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LA 92-113

ADMINISTRATIVE

The identity of the individuals who furnished information set out in this report which must not be disclosed except upon issuance of a subpoena duces tecum are as follows:

Fidelity Bank  
Beverly Hills, California  
DORIS SCHMIDT  
Statement Department

Union Bank  
8th and Hill Streets  
Los Angeles, California  
BETTY SIDLER  
Statement Department

General Telephone Company  
Santa Monica, California  
CSLA 4143-S

Pacific Telephone Company  
Los Angeles, California  
CSLA 4178-S

On August 16, 1966, LA 4367-C-TE advised that on the evening of August 15, 1966, he was at the Luau Restaurant in Beverly Hills, where he observed JOHN ROSSELLI, ALLEN SMILEY, and an attorney, SEYMOUR CHOTINER, together. JOHN ROSSELLI asked informant to call him on the following day.

On August 16, 1966, informant called ROSSELLI at ROSSELLI's residence, through the apartment switchboard, and ROSSELLI gave him his unlisted number, and told him to call back which informant did. ROSSELLI mentioned to informant that he knew informant was friendly with BUTCH LEYPOLDT, head of the Nevada Gambling Control in Las Vegas and he asked source to contact LEYPOLDT and get him to quit "knocking ROSSELLI and bringing heat on ROSSELLI and his friends". ROSSELLI said they are trying to indict the "head of the G's" in Las Vegas and this might have something to do with it. ROSSELLI indicated that he believed LEYPOLDT and the "head of the G's" are working together against the Las Vegas crowd. Informant told ROSSELLI that if he happened to see LEYPOLDT, he would mention it to him.

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Informant stated that he has not seen LEYPOLDT for six or seven years and has no intention of contacting him or mentioning ROSSELLI to him.

INFORMATION REGARDING ROSSELLI'S  
LCN AFFILIATION

By memorandum dated August 22, 1966, the New York Office furnished the following information:

On August 19, 1966 NY 1839-C-TE, an admitted member of the LUCHESE "family" of LCN, advised SA ANTHONY R. VILLANO of the following information concerning subject:

Informant advised that he first met ROSSELLI many years ago and was aware that ROSSELLI was originally from Chicago and had an uncle who was an old time Mafiosa. According to informant, ROSSELLI started in "the rackets" at the age of 15 and was at an early age associated with AL CAPONE. Informant said during the mid 1940's ROSSELLI received a 10 year sentence for extortion in connection with the movie industry and that also involved in this extortion was PAUL RICCA, JOE DIAMOND (deceased), CHARLIE JOY (deceased), and LOUIS COMPAGNA (deceased).

Informant said previously ROSSELLI was sent to Los Angeles by RICCA, acted as a "sottocapo" and took over Los Angeles and extended his influence to Las Vegas.

Informant said sometime prior to this incarceration BENNY THE BUG SIEGAL (deceased), went to California and there was "set up" by ROSELLI. ROSSELLI at that time was in the early stages of investing approximately 2 million dollars of illegitimate money received from "the outfit" in Chicago in the Flamingo at Las Vegas.

Upon ROSSELLI's conviction, this assignment with the accompanying money was turned over to BENNY THE BUG, who had apparently been playing the stock market and had lost heavily, including the above monies.

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Informant advised that ROSSELLI at that time had also been involved with a movie starlet who had corresponded with ROSSELLI in Atlanta Penitentiary during approximately 1945. ROSSELLI also learned that BENNY THE BUG was playing with the sister of this starlet and had almost reduced her to a common prostitute.

Informant said that both these incidents had apparently so angered ROSSELLI that approximately two weeks prior to SIEGAL's assassination, he had advised informant that BENNY would be killed, which occurred according to ROSSELLI's prediction.

Informant continued that he had heard that ROSSELLI, fronting for the Chicago mob, had put up large sums of money for pieces of the Flamingo, the Sands, and most recently Caesar's Palace, all in Las Vegas. Informant said ROSSELLI has the reputation of being the man in charge of Las Vegas.

Informant also advised that ROSSELLI at one time told him that a lawyer, whose name may be JOE and who comes from Kansas City, visited him and PAUL RICCA in Atlanta during approximately 1946 and is also a "soldier" in LCN. Informant said this individual's name would no doubt be reflected in the penitentiary records of ROSSELLI's visitors.

Informant advised that as of approximately one year ago he was advised that the way to contact ROSSELLI was through the Bella Napoli Restaurant in Beverly Hills, California.

By airtel dated August 29, 1966, to the Bureau, the Los Angeles Office furnished certain background information concerning ROSSELLI to the New York Office which requests the NY 1839-C-TE be re-interviewed.

By airtel dated September 8, 1966, the New York Office furnished the following information:

NY 1839-C-TE, on September 6, 1966, advised he first became acquainted with subject in approximately 1943 when both were inmates in Atlanta Penitentiary and where they became close associates until approximately 1946-1947. Informant said he subsequently met subject in New York City

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Concerning associates in New York City, informant said that although ROSSELLI was with ORMENTO when they last met, ROSSELLI was never a close associate of ORMENTO. Instead, in New York City, ROSSELLI was close to FRANK COSTELLO, THOMAS LUCHESE, and VITO GENOVESE prior to the time VITO GENOVESE became "boss of bosses".

Informant related the following story that occurred while both were inmates in Atlanta, approximately 1946-1947:

Informant said on one occasion, he told ROSSELLI that he had a girl friend in New York City who was close to him but since she only earned \$40-\$50.00 per week could not afford to see him in Atlanta. Unbeknown to informant, ROSSELLI then approached PETE DI PALERMO, also known as Petie Beck, brother of JOSEPH and CHARLIE DI PALERMO, who was being discharged from Atlanta Penitentiary and instructed that PETIE see THOMAS LUCHESE and have LUCHESE give this girl money. Informant said sometime thereafter this girl friend visited him in Atlanta and explained that she had been given \$300.00 and was receiving \$50.00 per week from informant's "friends".

Informant recalled that on one occasion during this period, ROSSELLI had told him that WILLIE MORETTI, also known as Willie Moore, characterized as "an Eastern representative for the RICCA family and ROSETTI's contact man", was "blowing his top" and was telling people of his association with ROSSELLI, which upset ROSSELLI. Informant said a few years subsequent to this, WILLIE MORETTI was murdered by an ANASTASIA "soldier", JOHN ROBILOTTO, also known as Johnny Roberts, who himself was subsequently murdered during the period when ANASTASIA and his "underboss", TOMMY RAVA were killed.

Informant said he recalled that ROSSELLI was also closely associated with MIKE COPPOLA in Miami, Florida, as well as "FAT TONY" SALERNO. Informant said that ROSSELLI was also close with the MASSI (ph) brothers who wield considerable LCN power in Cleveland, Ohio, and with JOHNNY MITCHELL, true name unknown, who was an LCN member from Chicago, but now resides in Miami. Informant stated that the attorney previously mentioned by him is definitely JOSEPH BULGER and was certain of the fact that ROSSELLI on more than one occasion had advised him that BULGER was an LCN "soldier" from Kansas City.

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INFORMANTS

T-1           BENNIE WARREN PCI  
T-2           BENNIE WARREN PCI  
T-7           BENNIE WARREN PCI  
T-3           LV IO-C  
T-4           LV-134-C  
T-5           LA 4476-C-TE  
T-6           CSLA 4757-C  
T-7           BENNIE WARREN PCI  
T-8           LV 117-C-TE  
T-9           LA 4367-C-TE  
T-10          LA 4444-C  
T-11          LA 4448-C-TE  
T-12          WEBB HALL  
              USPO Employee  
              Tarzana, California  
T-13          PENNY PORTER  
              Penny's Answering Service  
              Los Angeles, California  
T-14          DAVID L. ZALLAN  
              Former PCI  
              Los Angeles, California

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