only make a hundred dollars a month, if that's the way it is, then it's a hundred, and that's all it is. But you're not going to be jeopardized nor are we going to jeopardize ourselves because we're not money hungry. Now, if I come in here like I told you and suppose I get you a flat proposition that you're to give it all to me for a flat sum, we'll say \$50,000. I'm going to give you \$50,000 the day you take office, and everything's mine. Suppose the strength isn't here. Suppose I'm having a lot of trouble getting these things because you've got to do this in a business-like manner. I've got \$50,000 I've got to get. Now, I'm going to get it if I have to sacrifice you to get it. I've already given you \$50,000.

S: You're right.

P: And when you lay down at night, that pillow is going to feel like it's got bricks in it because you're not going to be able to sleep. You've got that pressure on you. Because I'm going to be at that front door.

M: Sure, Once you get organized, you don't have to worry about money. Everything will roll in a nice quiet manner, in a business-like way. You don't, he don't have to worry about it personally. Everybody will be happy, I'm sure.

S: Do you think that there's any way that they can find out that there's a tie-up between here and up there in Chicago?

P: No.

M: So far as we're concerned, we don't want it. Naturally we don't want it, I'm sure.

K: There'll be nobody know.

M: We're not going to come from Chicago down here.

S: In other words, they'll all be local boys?

M: All local fellows. We're leaving that to him. He's representing us.

S: All right, now. I've talked to PAUL.

M: All we're doing is trying to keep them, like he calls, the muscle men, those petty - These people can be called in, you know.

S: You've heard of the Texas Rangers?

M: Yes

- S: Well, look. PAUL thinks or says that he can take care of them. I've got to be sure of that because if they think that I'm crooked. They think if I'm taking any money they can go to the Attorney General and have me impeached.
- P: STEVE, as I told you before, I don't even want you to admit to yourself, let alone anybody else. I don't want you to even admit to yourself that you're taking any money.
- M: Then, the Rangers didn't do nothing about it?
- S: No, but what I'm trying to get at, can PAUL take care of the Rangers? That's it.
- M: He told me that. But without all of these promises and assurances that he would take care of these boys, I wouldn't even think about coming here. I mean, the thig is as, and it should be, that you wouldn't worry about a thing. Now, when I come down here, I can't go back and tell my group all of these thugs go back and lie to 'em, and say he's all right, he's going to take care of everything. I got to know what I'm talking about. That's why I make notes and take names back, so I know what I'm talking about.
- S: Now, that's just it. Another thing, the new D.A. that's going in, PAT. He's a young boy, GI, conscientious, got money, a lot, above the average, well above the average. He don't care about being District Attorney, He wants to be Governor. Now he's going to try to make a name for himself, you can see that. What do you think about the possibilities? PAUL says he can get him. Now, what do you think about the possibilities of getting to a man like that? Do you think it can be done?
- M: Oh, certainly. Yes.
- G: He'll have to play ball with someone.
- M: Do you know him?
- P: Why, sure. He knows him. People you know, you can't come out in the cold.
- K: As a matter of fact, PAT only supports me.
- S: I know that, but I was just asking.
- M: All of these people have to be talked to. It don't matter who they are, they have to be approached by certain people. There are certain ways of doing it.
- S: We'll see, I've never been in politics before. So I'm as ignorant as that piece of cactus out there about politics, and I've got to know a little bit about them. In other words, I don't want to get my head cut off, and you don't.
- P: It's like I told you. You don't want me - Maybe I spent last night with the District Attorney. You don't want me to go to the District Attorney and say I got the Sheriff fixed.

- S: No.
- P.: So don't ask me if I got the District Attorney fixed.
- S: Oh, I'm not trying to ask that. But, see, I'm always afraid of GONZAULLAS. Long Wolf GONZAULLAS. You've heard of him.
- P: STEVE, listen, if I didn't have - let me tell you something. If I didn't have the District Attorney, it's common sense I wouldn't want you. What good would the Sheriff be? He wouldn't be here, because what good are you if you haven't got the others happy.
- S: I say that I'm just ignorant.
- H: That's the way it is up in Chicago. Everybody's happy. If the District Attorney indicts you, you never even contact certain people. You never even see him. If you see them out on the street, you wouldn't even know them. I wouldn't make an attempt even to come down here if I didn't think for a minute that he knew what he was doing.
- G: Well, you know PAUL has been here for sometime. He's been active and quietly getting around. But I've made some checks about PAUL here a while back myself. I think he's told you about it, and I know that he hasn't done anything outside, you know, that we could pin on him. You know there's some good people here.
- M: You're not through checking him yet?
- G: Well, we can't afford to. JACK'S recommended him very highly, and that's good enough for me.
- S: Oh, JACK'S a good boy, I can tell that. But another thing, too, this group that I just beat. They hate me. I don't know why. Because they were beat, I guess. I slipped up on 'em, and I chiselled them and everything, and they hate me and they're going to be after me. I know they are. They're gonna be biting, so I'm going to have to be doubly careful.
- G: What STEVE was telling you about that bunch hating him, and that they were gonna set every kind of trap.
- M: They know he is the boss and they all have to respect him. He don't have to worry about that. You shouldn't worry about none of them. All of those you worry about, I'll guarantee you they've got sleepless nights already just worrying about what you're going to do already.
- P: Just like GARRETT calling you and telling you what a Buddy he was of yours. I'll guarantee you they'll all be your buddies.
- M: They'll all be on your side and fight to be on your side. They'll give you deals and offer you things. They'll all come to you.

G: People have been here from all over the country. Word got around, you know, that STEVE don't like this local crowd and is gonna run them out.

G: How much money is spent for dice in your corporation?

M: I don't know what the set-up is. I haven't talked to PAUL. I don't know what he had in mind. We up there, we don't believe in it. One thing I'm against, always was against. I don't like, like I was telling you last night, five or six joints in the radius of six blocks, a joint every block. That's one thing I have always talked against. I like one big spot and that's all. Out in the country, out of the city entirely. In the city maybe you have a dice game in one block and two blocks maybe you have another dice game in one block and two blocks maybe you have another dice game, horse betting, what you call the book parlors, or whatever you call them.

S: The way it has looked here, the Sheriff who is the present Sheriff, SMOOT SCHMID, made an agreement with the city and with the City Council and the manager if he would stay out of the city, they would stay out of the county. So the Sheriff never comes in the city and the city never goes in the county. But he is paid, the Sheriff is paid out of the city, that he will have no dice games in the county. Now, how about that?

S: Well, that's under the present set-up.

S: Yeah, now, what do you think? Do you think somebody's gonna start hollering when we think we'll put some places in the county?

P: We're only gonna put one place in.

S: Well, I know.

M: All we need is one spot. That's all. I'm in favor of one big spot and that's all.

S: Sorta like the Top of the Hill. Have you ever heard of the Top of the Hill.

M: No, I'm not acquainted with this country at all.

S: Oh, I guess there's a \$10,000 or \$20,000 limit. ROGER LACY and all of these big people go out there. It's the biggest game.

M: In the county?

P: No, out of the county. It's 20 feet out of the county, but all Dallas goes there because there's no place.

M: There's no such thing as a big joint place in town at all. There was one place in Cook and Lee County and you could throw a stone over there. The place is

there and they all wind up with the City of Chicago. The Loop, all Chicago and all surrounding suburbs wind up right in this Lee County. There's just one place and there they all wind up every night. The City's closed, it's quiet, and there's nothing going there.

S: They're all in the city. All the hotels have got dice games in them. Maybe there's about six or eight hotels running every day.

M: You got no jurisdiction in the city, do you?

S: Oh, yeah, I'm over the entire county. I'm over the city and the county.

GE: You put the heat on those.

S: All I've got to do is tell them to run off, if I want to, in the city or the county. But the way the thing has been run, there's no dice games in the county, they're all in the city. But your idea is to get in the county to get the city.

P: You take the Chicken Bar out here. If that was the only big dice game.

S: Where?

P: The Chicken Bar.

S: Oh, man, that would be a set-up.

P: Take that Chicken Bar there and put you a dice game in there.

S: Oh, man!

M: We don't want his pitty patter. We don't want nobody in there unless they can afford to lose, unless they can afford to gamble.

S: However, PAUL, that's a little close in, that place there, don't you think?

P: It's in the county.

S: Yeah, I know it is.

P: And it's on an intersection.

G: It's gonna be a good set up.

S: The city boys, the Dallas Syndicate muscled a Fort Worth man out somehow. BROWNING, a fellow by the name of BROWNING who is way up in the money.

P: EARL DALTON got a piece of that game. That's the one I was telling you about.

S: They had it just in Tarrant County, which is Fort Worth, just across the road,

just 30 or 40 feet from the Dallas County line, and the Dallas boys muscled in somehow. I don't know how they did it in his county and pushed him out, and now the Dallas boys have the biggest percentage of the take of that game.

P: Well, the reason for that, FRED has gone broke and many times out there. FRED, every night after they close, he brings all of the money in and bets it on the horses the next day.

S: Oh, I see.

P: He's probably the biggest individual horse better in the country. It's one of the first games I ever heard of that they'll take his check. There's been times out there when he couldn't pay off in cash, but they take his check because he was capable of raising it in the next morning and he's paid off a lot of times out there with a check.

S: But it's a big, big game.

P: And he had to take this man in for money.

S: DALTON? Well, I wanted to try to explain that you so you would know that the county has never had any dice games. They've had some sneak games.

M: You see, I try to be frank and honest with you. I came here; I want to listen to you. I really want to be honest and frank. That's what you want, isn't it?

S: Sure.

M: I don't run any of those places up there, gambling or anything like that. I got my own territory. I got certain business that I take care of for the last 16 or 17 years. I do very well, living comfortably worry about nothing. As far as the set-up, these places like dice rooms or horse rooms and things like that, that's like another department I would call it. I have a fellow sitting here with me that runs a certain game. He could just give it to you in a minute. He could tell you what to expect and all that sort of stuff, you see. But I have my own concession, and that's the end.

G: I see.

M: That's why I'm listening. They send me here and say, 'Well go on and see what they have and come back' and might be if you're happy with the thing and all, I come back and talk turkey, tell you what to expect, that the dice will be best for you and what should be done in that deal.

S: That's right. He's got to because I don't know.

G: PAUL knows more about the set-up than we do.

M: Of course, I know the things they're doing up north and all of that. Instead

of having ten or twelve like they used to have years ago, every other block. It was like a fine dress show, and none of them do any good, just a lot of noise, a lot of racket and that's all. So they eliminated all of that. The City of Chicago has been so clean the last ten or twelve years you couldn't buy a book in Chicago. You have got to go to New York also. You can't walk the street with a scratch in your pocket. If your cops would see the scratch sheet in your pocket, they could put you in jail.

S: What do they file on them for?

M: Pardon?

S: What do they charge 'em with.

M: Gambling. Disorderly conduct.

S: Oh, is that right?

M: Disorderly conduct, not gambling. They see four or five fellows on the corner of a news-stand in New York, they'll put them all in jail, all four of them.

S: I didn't know that.

M: Oh, sure. LaGuardia cleaned that up pretty good.

S: The fellow was pretty good.

M: Sure. Lot of the fellows had one big spot out of the city. They had a Riviera there and they would make seven million or ten million a year, only on one spot, and the city's nice and clean.

G: Yeah.

S: They booked it all there too?

M: Yes, all. One spot. That's what you should have here to keep the town nice and clean.

S: Grand Prairie, Grand Prairie, GEORGE. Grand Prairie, wouldn't that be a spot for them.

G: Yeah.

M: You get out in the outskirts. You get yourself a nice spot, and that's what you want, one spot. You got nothing to contend with. You got that one spot. You got it going good, you got a place going.

S: You got a club.

M: Oh, yeah, The place I had reference to. They have about thirty slots around there. They have seven dice tables and a huge room for booking. It used to be a country club, golf course, you know. They bought that out. It's a huge

building. Now they have their own dining room, have three cooks up there. That's the only place. So far as Chicago is concerned, that's out. There's nothing going in Chicago. The only thing we have in Chicago there is what we call a Commission office. We have a room maybe about three times this size. They go in there and bet on the baseball. They have a ticker and the basketball and football. That's a big thing all over in Chicago.

S: Well, it's trying to get big here, but nobody knows how to run it. They got football cards and a few things.

M: We have some very good men on that in Chicago. They're the tops in that field.

S: What do you think about the policy here? Or do you know anything about it?

M: Well, that's my business. Policy.

S: Is it? Well, now, they've got about eight wheels here.

M: Policy is my business. I've been doing that for 17 years.

S: It's awful big here.

G: There are some of the wheels here that are running two drawings a day.

M: I told you that last night. He said four or five, and I said they can't run but two a day. A.M. and P.M.

S: That's right, 7.00 in the morning and 7.00 at night.

M: Not 7.00 in the morning?

S: Yes, they do.

K: Well, it might pay.

M: Well, in Chicago they run at 2.00 o'clock in the afternoon. They have their first drawing, then they go out and give the people the results. Then they come back at 8.30 and have the second drawing.

S: I think they play a day behind here all the time.

G: They run \$3,000 or \$4,000 a day.

M: What?

G: Policy.

M: That's all? You mean all the wheels?

G: Oh, yeah. One man. Just one man makes \$3,000 or \$4,000 a day on that.

M: You mean they handle -

G: Oh no, that's just the percentage this one man gets. He gets about 45 or 50 per cent.

S: This man we're talking about draws around a million in a year, that one we're talking about.

M: In eight wheels?

S: Ten.

M: Ten wheels.

G: Close to \$60,000 a year.

M: \$60,000.

G: Maybe more.

S: White people don't play the policy.

M: We don't have them in Chicago. They don't know the first thing about it. They don't know what they're talking about because its always written up as a penny or nickel game and white people won't take bets, but niggers have got to live too.

S: It's always two bits here, mostly.

M: Two bits?

S: You play two bits.

G: You can play a nickel.

S: Can you play a nickel?

G: Yeah, a nickel or a dime.

M: How big are the tickets?

G: Well, it's a regular policy ticket about that long and about that wide.

M: How many numbers on it?

S: Three rows.

G: There's two rows on one end and three -

M: From what number to what? One to seventy-eight or ninety.

S: I don't have any idea about the numbers. Here's the only thing. We don't know a whole lot because they won't let us close enough.

M: I'd like to see a drawing. They use operators?

S: Yes, they do.

P: You mean you would like to see a sheet?

M: Yeah, I'd like to see the results.

P: I'll get you one.

S: You can get all you want down on Hall Street.

M: Do you have stations here?

S: Yes.

G: They have writers who go around the whole neighborhood.

S: When I was a patrolman, I saw a bunch of policy writers with tickets sticking out of their pockets, picked them all up, picked about eight of them up. Charged them with - What did I charge them with? Gaming? Oh, I don't remember what the charge was. I think it was gaming and vag. I vagged them, and they kept putting it off and putting it off, and you know how hard it is to remember niggers, the next time they came in I didn't remember a one of them. But come to find out, not only didn't I remember them, but they had changed niggers and social security cards. But it's a big thing. This policy. Very big.

G: Don't they have big front boys in Chicago?

M: There're never any front boys. Never were.

(There followed further general discussion of the policy game in Chicago similar to above.)

G: That's one thing, since I have been with the Department, there's never been anything done about policy.

S: It's never been closed. There's never been a policy wheel raided and they have the drawings right out in the open.

M: Don't you think something should be done about that?

S: Yes, I do. I really do. I sure do. Find out where the ten wheels are and take all of their equipment, and they're in bad shape. Printing press and everything.

P: Close her down.

M: Naturally, when you take the machines, just hide them.

S: They have different color slips. Pink, yellow, green, white. They have

different names for each number. I don't know a whole lot about it other than just what I've seen because in the Department they keep pretty cool on those things.

P: You see, here the D.A. could keep one or two, then you would have something.

S: Well, now the reason there's so many. They're a greedy bunch of people. Somebody will get something on somebody else. Well, we'll give them a wheel and let him hush up. So this FRIEDMAN killing here about ten years ago. BENNIE VICKERS killed Mr. FRIEDMAN. So, in order to keep Mrs. FRIEDMAN happy, they give her a wheel, and now I think she's got two or three wheels.

G: So far as I know, BENNIE has them all but one.

S: Is that right. I didn't know that.

G: He has a couple of wheels in Fort Worth, maybe more. You see, the niggers down here go for that policy in a big way.

S: That and dice. That's another thing. There're about fifty nigger dice games here and some of them are big. They're not controlled by anybody. Anybody.

P: Well, I tell you what we can do with those niggers. I can - They cleaned out nigger town one time. You remember, I told you.

S: You mean North Dallas?

P: I got a nigger doctor over there. I've known him for years. He had three things that he wanted to do. He's a very wealthy nigger, and there's a lot of wealthy niggers here, but it's a restricted town. There's no place they can go. There's nothing they can do, the stores don't allow them in. Neiman Marcus don't let them in, I don't care who they are. He wanted me to open a nigger night club. In fact he took me over there and met the owner of Roseland. He wanted a swanky nigger club. He brought ETHEL HORN. She was going to open.

(further discussion by JONES followed regarding arrangements made for the negro night club to be built on the ground that Dr. SAMUELS donated to the city at Central and Hall).
(JONES also discussed the negroes' ambition to have negro policemen on the police force.)

G: The negro business here, it's a pretty big racket. They've a club out here now called Cocanut in the county.

G: As I understand it from the conversation we had this morning, you and the boys are going to look it over and then bring this other man back here.

M: What I want to know is can we take your word?

S: We're negotiating. Now, do you think it would be a good idea for me to do business with PAUL or anyone else, or do you think it would be better to do business with my lawyer.

M: I think it would be best for you. Who is your lawyer?

S: Well, I'd rather not say. Unless we're going to do business. I'd rather not mention his name.

M: Well, that's your business. If you'd do business with PAUL or personally.

S: Well, I'll think it over. He's a good boy.

M: Well, he must be.

orig notes made
by W. G. Fowler, DFO
during his contacts
w/ DR Jones, Jack Knapp,
Pat Manning < 1946

10-9-46

Contacted Paul Jones.

He is leaving Dallas at 12.55 tonight for Chicago. He said his life had been threatened several times lately. There is some friction between the Lipky and the Wineberg factions. The Fed. Gov't has put a stop to his activities in Mexico, temporarily, at least until Aleman gets in. The syndicate he is connected with operates from coast to coast and in Canada and Spain. He is going to be sent to Spain in the near future. From Chicago he will go to N.Y. get his wife and return to Dallas in about a week or 10 days. His outfit always keeps up with his local doings. He only goes places where his outfit will know who he goes with. He could go into any fairly large city in the U.S. and his syndicate would have some connection there. In case he ran into any local trouble he would call his office long distance and they would send him the money he needed, or all the men he needed, or he could get help from Waxey Gordon whose phone number he had in his pocket.

While he was in Mex. City someone broke into his apt. and stole his snub-nose .38 pistol & he wanted to know if he would find out if it was an officer or a thief who took it.

That Labriola was a stepson of Mangano, a big time Chicago criminal. Labriola was one of the men at large who was called in to settle differences for the syndicate.

That Lipsky was one of the greatest conmen in the country.

That his outfit was buying lots of sugar for \$20 and \$21 dollars a 100# and re-selling it for \$27.00 per 100#.

That generally when they went into a town they operate through a fix, who was powerful enough to run things. In return his outfit did everything they could to keep the heat off the town. That Wichita Falls would be an unusual opportunity for them to make lots of money.

That in Dallas he was authorized to offer the new D.A. & Sheriff 1000.00 per week each plus 12 $\frac{1}{2}$ % each for complete protection.

That the Jones boys, colored policy operators in Chicago, paid \$200,000. for the snatch there and that they are now in Mexico.

MAR 29 1951

ROUTE TO _____ FILE _____

That his outfit was making every effort to take over the wire service whose headquarters are in Chicago and whose take is approximately \$1,000,000.00 per week over the country.

That should his syndicate get a fix in the county and in the new City Government, that they are sure will move in in May, his outfit will see to it personally that much local crime is eliminated by persuasion. Most of the black market handled by his outfit got to Spain via Vera Cruz Mexico and are packed for shipment in Mahogany crates.

That the Dallas people who operate for his syndicate are well known. None of the operations are ever operated anywhere by people brought in from the outside, but by local people who front for them.

His outfit has a large number of slot machines they can and will move into this area when they get the go ahead signal.

Wineberg put a lot of heat on Lipsky by his crude methods. Wineberg and Lipsky are on the outs.

Paul Jones seemed to go out of his way to emphasize the idea his people did not want to stir up any trouble among local gamblers, but he had been approached by some of them to bring in a non-limit crap game for the Fair.

10-29-46 - 10.30 P.M.

Paul Jones called my house and after some casual conversation asked if I had seen Steve G. lately. I told him I had played golf with Steve the day before and would play golf with him again tomorrow. That I had been on my vacation for the past 2 days and had not been around the house much. He said he would consider it a favor if I could make some arrangements for him to talk to Steve. Paul will call again tomorrow night at 6.15 P.M. Called the office to report conversation but Lt. Daniel & Capt. Fritz were both gone.

10-30 - Re: Paul Jones

After the golf game today I asked Steve if he had ever heard of Paul Jones. He laughed and said "Are you kidding?" "Wonder why someone hasn't all ready killed him?" Then I explained the police dept. was very much interested in Paul's local connections and activities and that Paul wanted to talk to him and we would appreciate it if he would help us out as it may add to our information about Paul's methods of operating. Steve agreed to do this and mentioned Col. Garrison at Austin - who Steve had met while attending school. That he would like for his own protection to make recordings of what was said for future reference. Steve said to tell Paul to come over tomorrow night at 8 P.M. if he called.

Called the office to report this and find out how and if to proceed. Lt. Daniels off. Capt. Fritz working on the liquor store killings and not able to contact him.

Phoned Chief Hansson and told him the setup, explaining that setup and my inability to find Capt. Fritz or Dan - that I wasn't going over their head but thought some one ought to know what the deal was. Asked me what hours I was working and I told him I was on vacation. Said to go on with the deal - that when my vacation was over I would be transferred with Cannaway into the vice squad.

11-23

Paul Jones returned to Chicago this A.M. He got into Dallas some time Monday with his wife. It was unexpected for him - the quick return to Chicago.

Some local jew already has the bond racket sewed up in Dallas under the new administration. Thought to be Bill Solters who is reported to have sold his pawn shop to get enough money to operate on. Sam Passman is said to have engineered this "monopoly" for a nice consideration. The jews are attempting to tie Dallas up politically, and this gravy train is one of their first.

Jack Darby and Bill Holcomb had a drunken brawl. Two of Jack's friends grabbed Bill and held his arms. Jack then slipped behind Holcomb and hit him in the head several times. They split up and Bill Holcomb is now working for Herbert Noble. Said Bill was going to work for an insurance company and would receive an unusual good income.

Paul Jones is back in town.

10-25

Contacted Paul Jones who said -

He was questioned before he left Chicago about the Kelly killing. The motive for the killing was Kelly's ambition. He, Kelly, would go into a location operated by a competitor. He would make the owner of the joint a proposition, giving him 10% more than he had been getting. He would then take his competitors machine out, put it on the sidewalk and then put his own in. Paul Jones said that kind of business was bad for the health in Chicago.

Jones has been celebrating his wedding anniversary today. He is taking his wife on a shopping trip this P.M.

*Grubbs Kelly
LEAH
KILLED
10/27/4*

He pulled out a roll of \$100.00 bills and told me that he wanted me to have a good time on him - that I wasn't always putting him in jail.

He also wanted me to contact some of the big boys for him and see if I could arrange a fix. He said his syndicate would be willing to put in slot machines for any one who could make a fix. After all expenses were paid out his outfit and the siad fix would divide 50 - 50. Said he was sure some one would take him up as he could furnish the latest equipment, which included some of the electric slot machines.

W. U. Bankston has two airplanes now. He has a Howard 5 passenger monoplane painted "Creme" with a black stripe. This plane has some of the best equipment. It is stored in the Dallas Aero Service Hanger #5A.

He also has a twin engine Beachcraft, all metal, silver colored with a lightning stripe down the side. This ship is also a well equipped job. It carries about 7 or 9 passengers. It took off today with some ---

Again contacted Paul Jones who said -

Starting the first of the year his people were really coming into their own. The nationwide wire service formerly operated by Ragen would be operated by his syndicate under the name of Mid-West Wire Service. By having control of this service they would have a good lever with which to pry further into other profitable sources of income. That they were going to expand their liquor interests in Dallas. That Steve could really do himself a lot of good when he goes in by operating through their set up. That after Steve had held office one term and wanted to run again his outfit would buy off all competition and pay all his campaign expenses out of their end of the profit. Also that come election time, Steve would get letters from his good (?) friends Bob Hannegan and President Truman, congratulating him on his wonderful record and expressing the hope the good people of Dallas would see fit to re-elect him.

Under the new system which his syndicate operates, the Sheriff or the D. A. (whichever one they make their deal with) enters into a 50-50 partnership with each other. Steve could pick out any friend of his that he liked and trusted. The Chicago outfit would set this friend up in the coin machine business, furnishing him with all the capital and equipment necessary. This friend would operate the business on a purely business basis, keeping track of every cent coming in and going out. The syndicate would furnish this lucky operator with a machine mechanic and a good well coached accountant to handle the books for Uncle Sam's sake. Otherwise Steve's man would be on his own. In addition, should any slot machine thief, or rival operator, steal a machine or cause any trouble to the new operation, they would be broke of the habit (in due and ancient form).

On the big crap game they would like to open, the same kind of deal would be made. Their syndicate would furnish expert operators working under the supervision of local people. After all expenditures and pay offs to other grafters, his outfit and Steve will divide the net profits.

Also, Steve would get 50-50 on wire service, football and baseball service, political races and all like income.

This super-doooper crap game will play for the big boys. It will be a non-limit game and will be fair and square. Of course, he says his outfit will furnish dice experts to keep some dice sharp from cheating them. There will be no set up to contend with like the recently publicized Freddie Merrell and Dub McClannahan mess where it was a frame up and they met later to divide the "take".

In order to keep the rest of the court house grafters pacified each would be paid a weekly fee, all of which to come out of the gross profits.

He estimated that Steve could make \$150,000. per year, maybe more.

When I asked him who, in his opinion, was locally qualified enough to handle a big set up like this he suggested - front men for the rackets Chick Lancaster, Olin Lancaster for the unlimited crape game. Clint Murchison, Todd Lee Wynne. The above two multi-millionaires and capable of bringing big money into the gambling tables. These men are well known, not only locally, but nationally to the sporting and gambling world.

Jones has a great deal of contempt for what he called "chicken feed" that the local grafters were getting. This hesitation on the part of local rackets and vice to fatten up the nut when times were good is the reason his syndicate is having such an easy time in most cities they are organizing.

He said the pay outs for a city the size of Dallas should be 10 times what they are. When I asked Jones how strong his outfit was tied in with the Federal Government, he said they were fixed and mentioned Truman and Hannegan. His people, he said, had no fear of government intervention.

He said St. Louis, Kansas City, New Orleans, Little Rock, to name a few, were well oiled and everybody was making money. Lipsky was recalled to Chicago and pulled down off his high horse. His group made a mistake in Lipsky and it cost them plenty. They made several costly mistakes and have found out it is best to remain in the background and let the local man do all the active work.

He said T.K. was doing some ground work for them but would not make any proposition to anyone until he gave the word.

He also admitted that his syndicate was willing and ready to financially back any strong local group in the city elections, where a pre-arranged deal justified the confidence and expense.

He also stressed the strong (to him) point that in cities controlled by his crowd, major crimes had decreased. The boys had an effective police force of their own.

When asked if he felt any fear of the local set up he replied that he had gone to their lawyer, after he had received some threats, and passed the word on that should any of his group be harmed they would demand a return of 10-1. That is, ten local dead to one of his syndicate. There were several of his boys in town that were active and ready to go. They kept track of each other and if one was out of pocket the others "knew where to start in."

This brings back the incident of the first arrest of the Chicago group by local people.

Al B. was talking to Bill D. when the 'phone rang. It was Ivy Miller. Miller wanted to know who and what the addresses were of the Chicago boys. Bill turned to Al and asked him what to do. Al said "Tell him" so Bill did. Twenty minutes later Fritz, Gaddy and Smart arrested them. Some connections.

The local nut, both City & County, is thought to be about \$17,000.00 per month.

Jones is fairly well informed on the local set up. He found out what Dean's percentage was and it was very low. He said the police captains in other towns did lots better.

He could almost tell a man how many white faced cattle and Palamino horses a certain local thug had on his ranches, where the ranches were, how many employees, the pay roll, etc.

He said I would be very muchly surprised if I were thoroughly in the know about my own department. A petty larceny bunch of "beggars", he called them.

The man McWillie killed McBride, was killed by accident. The man he should have killed that might has been taken care of as has one more man. They have simply disappeared. Names will be furnished later. Archer and Fletcher will soon join them. Noble is still the hottest thing around Dallas.

Paul Jones met Steve Guthrie and Butler at Steve's house at about 8 P.M., and stayed until about 1.30 P.M. All conversation was recorded by Dub. Naylor of the Dept. of Public Safety (Ranger)

Present at the meeting were Paul Jones, Steve Guthrie and Geo. Butler. Naylor and his helper recorded all meeting from back bedroom. Jones carried home by Butler and expressed himself as pleased with Guthrie's possibilities, telling me I would be well taken care of for my troubles.

11-3-46

Paul Jones called me at Steve's house tonight, long distance, operator 6440, Chicago, and said he will be in Dallas Tuesday with his top people.

Wants me to reserve Governor's Suite at the Adolphus Hotel for a few days. That there would be 3 from Chicago and 2 from Las Vegas. Made reservations through Jack Lestey at the Adolphus Hotel. Said he has guns ordered but they are hard to get. Wants big room where they can hold a conference and not be going in and out all the time. Call was recorded.

Paul R. Jones and Jack Knapp arrived today from Chicago via Kansas City aboard Braniff Airliner. Ship was about 2 or 3 hours late, due to bad weather. (9.30 A.M.) They are now registered in room 831 Adolphus Hotel. Paul Jones was contacted by Butler shortly after his arrival at the Rex Liquor Store, 1419 Commerce and Akard. This was approximately 11.45 A.M. After eating, getting a hair cut and changing clothes they contacted Butler at his home, 4251 Cedar Springs. They arrived at Butler's house about 2.45 P.M. at which time Paul Jones introduced his man as Jack Knapp. Room 831 Adolphus.

Various phases of the local set up were discussed and the following plans were made.

Jones would probably have his other men here by 3 P.M. tomorrow (11-6-46) and he would be most happy to be at Steve's house by that time. He would also like to have Steve's chief deputy on hand at the meeting so they would thoroughly understand each other from the start. Present would be their big lawyer from Chicago who is supposed to be the best in the whole country.

At this meeting further plans would be made to set things in action to move in gradually.

Jones talked about buying the Chicken Bar at Ft. Worth cut off and Industrial Blvd. for \$185,000.00. The money to come from his people and the place to be converted into a gambling club and night spot. He said other locations were discussed but this was the perfect location.

In regard to the new club at Lobello's, Jones had the following to say. It was not operated by his people. It was a "key" club with a very select, limited membership of 300 keys. It was being changed over to a very high class "joint". However, there was nothing to worry about. His people would cut off his whiskey, beer, gaming equipment, have the place raided and before you knew it, Mr. Lobello would have to close. His selection of some of the most prominent people was primarily for political protection.

Jack Knapp did not have much to say. He did comment that things would be so gradually opened and all by local people that no one could trace or put any heat on the D.A. or Sheriff's office. That no violence would result from their method of operation, no one would be killed, and every one would make lots of money.

Knapp said his home was in Fort Smith, Ark. and that he had operated a lot in Little Rock. He said he and Paul registered as being from Buffalo, N.Y. Knapp talked more like a southerner. He said he had been in the army

during the war, going over seas with an armored outfit, but failed to name his organization. Knapp is apparently smooth, well educated and observant. My personal impression was that he was a Federal man working under cover.

He seems to be about 27 years old, 5'8" or 9", ruddy complexion, gray eyes, full face, brown hair, about 160" very well dressed but not flashy. He was all eyes and ears and let Jones do most of the talking, verifying what Jones said by a shake of his head.

Jones also said he would have plenty of help in getting things rolling. That after things were going smoothly he would take off and leave the operation in the hands of an equally experienced man who has been here for some time. (Harry Hornstein).

He said his people had some of the largest beer distribution in Dallas and the same applied to whiskey. They could use these things to get things done without any actual force.

Jones said he knew the local syndicate was very much interested in him and his activities and that was one reason he registered as being from Buffalo. Apparently this was his idea. He hinted that the local people would be surprised to know just how much their supposedly hidden activities were known.

Both men thought it was a swell idea to meet at Steve's house. It would do no one any good for any of them to be seen together. In the morning, they are going to rent a car to use. This is better and less noticeable than a taxi, so they said.

Jones indicated that 3 more men were due in Dallas tonight or tomorrow. At the same time he said it was important that all be present. He said he was sure that I, Butler, would be handsomely taken care of.

Due to the heavy rain and their inability to get a cab I took them to their hotel. We went by way of Industrial Blvd. and Commerce where Jones showed the Chicken Bar to Knapp and pointed out the advantages of the location. Knapp said it looked O.K. to him. I let them out of my car in front of the Marques at 1404 Main about 4.30 P.M.

In regard to the guns Jones said that they sent out a man in Chicago to get one. He had never heard anything about this type of pistol before. When he came back, empty handed, he told all the boys he was going to get one of the damn things for himself. After the explanation was made, by their "messenger" Jones said he wanted one personally, too.

Just before they left Chicago they heard where one could be obtained. If it is still there it will be brought in by his man in the morning.

Jones gave me at \$20.00 bill, Serial #J27964065. They are going to be at Steve's house at 3 P.M. tomorrow.

11-6

Paul R. Jones and Jack Knapp met Guthrie and Butler at Steve's house, 6263 Malcolm, about 3.10 P.M. All conversation and negotiations were recorded. About 6 P.M. both men remembered they had to meet the big man from Chicago at the airport. Unable to get a cab, Butler carried them to Love Field in Steve's old coupe. Later Jones called and made a date to meet them at Steve's house at 8.30 A.M. - 11-7-46.

11-7-46.

Paul Jones, Jack Knapp and a man introduced to us as Pat Manning, arrived at Steve's house in a yellow cab #46, at about 8.40 A.M.

Camera set up by T.H.P. man named Tisdale. Cap't Naylor of State Rangers recorded conversation which took place in Steve's study at home office.

Present at these negotiations were Steve Guthrie, Pat Manning, Paul Jones, Jack Knapp and George Butler.

Various problems in connection with fixing the various people involved were discussed. It was indicated that already in the bag were: Al Templeton, Gonzales, Will Wilson and that the city would be an easy change over, come the April elections.

Manning commented that he had been doing business for the past 15 years and, as yet, had not run into any serious trouble. That he was here to bankroll the local operation. That he had a section of Chicago and everyone there was making money and happy. That other operations over the country were run in the same set up and no one was any wiser. That he was very much interested in the numbers or policy wheels, and the crap games. He wanted it understood, though, that the deal covered all forms of business and named slot machines, horse joints, policy, punch boards, crap games, wire service, football selections and other forms of legitimate take. He was not interested in dope, whores, thieves, or any grand jury or D.A. fix or any form of crime other than gambling. His people would cooperate with the Sheriff in every way to discourage the more violent and serious crimes. That they were going to send down a man right away to make a survey of every local set up, and this would be in such a way that no one would become wise.

Manning, Jones and Knapp were carried from Steve's house by Butler to the Snowden Dist. Co. 1311 Ross Avenue, one of their connections. On the ride down Manning made the comment that he was leaving town this P.M. but Knapp said something to him about staying over and his leaving is now uncertain. Butler commented that he was on his vacation and wanted to take his wife on a nice little trip. Knapp said no, you stay here and help us with Steve and you won't be sorry. So, Butler agreed to stay. Most of

the time spent at Steve's was spent by the boys in selling the Sheriff a sweet smelling set of goods.

Pat Manning in Room 1044, Adolphus Hotel.

Manning caught the 4.45 P.M. Braniff Plane out of Dallas, bound for Chicago. Jack Knapp is still in town.

Both Knapp and Paul Jones are going to Chicago in the next few days.

Paul Jones called tonight about 6.30 P.M. with above info.

Jones said that everything went off O.K. but he wants to get together with me and let our hair down. That he wanted us to confide in each other. He wanted me to meet the big boys, both locally and the ones who would come in, on a social basis. Jones asked if I thought Steve had given the go ahead in good faith.

Today, at the meeting at Guthries, Manning accidentally pulled out of his pocket a roll of large bills, \$1,000.00. The roll was bent in the middle and folded over. It was about as thick as a package of cigarettes. When he saw me looking at it he hurriedly stuck it back in his pocket.

Later, when we got into my car, I saw Manning hand Paul Jones something I was sure was the roll of bills. Jones went back into the house and came out shortly with Steve. After a short conversation on the porch, Jones got in the car and we left.

I called Steve later and asked him if Jones hadn't offered him some money. He said "Yes, it was a roll of large bills, which he estimated as being around \$15,000.00. My own estimate would be approximately \$25 - \$50,000.00 if all were \$1,000.00 notes. Steve said he rejected the money and to tell Jones when I saw him that he thought it was a poor way to give a man a "hand-out".

Judge Al Templeton and his wife Allie, were the guests of Paul Jones in their recent trip to Mexico City, according to Paul.

Shortly after Manning, Knapp and Paul Jones left the Snowden Dist. Co. they returned to the hotel, had dinner and then Manning called on Earl Dalton at the Southland. He told Dalton he understood Dalton was formerly connected with some people in Chicago. That he, Manning was in the beer racket and wanted to move to Dallas. That the elections in Chicago put a lot of heat on his business and they were going to have to lay low for a while. Manning was very curious about the local racket set up, local politics, how much power the Texas Rangers had, if the Rangers could go over a Sheriff's head, how the city was fixed, how the city and county got along together, in short, he tried to find out as much as he could about the local syndicates method of operation. He told Dalton he was leaving on the 4.45 P.M. plane for Chicago.

11-8

Paul Jones called at 6.15 P.M. tonight, to say he was leaving town via plane in the next few minutes. He said Knapp was still with him and both were leaving together. They will be back Monday. He is going to try and make arrangements with Titche Goettinger to get two magnum pistols. He said he had been with his local people all day today and they were ready.

There is some rumor going around that Passman is making all the appointments for Steve and Frank S. is going to be left out in the cold.

Noble is going to be the head man in the new set up. The local syndicate seems to be for him.

Apparently one big reason Noble has not been killed as per previous orders is that some of the toughest west Dallas boys put the word in the right places "That should Noble be killed, so would all the Southland group, including Lois and Johnny."

There is absolutely no doubt that "Pecky" Miller killed Eddie Gilliland. Archie Archer struck him a time or two but ----

11-11-46

Paul Jones called long distance from Chicago to Butler J588392 about 1.05 P.M. When operator was notified Butler was not at home he left instructions for Butler to call Operator 63 at Chicago when he arrived. Butler called Dub Taylor who had already left for Austin. Acting as per instructions, Butler then called Chicago 63 and was almost immediately connected with Paul Jones. This contact made at 1.15 P.M. Conversation:

Paul: "How is everything?"

B: "O.K."

Paul: "Did you get those guns at Titche's?"

B: "No, i've been mighty busy this morning. I had to go to work today and haven't had time."

Paul: "I have one here, but I would like to get two more in case we want to give one to someone else."

B: "Well, they are handy little gadgets to have around".

Paul: "They sure are - see if you can get two more at Titche's and I will be in a few days and take care of everything."

B: "I'll see what I can do."

Paul: "How is the other party?"

B: "He is alright. I talked to him yesterday and he is mighty interested in the deal. However, he is going to Austin and won't be back until the week end. Chances are, he is already gone."

Paul: "That's fine, everything depends on you George, and I will see you in a few days."

B: "Say, my transfer that we were talking about went through today."
Paul: "Congratulations! I know you will make a good man."
B: "Thanks, when you get here let me hear from you."
Paul: "I will."
B: "Say, Paul, when you phone me, call my wife and have her get in touch with me. Don't call the department."
Paul: "I sure won't. I'll see you in a few days. Goodbye."
B: "Goodbye."

11-14-46 - 5.50 P.M.

Paul Jones called my home through operator 45 at Syracuse, N.Y. He stated that he was going on into N.Y. City right away and would be there a couple of days. Monday the boys were going to have a meeting in Chicago to discuss further the set up in Dallas. Everything was alright. He had located one Magnum with a 3½" barrell and was going to buy all he could get. Thought maybe he could get some in N.Y. Everyone wanted one now that they knew what they could do and it would be hard to get here with too many.

Leon Nash is reported as saying he is the man who is hiring Steve's deputies.

So says Sam Passman about himself.

Contrary to what the local syndicate has said they definitely intend to set tight and try to hold what they have.

Noble really has a swanky set up at the San Pauls Hotel.

11-20-46

Paul Jones called from N. Y. City at 3.30 A.M. today. He said that he had been to Chicago but had returned to N. Y. That he was leaving N. Y. today (Wed) for Chicago and would be in Dallas either Thursday night or Friday morning. That everything was O. K. That his wife was coming to Dallas Monday to be with him. That he had on 357 Magnum pistol and would try to get more in Chicago and Kansas City.

Tuffy Nelson from all indications has been going around in the county "feeling out" the slot machine operators. He is going to be the head of the new vice squad in the county.

Al Meadows can nearly always be reached through the Gulf Service Station, next to the show on Singleton Blvd. The rangers have been giving his machines hell the past few days. He lost 4 today plus fines.

Billy Butter recently seen with Nick Cascio in San Antonio.

Charley Rader is going to be Dalton's front man at the new "Sirango Club" on Cedar Springs.

It cost Delber and Bowers \$1,000.00 to get out of the Texas City Deal.

Monk Wright is now in Med. Arts Hospital with an infected kidney.

Billy Persons recently broke his leg.

The murder of the jute box man found in Denton county stinks. Roy Moore made a statement that this was his last go around and he was going to make it. There is no doubt about the man having been beat over the head.

11-23-

Paul Jones at Adolphus Century Room with Jack Knapp. They arrived at 7.30 P.M. and are registered in room 1036. Jones talked to Butler on the dance floor, said he had the magnum upstairs and to come by later and get it. Later, Butler, his wife, Mr. & Mrs. Macy went to Jones room where Jones showed the party the pistol, saying it cost in excess of \$110.00 which was ceiling price. Jones said he got the gun from a collector at Marshall Fields in Chicago and at this time had six more ordered. The magnum had an oversized wooden grip special sights and Jones asked Butler if he wanted to give the gun to Steve or would it be better to have Jones give it to him. Butler said it would be better if Jones made the presentation himself. Jones agreed to call Butler the next day. While in Jones room the phone rang, Jones answered it and told whoever it was calling that he would call them back right away. Knapp watched Jones like a hawk during this conversation.

11-25-

Re: Dalton's lay out on Cedar Springs.

Permit taken out on 10-24-46 for remodel private dwelling into private club at 2925 Cedar Springs owner of land - Lewis and Lambert-3728 Mt. Lanier contractor J. Edward Smith total cost \$24,000.00.

Club supposed to take care of parties and overflow of Dallas Athletic Club and Glenn Lake C. C. Especially designed for private parties and gambling.

Contacted room 1036 Adolphus and talked to Jack Knapp who said Jones had tried to get in touch with me yesterday (Sunday) and wanted to see me,

right away. That Jones was at R. 4489 which I called and talked to Jones. He said he was leaving at 12.55 tonight for Chicago and was due in Buffalo, N.Y. tomorrow. That he wanted to get in touch with Steve and not only give him his gun but to get the go ahead word to tell his people. I told him Steve was out of town and I would make some arrangements for tonight and would call Paul at his hotel about 4.30 P.M. or 5 and let him know what Steve said about seeing him tonight. This conversation took place today at 12.40 P.M. between my phone J. 88392 and R4489. R4489 is listed to Barrows Barber Shop, Mercantile Bank Building.

Paul Jones arrived at my house at 10.45 P.M. by himself, in a cab which waited for him. He stayed until 12.10 A.M.

The first thing he said was: That two Dallas men named Pete Strance and Bill Bundy were recently in Chicago and talked to Eddie Vogel. They told Vogel that they had Dallas and asked if he would be interested in coming in. Vogel was surprised and asked them if they knew Paul Jones. They said Paul had been run out of Dallas. Vogel called in Jones and asked him if he, Jones, knew what he was talking about. Jones said that tonight he and Knapp had dinner with Bundy and Strance and were told they could start operating this coming Monday. Jones wanted to know what the score was. I told him that as far as I knew it was settled when Manning, Knapp, Jones, Guthrie and myself had the meeting at Steve's house. Strance and Bundy are good friends of Roy Coffey and Gay Ballon.

Jones wanted to know if Guthrie would reassure this people over long distance phone about the deal still being O.K. I told him if there was any doubt he would talk to them personally. He suggested Steve fly to Chicago but I told him that would be out of the question.

Jones said the man sitting at the table with him Sat. night at the Century room was Bob Fletsher and that Bob was ready to go. So were Johnny Andrews, Chilton, Day and Little. He said Dalton called Manning in the time Manning was in Dallas and offered him the town saying the local group was "out". Jones said he understood the local syndicate was out after the first of the year. Jones said also that Sam Yaris claimed he had everything after the first. Jones also said that Niger Nate and about 20 of his boys were here from Pittsburgh and Niger and 4 of his boys were staying at the Baker. All could be picked up at Sam's Place.

Jones used the phone several times. He called the Adolphus Hotel and asked to be connected to 1036. The line was busy and he got the operator to cut him in on the conversation. Later he called back and talked to Jack Knapp. Whatever the conversation Jones immediately called the Braniff Airlines and cancelled his reservations to tonight's flight, making reservations on the 4.45 P.M. flight 11-26-46, for Mr. and Mrs. Donald Blaski. 814 W. 26th Place, Chicago, Illinois, Jack Knapp and himself.

Jones wants some assurance from Steve before he leaves. Jones will call me in the morning to see what Steve is willing to do.

Jones said that if I want him for anything while he is in Chicago to call him collect at the Bismark Hotel.

He offered no excuses for Knapp not coming along.

He said he had dinner with Waxey Gordon at the Madison Square Club room and that Marty Uchs was there. Paul said he called Chicago later about this boy. They asked him to check and see what was brewing. They found Labriola and Wineberg there, called the cops and had them run out of town.

Jones left me at 357 Magnum 43830 S. & W. with King sights and a leather holster with U. S. Court House, Chicago, written on it in black ink. Holster made by Heiser, Denver and has a #804 stamped in the leather. Also cut in the leather was NS 218. Apparently some ones name had been scratched off the holster. Grips of pistol were oversized red cedar and he had an extra pair of handles for the gun, which had number 52846 stamped on the inside.

Calls made from Jones room 1036, Adolphus:

T 74904
J 88392
C 1419
T 70344
C 2255
W 3516
T 32566
C 9296
T 1120
L 9602
L 65039

\$50.00 bill from Jones serial ED1047838. Pete Strance and Bill Bundy are supposed to be the men who financed the Rotolett, the new electric slot machine that pays off in stamped tickets which are cashed in.

11-26-

Called Steve at 9 A.M. he was reluctant to make any arrests before he went into office but agreed to talk to Chief Hansson on the aspects of the case via long distance phone today.

Paul Jones came by my house on the way to the airport where he left on the 1.30 P.M. ship for Chicago, saying he would be at the Bismark Hotel tonight and would call Steve from there late tonight. He wants more confirmation on his deal with Steve, Jack Knapp, Mr. & Mrs. Don Blaski were supposed to go with him. Jones was reluctant to talk about Niger Nate and all the boys hanging around, Sam Yaris' place. Is going to return to Dallas Friday. Said for me to keep the gun as he had a new one for Steve.

11-26

Manning reported to be the vice president of the Joliet Chicago Brewery. He is the real head of the numbers racket in Chicago. He has a brother named "Jeff" who earns \$1,000.00 per week as manager of one of the biggest wheels. Pat Manning, Jeff Manning, Paul Jones and a man named Willie own a large tavern in Chicago. Mannings home valued in excess of \$100,000.00. To all external appearances Manning is a legitimate business man and is not closely associated in any way that can be traced with any of the rackets.

Sam Yaris owes many of his troubles to the Chicago syndicate. It looks as though Sam is going to be called to Chicago real soon to have a talk with his brother Dave about the company he is keeping here in Dallas. The crowd hanging around Sams is not officially connected with Paul Jones people, according to Jones.

On commenting that Jack Knapp seemed to be a very smart boy Jones offered the information that Knapp formerly had the whole state of Wis. for the syndicate, that he was a college man, and was a nephew of the 5th man in the syndicate. He is 31 years old, doesn't do much drinking.

Earl Dalton will soon be called to Chicago and notified that he is through in Dallas as are the rest of the boys, unless they want to play ball.

On being asked how much money Steve was offered Jones would not say. He did say that Steve's refusal to take the roll make his people wonder if they had a deal or not.

11-27

Paul Jones called my home from Chicago at 1.15 A.M. today. He said he had been unable to get an answer to Steve's phone. He wanted to have me say hello to some of his friends. He said - come on Eddie say hello to this man. Some one else said say hello, Vogel! Finally, Pat Manning came to the phone and said hello - He said Paul would be in tomorrow to start the ball to rolling and that he would be seeing me soon. Goodbye!

Re: BARON CHRISTIAN BENDTSEN - Christian Bendson, Christian Warner Bendt - Bendtsen and, Christian W. Bendt - Bendtsen. inv. on security matter, N.Y. both July 8, 1897 - Copenhagen, Denmark.

Lived S. Africa from 1898-1895 when he entered the U.S. Worked in numerous hotels throughout the U. S. and he was a head waiter.

Convicted and sentenced in 1930 for counterfeiting in N. Y. City. Passing money. No un-Amer. tendencies. Forged numerous checks on wife at gambling games in Miami, Fla. no prosecution.

Re: Niger Nate.

Nate Raymond, alias Diger Nate Lanett, Niger Nate Linnett, white, Jew, 5'6" - 164-170 " dark hair streaked with gray, unusual old face protruding jaw line, wears expensive clothes, never a hat.

12-3

Rutland:

Sam Passman is making lots of deals with various jews. His (Passman's) idea is to put so much heat on the city that the boys will have to move into the county to operate. This will do away with the pay off to the city hall gang and give the county more money to divide. Passman reported to be very friendly with T.K. Says that Miller told him (R) that the town would be closed down after the first and that if anyone ran it would be on their own. When asked about the policy end of the business he had not heard what is going to happen to that. Rutland still does not like Steve and commented that the bunch of men he hired would do nothing but cause trouble, especially Jack Medford.

Paul Jones arrived with Mrs. Jones via Braniff last night. He called Butler about 1.30 P.M. at his home. Later he came to Butler's home in yellow cab #78, about 2 P.M. Butler informed Jones that there was a pick up on all the out of town boys in Dallas at this time and it would be advisable for Jones to leave or lie low for a while. Inasmuch as Jones had some dental work he had to have done and also had his wife here he said he would have to take a chance by staying. He asked Butler to take him to the Washington Apts. where B. met Mrs. J. Mrs. J. made some coffee and during the conversation Mrs. Jones asked Paul when Roby was coming in, and Paul said, tomorrow evening.

Jones had already told Butler that Jack Knapp would be in tomorrow so Roby and Jack are probably one and the same. In discussing Ramon and Madden Jones advised me to go ahead and arrest them - run them out of town, that they and Sam Yaris were nothing but trouble makers. That he, Jones, could not afford to ask any questions about them but they all hung around Sam Yaris' place and could be picked up there.

On being questioned about Bundy and Strance, Jones stated that they had, through a local salesman, for the Balli Coin Machine Co. in Chicago, made an appointment to meet Eddie Vogel. During the meeting Bundy and Strance made the statement to Vogel that they had put up \$168,000 to elect Jester for Governor and Guthrie for Sheriff and they had been given Dallas County. They would be willing to give Vogel a nice piece of the take if he would finance the deal but they wanted their \$168,000. they had spent for campaign expenses right off the top, first. This declaration by these men was made at about the same time Paul Jones made his. Paul was with Vogel and Manning at the time he last called Butler from Chicago. As a result of this other proposition, coming from a fairly reliable source, Paul says his people are a little cold and willing to wait until Steve gets set before they start moving.

Jones stated that after he talked to me he went to N.Y. City - to Mexico City - to Chicago and so to Dallas. If it were not for his urgent need to see a dentist he would take his wife on to Mexico for a short vacation while things are cooling off here.

While at Jones apartment he showed me a letter from the Streamaster Co. in N.Y. City dated 11-16-46 and addressed to Paul Jones c/o Jacobson Co. 324 Halsted Street, Chicago, Illinois and signed by S. Vernon Mann, Jr. The letter was for an order of specified steel sheeting 325,625 pounds for which Jones had been given a check for \$325.00 by Mr. Mann, who told Jones that the rest of the money would be paid by a sight draft on delivery. The letter mentioned the writer having met Mrs. Jones, a very charming person, and hoped that she was feeling fine. Apparently the deal was made at the Syracuse Hotel and was of the black market variety. Jones is going to keep in touch with me and let me know when Knapp arrives but will not let Knapp go to the Adolphus Hotel.

While at Jones Apt. he gave me an Akron fountainpen in a box number 743. He said these pens were nationally known and were given to him by a friend who had ordered a large bunch of them when pens were hard to get.

Jones had an appointment with his lawyer T. K. at 3 P.M. I drove him from the apartment to the Irwin - Kessler Bldg. in my car.

Jones seemed to be very sincere about Sam Yaris being his enemy and wanting to cause him all the trouble possible. He said Sam had already got a call from Chicago to keep his big mouth shut. He said, in all probability Ramon and Madden with the other boys had already moved from the Baker Hotel and that Sam's was the ideal place to pick them up. He said Madden and Nate had been run out of N. Y. City by La Guardia for personal reasons, that they were not so tough. According to Jones, Yaris is a very crude sort of person and is always causing trouble.

Sussman of the S. & Co. Coin Machine Co. gave the owner of Lucky's Tavern \$400.00 to take out a competitors Seaburg machine and put in his Wurlitzer phonograph.

Jimmie Mills is going around telling people he is Steve's first cousin and can fix the county for a price. Ben Musick is saying the same thing and has made a statement that he was going to put Ed. Harvey out of business.

Sam Yaris has a big phone connection in the construction Bldg. thought to be in the name of S. W. Novelty Co. Some Ft. Worth man runs that end of it.

In talking to Paul Jones he made the confidential remark that if ever I made a really big narcotic haul and wanted to get well that all I had to do was to call him. He knew a man who would take it off my hands without any risk or embarrassment and pay top prices.

12-4

Niges Note - Nathan L. Raymond record 10-23-09 Nathan Sedlow, Seattle, Washington - gaming fined 350. 8-20-23. John Harris at Vancouver, B.C. possession of firearms as alien. 10-26-23 John Harris, Vancouver, B.C. vag. fined. 1-9-12 Harry Cohen, Sacramento, Cal. using shaved dice, given hours to leave town. 12-19-25 Raymond Nathan San Francisco, Cal. vag. discharged 11-26-28 Nathan L. Raymond, N.Y. City material witness homicide discharged 4-26-30 Nathan L. Raymond N.Y. City forgery, 2nd degree 5 to 10 years State prison.

Re: Roy Sistrunk

M.O. File

11-22-46 Capt. Fritz, furnished list of knob knockers, cars etc. to Chief Will Johns.

12-4

After trying unsuccessfully all day to contact Paul Jones in order to get him out of town, I finally went by his house about 6.45 P.M. He told me that he was expecting Bill Decker to come by and see him -- that someone had told Bill some hard things Paul was supposed to have said about him. I told him that I had talked to Steve and Steve asked me to have Paul leave town until after the round up of the outside racketeers in Dallas.

Paul said Jack Knapp was going to come in from Chicago on the 7.55 p.m. plane and asked me if I would take him and Mrs. Jones out to meet the plane. This I agreed to do and we met the plane, going directly from the airport to Paul's house. Paul sent Mrs. Jones in the house and I explained again to Jack what was about to happen, pretending that Sam Yaris was the man who put all the heat on the outsiders. Jack asked me what they should do. I said leave before everyone gets locked up. He said to Paul that he thought it was a good idea and that he had plenty of things in the next two weeks for him and Paul to be busy doing.

On being questioned about the Bundy - Strance deal Jack said that was a lot of pop corn and had finally been straightened out.

Knapp said he and Paul had several things to discuss but that they would leave tonight via plane. Knapp asked me if I had any confidence in Steve Guthrie. I said - "Yes, why?" He said - "Well, if you have, alright; because we have plenty of confidence in you."

Apparently they had been hearing lots about Sam Yaris, big mouth in Chicago, because Knapp said he was not the least surprised that it was Yaris who brought on the heat. Paul said he thought Fritz was under the impression that he and Sam Yaris worked together.

Knapp asked me if I would mind taking them to the airport and I said I wouldn't mind. He told Paul to tell his wife to pack and they got out of the car about 8.55 p.m. They are to call me later to go to the airport.

At 11.00 p.m. Paul Jones called and asked me to meet him at his apartment. On arrival there, he said he and Jack had talked it over and decided that it would be best for Steve, Butler, and everyone else concerned if he, Paul, were arrested with the other boys. After some argument and to keep them from becoming suspicious of me I agreed it was the most reasonable thing to do. Paul Jones will be in the Van Horn cafe next to the Rex Liquor Store on Commerce Street. Jack Knapp to take the 7.45 a.m. plane to Chicago. Mrs. Jones again called Knapp "Roby".

12-5

I picked up Jack Knapp at Jones apartment at 6.45 a.m. and carried him to the airport where he checked out on Braniff 7.45 a.m. plane for Chicago; Knapp insisted I take a \$100.00 bill from him for an Xmas present. Money recovered from these people to date:

11-5-46 from Paul Jones (7) a 20.00 bill "J" - Serial number J27964-65.

11-25-46 a \$50.00 bill from Paul Jones on 11-25-46 serial #K01047838A.

A \$100.00 bill from Jack Knapp on 12-5-46 (Xmas present) Serial #C00493145A.

Lou Schneider is now at Shreveport, La. In with Buddy Satcher with Shreveport Novelty Co. valued at \$169,000.00 Lipsky has a piece of this deal.

Dick Dejohn has been dead since May. He simply disappeared.

Paul Labriola is on the lam. Marty the Ox, James Barcella, James Wineberg are all wanted for investigation of murder in Chicago. Some bystander got killed in a gun fight today. They may show up in Dallas.

Lipsky is now in Los Angeles, Cal. He is not working. He is staying with his girl friend.

12-6-47 Paul's Apt.

George Letendre is still in Dallas.

William Messina is now in Chicago and will stay in Chicago. He operates a saloon.

Leo Goldsand is working with Sam Yaris and at last accounting was living with Sam at his house.

Harry Hornstein is now in San Francisco. He is leaving tomorrow for Chicago and will be in N.Y. City Monday.

Labriola and his boys are sure to contact Redinck, 2903 Elm St.

Also given me were about $\frac{1}{2}$ box 38 shells and about $1\frac{1}{2}$ lbs. of "Dago" sausage.

With the magnum this includes all gifts made to me by these people to date.

Due to Steve's turning down a big wad of bills and my "obvious" financial condition, it would, in my opinion be suspicious to reject even small change like this. Money will be accounted for.

Call made by Lipsky to Satcher from Los Angeles to the Starr Night Club, Dallas, came in between 7.30 and 8.00 p.m.

12-3-46

Satcher is going back to Shreveport, La. (he lives at the Jefferson Hotel) and

coming back through Dallas Saturday on his way to Los Angeles to see Lipsky. He is going to bring Lou Snyder with him when he comes.

Sam Yaris keeps a room at the Baker Hotel.

12-6-46 Paul's Apt.

Breakstone now running a draper shop in Chicago located at 702 W. Roosevelt Rd. listed as Julian R. Breakstone, textile jobber, Phone: Haymarket 0579. Works as a bank robber and fence. Is a brother-in-law of multi-millionaire Keeshin - who operates nationwide truck line.

Jones again said that if I should run into a big dope haul that he could dispose of it right away for cash, at the highest price.

On being asked to explain the remark about me trusting Steve Jones said that so many people claimed to have the county that lots of people were wondering just what the score was. He said he saw Steve today working in his yard.

12-7

Buddy Satcher and Lou Schneider a big old man named Bill Durkee 10% Tarantella said all games were due to go down Dec. 20th.

12-10-46

Met McDowell at the FBI office 2 p.m. and discussed different phases of the case of the Chicago outfit up to this date. MacDowell would like to have another meeting after he has had a chance to coach Steve on what to say and what to do.

Contacted Paul Jones at his apartment. He and Mrs. Jones were there. Paul injured his right knee and ankle while trying to ride a horse Sunday. He walks with a bad limp.

Paul said that he heard that Lipsky was on his way back to Dallas to meet some people. I told him I understood Lipsky was to meet Satcher. Our information must have come from the same source. I told him that my info. was that Satcher and Lou Schneider had made an agreement to collect from Lipsky the money he owed Satcher (or else). Paul said the "or else" may depend on whether Danny Lardino was with Lipsky. Paul Jones said Lipsky had bought out Buddy Satcher's interest at the S.W. Amusement Co. for \$50,000.00. Lipsky gave Buddy \$5,000.00 down and a note for \$45,000.00, also 5% in several routes running out of La. At the present time Lipsky still owes him \$40,000.00. Lou Schneider is now living with Mittie Alice Satcher in Shreveport. Jones said he was going to fix it so that Lipsky would never come back to Dallas. That Danny Lardino had been with Lipsky for 17 years more or less acting as his bodyguard - Danny got married in March '46. He said now that the man had died in Chicago as a result of the machine gunning the heat was really on. Not only were the Chicago police looking for Labriola, Ochs, Baralla, Russo, and "ineberg but "his" (Paul's people) were looking for them, too. It would not be hard to guess what would happen when the boys found them. Jones promised me that if they hit Dallas I would be notified so that I could pick them up. They might "writ out" but when they did his people would take over.

Jones still very interested in making some money out of dope. Says he has a friend who will buy large lots running up as much as \$800,000.00. This friend buys it at the border in kilos 35 oz. for \$8,000.00. He will take all I can get and I can pick up a little change.

Also Paul says that he can get me all the 100" sugar coupons I want for \$8.00 each. Then I can turn around and get \$12.50 per hundred for the coupons. He says the people dealing with the coupons are wildcats and should they walk into a trap could shoot to kill. But, he says, we would make plenty of money as rationing is going on another year.

Paul wants to have another meeting with Steve and his chief dept. this weekend. He can get his people here and they can be personally convinced of the deal.

Some of the boy boys are due in Dallas tomorrow. He is going to call me at noon. Maybe he will introduce me.

12-11

Fay Wood wife Fay Industrial Blvd. Houston, Texas truck driver - fence for bonds, jewelry.

Earl Taryer in Beaumont same type.

Paul Jones said that Lipsky gave a Dallas business man \$2,500.00 hot check to be applied on campaign expenses for Joe Cunningham. The business man turned \$2,500.00 cash into Joe's fund but when the check was run through the bank it bounced. Paul says Lipsky would love to come back to Dallas and become a big shot. However, if he does come back the check will be held over his head.

Contacted Paul Jones who said he was expecting Buddy Satcher in from Shreveport any minute, so I did not stay long. He did not know what Satcher wanted. Jones said three big timers were coming into Dallas tonight from Chicago and he wanted to have a meeting with Steve as soon as it could be arranged. He did not mention their names. He said his friends would know about Ochs and Labriola and he would let me know the latest about them. Contacted Mildred Sis - trunk.

She said she had heard about some Dallas character running off with \$9,000. that was supposed to have been used to get Roy out of jail but had not been able to verify it. She claims Roy's deal is just a shakedown on the part of the DA in Norman Okla. That it cost her \$2,500.00 to get Roy out of Okmulgee Okla. when he was caught in a joint there. It cost her \$200.00 fine when Roy was caught in front of the wholesale drug company in Ft. Smith, Ark. That should Roy be convicted he would be willing to clear up all his business in Dallas.

Jr. Thomas married Patty Little in Rockwell about 6 weeks ago and is now in W. Texas. He lost \$3,800.00 in a poker game to Leland Bentley, Cecil Green, at Jr. Thomas' house and got in touch with Roy as soon as he could to tell him about it. In the flare up that followed lots of hard feelings were caused between Tommy Garner, Jr. Thomas, and Roy.

Mildred said some of the local boys want to help out Roy now. She says herself that Roy is dangerous when he is doped up. Roy had a very bad dope habit before he got caught.

She said that Roy went to the police prop. room to get back some of his stuff that they returned to him, among his other things some cocaine and that Roy came home higher than a kite.

Dago Herman is now selling dope at his cleaning shop on Harwood.

12-12

Paul Jones called my house at 12.15 p.m. and said that his people would be available either Friday or Sat. to see Steve. In giving his wife a birthday party tonight. Said he would be home right after midnight and for me to come by and let him know about the appointment.

Buddy Satcher is now registered at the Adolphus Hotel.

Leon Fulbright is hauling lots of wood in from San Antonio. T.K. reported to be furnishing negroes money to buy marijuana.

Contacted Paul Jones at his apartment about 12.20 a.m. 12-13-46. Present were Paul Jones, Jack Knapp, two men introduced to me as Murray Humphries and Jack Guzik. All were drinking, having attended Paul's wife's birthday party. Also present at the party, according to Paul, were the biggest lawyers in this man's town. Jack Knapp was sober. Murray Humphries description: age about 40-45, ht. 5'6" or 7", wt. 145#
55#, black hair, combed straight back, brown, very bright eyes, full oval face with tapering chin, dressed in dark blue double breasted very expensive styled suit, brown shoes, hand painted tie. Wore a large diamond ring on left ring finger. Very observant, apparently well educated, suave, sophisticated appearance, quiet.

Jack Guzik description: age about 34, ht 5 ftall" or 6, wt. 175-90#, square built, brown hair parted on left side, gray eyes wide set, fair complexion, broad face, dead pan expression, penetrating look, dressed in sport shirt with gray expensive looking suit. Apparently carried two pistols, one shoulder houlster and one rt. hip holster. - coat was bulky. Did not talk much, always kept his eyes on me.

I had a drink with them to help celebrate Paul's birthday.

After introductions had been made Paul had several quick drinks and tried to act drunk. He told the others he had the town. I explained that Steve wanted to see who he was dealing with personally and I wanted to make a date for 2.30 p.m. 12-13-46. They insisted that Paul do all their talking and it would be O.K. But if it were absolutely necessary that they would return to Dallas Tuesday or Wednesday.

Paul said that he had a long distance call from Havana, Cuba from a man named Emanuel Busto, who wanted him to come there and take over the huge night club (Cocabana). He also pulled out of an envelope some honorary police association cards

from the Police Dept. at Wheeling, W.Va. Paul gave each of his out of town guests a card. Paul also pulled out an envelope containing the names, addresses, and phone numbers of some national known criminals.

After about 30 min. Paul pulled out a very large roll of \$1,000.00 bills and said if his friend the sheriff wanted anything to let him know. Then he reached into his pocket and pulled out another wad of bills. From this roll he gave every one present except me a \$500.00 bill for his wife's birthday present. Paul acted very silly and the others acted disgusted with him and wanted to call a cab. I carried them to the Akard St. side of the Baker Hotel and let them out. They claimed they had to be in Chicago tonight and were leaving this morning via plane. Jack Knapp said he would call me when he left. I let them out about 1.30 A.M. Would let me know anything he heard that might help me. Also that he had a recent visit to the detective office and some of the boys told him I had asked to be transferred. He mentioned Jim Welch's part in the tar & feather job on the labor organizer several years ago.

12-13

Picked up Paul Jones at the Med. Arts Bldg. about 3.20 P.M. and carried him to Steve's house. Paul said Lipsky was staying at the Wilshire Hotel in Los Angeles.

We arrived at Steve's house at 3.40 P.M. Present at the session were Steve, Paul & Butler. Conversation covered a few generalities, then Paul got down to business going over what was expected of Steve, how he was to let his people know in advent of a raid, how to take care of grand jury evidence, and some other angles that his people were interested in.

Paul discussed a very recent indictment against him which he claims was an effort to get him in the pen. The whole thing was a frame up by the local syndicate and was put through by Bill Decker at the insistence of Binions group.

He said Dean Gauldin at first knew nothing about his indictment but that when he found out about it Gauldin got mad as hell. Dean has already taken care of Paul's case so that Paul won't go to the pen.

Jones said that Pat Manning's real name was Pat Manno and that he only went under the name of Manning for business reasons. ✓

He said for the same reasons Jack Knapp had changed his name from Jack Nappy or Nitti and that Jack's father was Felix Nitti or Nappi. Both Knapp's and Manning's parents were born in Italy. ✓

Jones claimed he could get Al Capone to come to Dallas if Steve wanted them, but it was very bad business for Steve to bring people like that into Dallas as it caused lots of heat.

Jones very pointedly gave me a hint that I should leave the room. He apparently gave Steve quite a roll, amount to be verified later.

Jones said Knapp and some of the other boys were coming in next week and we would all get together for one last meeting. He also said that things were bound to come up to change everyone's plans (if he only knew).

He is going to call me tomorrow.

Buddy Satcher came in Wed. night late. He is at the Adolphus. Len Schneider took Buddy's car to Chicago and got \$6,400.00 for it.

Lipsky supposed to be on his way to Dallas. The man thought to be Shetsky was not Shetsky (Sam Winkler).

The resemblance was so close that we had the man fingerprinted. Don't think it aroused any suspicion.

Glynn Byrd and Dale Sedgwick are the special investigators for the D. A. 's office. Rumor is that they were deputized by Roby Love. They did not want to have any part of Steve.

Buster Karns has been put back on the pawnshop detail. Hugh Graham is - - -

12-15

Talked to Steve and he said he was ready-not only to tear up the Chicago outfit but the Southland and Herb Noble as well. He feels like he has been double crossed on all sides by people he thought he could trust. Has had to refinance his cars and make arrangements to take care of some other incidentals. He told me to make the final arrangements to close out the case with the Chicago people. After leaving Steve I contacted Paul Jones. He and his wife were home getting ready for bed. In his conversation Jones said he didn't quite understand Steve. He, Paul, was ready to go any time Steve gave the word Jones went over his last conversation with Steve. He offered Steve enough money to take care of his immediate needs and the needs of his deputies. Also, he said he wanted to see that I got enough cash to handle anything I needed at this time.

Jones says he can't see any occasion for bringing any more people here. He says Steve should be careful about talking to lots of people, about a fix. That when 2 or more talked it over it was a conspiracy and the Federal could handle the set up. I assured him that Steve only wanted a definite understanding not only with Jones but the man back of him.

Jones went to a dresser drawer and took out a large roll of bills. He said he had all the money he could ever use, that he had money in every drawer in the house, and when Steve gave the word he could get all he needed.

He told Steve about how he could make some extra money after he got into office by sending some of his men out to meet his trucks when they got to the county line. By exorting the trucks through the county to keep them from being hi-jacked he could pick up some honest money.

Jones also said he was planning a trip to Havana to take over a club there for the winter season.

12-16

Steve contacted Paul via Phone at 11 A.M. from pay station at Skillerno Abrams &

Gaston. Final arrangements are to be finished with Wed. when Knapp, Manning and maybe some more people will come in. Details later.

There was a shooting at the Melba Hotel about 10 days ago involving a gambler and a pimp. One of the men involved was Jack Hunnasucker. Details not known but will be furnished later.

Roy Parker, Packy Miller, Charley Archer and another character recently got into a big argument at the Merchants Club but were separated in time to prevent a shooting.

Ivy Miller seems to be very interested in the activities of Ganna-way & Butler.

Lois Green reported as saying he had a fight with Butler and Gannaway and kicked the hell out of both of them.

Herbert Noble lost 24,000.00 over the week end. He was closed up by Sgt. Lumpkin who took 3 slot machines in the raid. As soon as one game is raided calls keep coming in on others.

Benny Binion is still in town and is going to stay until after the first. Rumor is strong now that he will pull out entirely. Reported as common gossip among the gamblers that Miller and Dalton will also quit. Odds are against them-closing. Pecky Miller will have to be disposed of. In all probability Ivy Miller will go over to H. N. 's side since Miller has helped Noble with money in the past.

Dorothy, Ralph King's girl, who was a syndicate stool working in Nobles place does not work there any more.

The heat put on Noble is ribbed up by some people outside the rackets to bring about some killings.

Red Harris has moved to Wichita Falls.

Freddie Mernell is back in Dallas.

Contacted Paul Jones at his apt. about 7.05 p.m. Stayed until 7.30 P.M. He said he was ready to make his deal with Steve at 2 P.M. Wednesday. I am to pick him and 2 more Chicago men up at that time at his apt. He said Knapp would be one of the boys and both would continue to work in Dallas. Paul said he was contacted by a dope seller a wholesale man, who offered him \$165,000.00 worth of bottled, taxed narcotics out of wholesale drug stores, government and local hospitals, for \$70,000.00 each. He is to get a complete inventory tomorrow. He says he may be able to put the guys on the spot and if it is not necessary to kill them, which may be the case that he will personally take care of the deal. There are two men involved. He is to call my house tonight at 9 P.M. with a windy story cooked up to mislead anyone who might be listening in on the phone.

Paul asked me to come over and take a picture of his Xmas tree.

He said he had some information about 2 local gamblers who were due to be killed by competitors right away. Jones was feeling very good about the way things are going. He intends to buy a country place right away where his people can stay when they are in town and Steve can have a visit with them without being seen by people who would be glad to cause him trouble.

Jones is also going to have Knapp and the others stay in Tourist Courts until they are better settled.

Contacted S.M.

Merschel Walker was in town this past Friday night. Louise Campbell, wife of Bill Campbell is living with Marge Daniels. Also living at Marge's house on Travis are "Slim" and Mildred Hayes. Slim is supposed to be big time stuff.

Last week Marge caught Dave Jarvis out with another girl. Louise was with Marge. Louise pulled hair of the girl with Dave. Dave got mad and slapped hell out of Louise. Louise got mad then and is supposed to have gone down to Bill Decker and told Bill all she knew about Dave, Marge & Co.

Marge and Dave left, thinking maybe there would be some gun play.

Indications are that Miller will tie in with Noble if and when Noble gets some assurance from Steve. Reported that Penny has already left town.

After driving away from Elm & Ervay Lois went to the Embassy Club, his downtown headquarters.

Received a tip that a big dope delivery was to be made at the Embassy Club at 8 P.M. but we are sure this is just another false alarm.

Every night most of Lois Green's gang can be found at the Embassy Club on Elm Street. He does not have an alarm system set up yet.

12-18-46

Contacted Paul Jones at his apartment at 7.30 P.M. He was just getting up.

On being asked if he had noticed any activity on the part of Capt. Fritz, or Bill Decker, he said no. Jones stated that Jack Knapp was here, as well as another man from Chicago. That he was bringing along with Knapp this P.M. his local representative, Jessie Chilton. He wanted Steve to meet this man and later on the other man from Chicago.

Appointment set for 2 P.M. this afternoon. All to be picked up at Paul's apartment in my car.

Dagger Adams and Red Harris have gone to Wichita Falls.

Picked up Paul Jones, Jack Knapp and Jessie Chilton at Jones Apt. at 2.05 P.M. Steve did not invite us in but got into the car with us. We drove to 6144 Anita St.

where Paul Jones got out and rang the doorbell. No one answered. Paul's ex-wife is supposed to live there. From there we drove back to Steve's house. Very little discussion went on during the drive. We were gone from Steve's approximately 20 minutes. Jones wants me to call by his apt. at 10 P.M. tonight.

Arrested Don Blaski alias Dominic Joseph Blasi and Jack Knapp alias Romeo Jack Pitti in room 1208 Baker Hotel at 5.10 P.M. Present were Mr. Eickman of the Baker Hotel, Capt. Brogdon, Lt. Preston, McKinney, Lumpkin Wiggins, Gannaway and Butler.

McKinney, Gannaway and Butler then went to Paul Jones apt. at 3901 Junius and arrested Paul Jones. We stayed at the apt. until about midnight when we brought Jones to the City Hall for questioning.

Don Blaski is the man introduced to me as Murray Humphries. ✓

Jessie Shelton arrested by Wiggins and Lumpkin. Cases filed on all except Blaski. Chilton made a statement that he had notified Hank Santerre before going out with Jones & Co. Will make the States case stronger.

Property taken from Paul R. Jones turned in to property room.

Following connections listed for future reference.

Charles Morrison
c/o Davidson Meat Co.
1831 E. Olympic
Los Angeles, Calif.

Harry Hornstein
Mayflower Hotel, Seattle, Wash.
Room 2103 - 295 Madison Ave. N.Y. City

Paul Jones, 4406 Broadway, Chicago
Paul Jones, 324 S. Halsted St. Chicago
Western Dist. Co.
2710 Live Oak

J. A. Steadman & J. A. Valder
2115 Cadiz, Dallas

Monarch Lumber Co., Pampa, Tex.

W. Va. State Lodge

Fraternal Order Police
Fraternal Order Police #38
Fraternal Order Police Grand Lodge

Mrs. Paul R. Jones
334 Potomac, Buffalo, N.Y.

Social Secury 511-18-6049
407 W. 4th Pittsburg. Kan
Draft Board 4th & Pine
Pittsburg, Kan

Apt. 505 Latino Americano
Mexico City, Mex.

Al Holzman
3921 Lincoln Chicago

Marcus Lipsky
2842 Sheridan, Chicago

Clinton J. Chrisman
5048 Horse Shoe
Guernsly D 4 1741