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TO: DIRECTOR, FBI

FROM: SAC, CHICAGO (92-350-SUB E)

SUBJECT: ACTIVITIES OF TOP HOODLUMS
CHICAGO DIVISION
AR

"JUNE"

AIRTEL SUMMARY

The following represents a conference on 2/18/63 reported by CG 6486-C*, between SAMUEL M. GIANCANA and his representative for the Northwest suburbs, ROCCO POTENZO.

By way of explanation, the first part of the conversation relates to an establishment in Nilus, Illinois, known as the Lone Tree Inn, wherein bookmaking is being carried on without the sanction of the GIANCANA group. An example of the power exerted by the organization is manifested by POTENZO's alternative suggestions to either have the place raided or utilize muscle on the individuals involved, knowing that this apparently is a favorite hangout of the Mayor of this suburb.

MOTEL - ROSEMONT ILL.

The reason for POTENZO's being called in by GIANCANA is that recently GIANCANA's motel, the infamous Thunderbolt Motel, in Rosemont, Illinois, was sold to the Village President DONALD L. STEPHENS (CG 6621-PC), and the name was changed to the Caravelle. The restaurant and lounge concession in the motel is operated by FRANK SARNO, a close associate of POTENZO, with POTENZO's brother, THOMAS POTENZO, acting as head bartender. As a result, POTENZO looked upon the motel as his personal headquarters, and was observed acting in a managerial capacity therein by Bureau Agents. This fact became known to GIANCANA, who conducted an investigation on his own and spotted POTENZO in the motel after having instructed him to stay away. In this

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conversation he is most insistent that POTENZO not be seen in the motel, and the import of his instructions was passed on by CG 6621-PC, who advised that he had been told by GIANCANA recently that POTENZO is not to be seen at the motel. This informant states that neither POTENZO nor any of his associates have been seen there since that edict.

The next topic of conversation concerns itself with POTENZO's prospective plans for gambling enterprises. It is noted that from the latter part of December, 1962, through early February, 1963, the location of Cook County's largest gambling operation was at the intersection of River and Higgins Road, Rosemont, in the basement of a liquor store located one block north of the Village Hall. Apparently the new location is located now in the Rosemont Industrial District in a small plastics factory operated by POTENZO as a front. Physical observation of this site bears out POTENZO's claim that it is impossible to get in unless driven there. It is also next to impossible to conduct a decent surveillance prior to a contemplated gambling raid. This is a temporary location to be utilized until POTENZO can satisfactorily locate elsewhere.

POTENZO: That SARNO, he come up to me and says, what the hell, I can't make no money here with you guys hanging around.....they went up to the Wagon Wheel and put their own locks on the place.they went through the whole joint, and when they left, they put their own locks on.....Saturday night we had to bust the place in to get in. In the big room..... they were over on Milwaukee Avenue, and.....somebody over there gave the G guy....the G told them this. The G told them that our joint (R&H) was gonna get raided, but what the hell. I was closed already.....(no comment by GIANCANA).....listen, there's a joint on Milwaukee Avenue, the Lone Tree Inn. They're booking in there, and the Mayor of Niles is hanging in there. Lone Tree Inn. They play cards in there, too. BUTCH MEYERS has got the stop. Remember that bootlegger, BUTCH MEYERS? You know the guy, grey haired guy. You want me to grab the guy, or you want the joint to get nailed? I'll nail the Mayor and all them guys. You know, Milwaukee and Harlem? About two blocks north of there. They're booking there. (can't decipher GIANCANA's comment).....

510-1000

CG 92-350

GIANCANA: You know the heat is there, why are you hangin' out in there? (shouting)

POTENZO: You know why? That BILL MC GUIRE is in there. He hangs in there every night. Who put him in there?

GIANCANA: THAT'S NONE OF YOUR BUSINESS.

POTENZO: Well, if you're gonna beef about one guy, beef about the other guy too. He was there every night. He had two tables there. (at Caravelle Motel) He won't listen to what you tell him, he runs around there like a chicken without a head.

MOE, I got another spot.....just like, last week, when they came into the joint.....we all ran down into the basement. This guy was there, that guy was there.

GIANCANA: I DON'T WANT THAT JOINT TO BE A HANGOUT.

POTENZO: MOONEY, THERE WON'T BE A HANGOUT THERE. I don't give a (obs). There won't be no hangout there.

GIANCANA: The G is in and out of there all the time.

POTENZO: That night, just before you came in, these guys are sitting at tables, talking, yelling bla, bla, bla. They hurt you, if the G can hear them. Then when you walk in, they shut up, and everybody is like a lamb. They don't respect nobody, except you. If these guys come in, you can't chase them out.

GIANCANA: I don't want these guys hanging around there.

POTENZO: That one night you was there, I was there to see FRANK. I ate, and I left. The next night you came, I was working in the kitchen, they had a leak in there. I usually stay by the liquor store.

GIANCANA: All day long, the G spots you guys going in there.

POTENZO: Well, one night, it was FRANK SARNO's birthday. There was women there and everything. I told the Mayor (DONALD E. STEPHENS, CG 6621-PC), I