

Agency Information

AGENCY : FBI
RECORD NUMBER : 124-10286-10134
RECORD SERIES : HQ
AGENCY FILE NUMBER : 165-1066-14, 15, 16, 17, 18

Released under the John
F. Kennedy
Assassination Records
Collection Act of 1992
(44 USC 2107 Note).
Case#:NW 45960 Date:
11-16-2017

Document Information

ORIGINATOR : FBI
FROM : SAC, DL
TO : DIRECTOR, FBI
TITLE :
DATE : 08/23/1966
PAGES : 46
SUBJECTS :
[Restricted]
DOCUMENT TYPE : PAPER, TEXTUAL DOCUMENT
CLASSIFICATION : Unclassified
RESTRICTIONS : 4; 10(a)2; 11(a)
CURRENT STATUS : Redact
DATE OF LAST REVIEW : 02/10/1999
OPENING CRITERIA : INDEFINITE, APPROVAL OF IRS
COMMENTS : INC A/T, 4 RPT

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE DALLAS	OFFICE OF ORIGIN DALLAS	DATE 3/21/67	INVESTIGATIVE PERIOD 2/1 - 3/20/67
TITLE OF CASE JOHN ELI STONE aka		REPORT MADE BY HAROLD J. EDGERTON	TYPED BY CC
		CHARACTER OF CASE ITWI	

Jm
REFERENCES: Report of SA HAROLD J. EDGERTON dated 1/30/67 at Dallas.

- C -

ADMINISTRATIVE

On 2/7/67, DL 271-C advised subject left by plane for Los Angeles, California, on 2/7/67, and would be back in Dallas around 2/9/67. CI advised that subject went out to see officials at the Denny Restaurant Corporation, as that company has been attempting to get subject to take over the operation of another one of their locations on North Industrial Boulevard, Dallas. CI advised that STONE would probably be in touch with FRITZ RECHENBERG, from Dallas, while in Los Angeles. RECHENBERG is known to be at Santa Anita Racetrack for the current running.

ab

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE
COPIES MADE:	DO NOT WRITE IN SPACES BELOW
<ul style="list-style-type: none"> 3 - Bureau (165-1066) 1 - USA, Fort Worth 1 - Dallas (165-116) 	<p style="font-size: 2em; font-family: cursive;">165-1066-18</p> <p style="font-size: 1.5em; font-weight: bold;">MAR 24 1967</p>
	REC-50 EX-113

Dissemination Record of Attached Report

Agency	Request Recd.	Date Fwd.	How Fwd.	By
	" 2 "		Organized Crime & Racketeering Section	
			Room 4329	
				3/28/67

Notations

STAT. SECT.

57 APR 4 1967

DL 165-116

For the information of the Bureau, [redacted] is currently DL 275-PC, having previously been designated a Top Echelon Informant DL 275-C-TE. By separate letter Bureau has been furnished with summary of volume of information furnished by DL 275-PC with request that he be reinstated as Top Echelon Informant. During period since last report, the agent has been in frequent touch with [redacted] and it has been observed that on an almost daily basis he is at his place of business from between 7 to 8 AM until about 2 PM. He then goes home and returns to the restaurant around 5 PM and stays until 9 to 10 PM when the night manager comes on duty. [redacted] has previously expressed his view during contacts as informant that he is afraid to become involved in any extensive book-making while his appeal is pending and feels that he will lose the appeal anyway and will have to serve his sentence, which is 60 days. DL 275-PC is the most reliable and knowledgeable source Dallas has on gambling matters and is the principal source on two LCN members in the Dallas area. If STONE should again start making book, it is felt the Dallas Office will be aware of it through informant contacts with him and other checks with other informants and police sources, and the case can be reopened should he again become active.

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DL 165-116

ADMINISTRATIVE

On 12/4/66 and 1/4/67 SA LEE Y. MURPHY, Intelligence Division, IRS, Dallas, advised

JFK Law 11(a)

The Phoenix Office reported the following confidential information by communication dated 12/14/66:

On 12/7/66, JACK GRAHAM, Security Office, Mountain States Telephone Company, advised that Phoenix number 279-1779 is listed to PATRICIA STONE TAYLOR, 4120 North 28th Street, Phoenix.

The Oklahoma City Office advised that on 12/7/66, PAUL RIGGS, Manager, Southwestern Bell Telephone Company, Vinita, Oklahoma, advised that AL 6-4690 is subscribed to by the Sacred Heart Academy, 318 North Scaper, Vinita, Oklahoma.

For the information of the Bureau, note that subject is also identical with DL 275-PC, formerly DL 275-C-TE. With Bureau concurrence we are still maintaining contact with subject as an informant, and he continues to furnish valuable information and to be one of the best contacts on gambling matters in the Dallas area. During contacts with subject as an informant, and even before instant case was instituted, subject repeatedly stated he would not obtain line information from out of state and involve himself in an investigation by the FBI. Subject is extremely bitter at IRS over the way his case was handled and him personally, in particular. While it is possible for him to get the line from out of state, since he has a number of important contacts in Las Vegas and elsewhere, it is also true that he has worked with several big gamblers in central Texas in the area of San Antonio and at Fort Worth and is known through toll call checks to be in touch with them. AUSA TIMMINS in discussing STONE's appeal before the Supreme Court stated he doubted that IRS could make a case against STONE on the basis of

REVIEWED BY ^{DS} ~~DS~~ /JFK TASK FORCE

ON 6-26-98 Jd

- RELEASE IN FULL
- RELEASE IN PART
- TOTAL DENIAL

-B-
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980-1010 169

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE DALLAS	OFFICE OF ORIGIN DALLAS	DATE 11/30/66	INVESTIGATIVE PERIOD 10/19-11/26/66
TITLE OF CASE CHANGED JOHN ELI STONE aka John E. Stone John Stone John Edward Stone J. E. Stone John El Stone John E. L. Stone		REPORT MADE BY HAROLD J. EDGERTON	TYPED BY jlp
		CHARACTER OF CASE ITWI	

Title is marked changed/^{to}include additional aliases of J. E. Stone, John El Stone, and John E. L. Stone, as shown on subject's FBI Identification Record.

REFERENCES: Dallas report of SA HAROLD J. EDGERTON dated 10/13/66;
Las Vegas letter to Dallas dated 10/25/66;
Kansas City letter to Dallas dated 10/28/66;
Denver letter to Dallas dated 11/15/66.

-P-

LEADS:

DALLAS

AT DALLAS, TEXAS

1. Will, through contacts with subject as an informant, remain alert to his bookmaking activities that might involve

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED

SPECIAL AGENT IN CHARGE

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COPIES MADE:

- 3 - Bureau (165-1066)
- 1 - USA, Fort Worth
- 2 - Dallas (165-116)

165-1066-16

MCT-36

REC-51

11 DEC 5 1966

DIVISION SPECIAL INVESTIGATIVE RECEIVED

Dissemination Record of Attached Report

Agency			
Request Recd.	2	CC, AAG Criminal Division, Organized Crime & Racketeering Section	
Date Fwd.			
How Fwd.			
By			

Notations

STAT. SECT.

DL 165-116

a violation of Federal law.

2. Will follow subject's status in regard to IRS conviction of subject with AUSA B. H. TIMMINS, JR., Dallas, noting STONE, through his attorney, had appealed his conviction to U. S. Supreme Court, which matter is still pending.

ADMINISTRATIVE

Las Vegas advised that a photo of STONE was displayed to LV 228-C-TE on 10/19/66, by SA LEO A. STEVENS. Informant advised he had never seen STONE. CI stated he would assume that if STONE is in contact with DAIDONE, it would be in connection with MAURICE DODSON's activities as DAIDONE has never been anything but a runner for DODSON and is not known to have ever handled any betting action in his own behalf. Las Vegas advised Dallas would be informed if any contact is established between DAIDONE and STONE as result of informant contacts.

On 11/15/66, SA EARLE HALEY obtained record information from Mrs. PAT ANDREWS, Supervisor, Southwestern Bell Telephone Company, Fort Worth, Texas.

As the Bureau is aware, subject is DL 275-C-TE who was re-activated after he was interviewed on other matters on 10/20/66, and Bureau was so advised by letter under the information symbol caption. Subject still maintains the same apartment as reported in referenced report and he is undoubtedly carrying on a limited bookmaking operation with his partner WILLIAM PETRE. PETRE is a night manager at Denny's Restaurant, Dallas, owned by STONE's wife, and one of the two telephones in STONE's apartment is in the name of PETRE as previously reported. With [redacted] contacts in Dallas and Texas, it is quite possible that he can get his line information from any number of sources without going out of state. It was noted in last toll check that he was in most frequent contact with JAMES WINNINGHAM in Fort Worth area, who is a known bookie and under separate investigation.

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JFK Act 6 (4)

A number of offices have outstanding leads in this matter which are being followed. After same are completed, Dallas contemplates closing this case and continue to contact [redacted] as informant with dual purpose of obtaining as much information as possible from him on gambling in the Dallas area and same time this will afford a better opportunity to keep abreast of his bookmaking activities.

-C*-

COVER PAGE

REVIEWED BY ~~W~~ JFK TASK FORCE

ON 11/16/64

AT SHERMAN, TEXAS. 817 893-3051

RELEASE

AT TEXARKANA, TEXAS. 838-7882.

RELEASE IN PART

AT DALLAS, TEXAS. 1. Will review USA's file as to

TOTAL DENIAL

disposition of IRS case against subject and for any other pertinent information that may be helpful to this investigation.

2. Will make further efforts to watch subject discreetly to determine what public telephones he may be using to make calls to Las Vegas.

3. Will review prior investigation for pertinent information and possible sources who can be contacted re subject's gambling activities.

4. Will interview subject re this matter and full details in his possession re the PHILIP S. BOSCO bookmaking operation. Will attempt to develop from subject his Las Vegas contacts and setup re bookmaking and furnishing of line information.

5. Will also develop the identities of subject's associates involved with him in his bookmaking activities.

6. Will contact airlines to determine which ones subject using on trips to Las Vegas and will alert Las Vegas as to when subject goes to Las Vegas.

ADMINISTRATIVE

By communication dated 9/12/66, the Las Vegas Office furnished the following information:

On 10/30/64, LV 158-C advised SA LEO A. STEVENS that one TONY was frequenting the Dunes Hotel and answering telephone pages for MAURICE DANIEL DODSON. CI knows DODSON to have been engaged in illegal bookmaking utilizing the Dunes Hotel switchboard to operate his book. CI subsequently learned TONY's last name to be DAIDONE.

FLA NEVADA MAURICE DODSON
DODSON

JFK-Law-10(a)2

TONY DAIDONE

On 9/29/64, as a result of FGJ subpoena directed to the [redacted] the records of this [redacted] were made available and disclosed that on [redacted]

[redacted] As a result of a subpoena on 11/16/64, the [redacted] advised there were [redacted]

LAS VEGAS, NEVADA CALIF ALA

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DL 165-116



On 9/8/66, Special AUSA MICHAEL DE FEO, Las Vegas, made available a copy of an "Information Report" from IRS dated 8/8/66, which

PK Law 11(a)

CHARLIE
KATZ

On 4/3/66, LV 158-C said that DAIDONE, a close friend of DODSON, had commented that he had just returned from a clinic at Santa Barbara, California, where the doctor told him he must lose thirty pounds.

On 12/10/64, PCI MERRY MARLENE RORABAUGH advised SA FRANCIS J. SCHMIDT that she occasionally observes DAIDONE in the Dunes Hotel casino and it was her opinion that DAIDONE was working for MAURICE DODSON.

On 11/6/65, LV 228-C-TE advised SA STEVENS that DAIDONE maintained liaison with HENRY ROSEN, a clerk, Derby Sports Book, who represents MAURICE DODSON and that DAIDONE picks up the results of the action ROSEN books for DODSON and gets it back to DODSON. He pointed out that this completely removes DODSON from this bookmaking activity and DODSON feels safe from being known to have this connection at the Derby. On 2/21/66, this informant advised that he observed DODSON, DAIDONE, and CHARLIE KATZ in conversation in the Dunes. KATZ is known to CI as a highly regarded basketball handicapper and to have been complaining of a Federal conviction in California for interstate wagering.

REVIEWED BY [initials] /JFK TASK FORCE
6-26-98 [initials]

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- RELEASE
- RELEASE IN PART
- TOTAL DENIAL

11a

NEVADA

On 8/11/66, LV 143-C advised SA LEWIS A. FAIN that he did not know ANTHONY DAIDONE by that name; however, he knows one "TWISTER" who drives a Toronado, frequents the Tower of Pizza, operated by sports handicapper BOBBY BERENT, and is frequently in the company of bookmakers ROBERT MARTIN and MAURICE DODSON. "TWISTER" is working the telephones for one of the sports bettors but informant does not know which one this telephone man was working for.

Las Vegas advised that DAIDONE is a known runner for DODSON, is using DODSON's line, the source of which is unknown at this time. Las Vegas noted there are five licensed sports books from which the line can be readily obtained and numerous handicappers are available in Las Vegas through whom lines can be compared. Las Vegas advised no open inquiry regarding DAIDONE with regard to STONE can be conducted without alerting DODSON, MARTIN, and probably STONE. Las Vegas pointed out as can be seen from foregoing information, DAIDONE is in Las Vegas, is known to be working for DODSON; however, proof of the latter is lacking. LAS Vegas advised the only approach on discreet coverage is through an undercover operation and surveillance. DODSON and MARTIN are both awaiting on appeal of their conviction in Houston, Texas, on ITWI charges in May, 1966. Following this conviction DODSON stated that he was not going to bet on book sports action for a year, and has been employed as a pit boss at the Dunes Hotel. His biggest activity in the past has been during football and DAIDONE's activities will be followed closely through informants and Agent observation to determine if this combination starts booking football action.

Las Vegas advised no request of Bureau to review telephone records on DAIDONE's telephone would be made in view of previous check and results and fact it is known knowledgeable bookmakers in Las Vegas use pay telephones and vary from one to another. Las Vegas also advised that check on DODSON's calls at Dunes would not be feasible in view of his known practice of using the switchboard telephone, variety of aliases, and his position of authority at the Dunes.

Las Vegas advised it will keep Dallas informed of any possible approach to this problem of coverage of DAIDONE, et al., as result of observations of DAIDONE's activities.

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DL 165-116

For information of the Bureau, a voluminous investigation was conducted of subject's activities prior to and subsequent to his arrest by IRS in June, 1963, under the IGA character and copies of these reports have been furnished to the USA, Fort Worth. The IGA case was closed by report dated 6/23/65, after which [redacted] was opened as a Top Echelon Target and subsequently was developed into a top echelon informant, designated DL 275-C-TE, and then discontinued when this investigation was instituted.

There is no doubt that [redacted] possesses detailed knowledge of gambling in Dallas area and probably could furnish substantial information with regard to Las Vegas connections. As Bureau has been previously advised separately [redacted] was previously working as an informant on the premise that the only information that could be obtained from him was that he volunteered. While this may be satisfactory in the initial stage of development, it was hardly conducive to an effective arrangement over a period of time and could lead to informant picking and choosing on what information he furnished as well as on whom. Bureau is aware that the two Agents who developed [redacted] as an informant have been transferred to other offices. When the informant was reassigned to reporting Agent, it was apparent a different approach would have to evolve if we were to be effective and his productivity maintained to justify retention. [redacted] is in an excellent position to be a most valuable informant. Recently the reporting Agent had occasion to be in [redacted] place of business seeking current location of Dallas top hoodlum. At that time [redacted] approached the Agent stating that he understood the operation of PHILIP S. BOSCO, Dallas bookmaker, was like a "little Las Vegas." At this point the Agent specifically and emphatically pointed out to [redacted] that if he had any specific information to furnish we would be glad to accept it and would be furnish such information. [redacted] was told that we wanted specific information and no generalities. [redacted] stated he would discuss the matter fully at a time agreeable to the Agent.

[redacted] has not been interviewed as yet and an opportune time to do so is being studied. Further, such an interview to be productive must be arranged in private and will involve several hours of detailed inquiry. [redacted] by all appearances, is not aware of the current investigation of him and for the time being it would appear this is the best course until more information is known as to what extent he currently is involved

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COVER PAGE

DL 165-116

in gambling and whether a case can be made against him. It could well be that if an ITWI case cannot be made, what information we already have will be sufficient to obtain his cooperation to a greater degree than before as an informant.

Review of telephone company records was approved by Bureau by airtel dated 8/30/66.

It should be noted that the numerous calls by subject to telephone number AT 4-7093 are believed to be to JAMES L. WINNINGHAM, gambler at Fort Worth, Texas, on whom current investigation is being conducted separately.

H*
COVER PAGE