

Office Memorandum

UNITED STATES GOVERNMENT

TO : Director, FBI (92-2781)

FROM : Legal Attache, Havana (92-1)

SUBJECT: SANTO TRAFFICANTE, JR., aka
ANTI-RACKETEERING

~~CONFIDENTIAL~~

DATE: April 29, 1959

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Re Havana letter dated January 23, 1959, captioned as above, and Havana letter February 19, 1959, captioned MEETING OF HOODLUMS, APALACHIN, NEW YORK, 11/14/57, A-R.

After the overthrow of the Batista Government on January 1, 1959, all gambling casinos in Havana were closed until February 19, 1959, on which date they received permission to reopen.

On February 10, 1959, PCI ALBERTO SUAREZ ALEMAN (CONCEAL), doorman at Calle 12 No. 20, building in which subject resides, advised that subject continues to maintain his apartment in the building but is staying there only infrequently. (u)

On February 13, 1959, PCI GUIDO DE PHILLIPS (CONCEAL), former bodyguard for SANTO TRAFFICANTE, advised that on that date there had been a meeting of many members of the Italian gambling element in Havana for the purpose of discussing means of reopening the gambling casinos. Source noted that SANTO TRAFFICANTE was present at that meeting. (u)

On February 16, 1959, PCI DE PHILLIPS informed that apparently the Revolutionary Government would not allow SANTO TRAFFICANTE to continue as the operator of the gambling casino in the Sans Souci night club. Source stated that the new Cuban Government apparently is aware of TRAFFICANTE's former close relationship with ROBERTO FERNANDEZ MIRANDA, brother-in-law of ex-President FULGENCIO BATISTA. Source said that FIDEL CASTRO had asked ERROL FLYNN, movie actor, to suggest someone who might be able to take over the Sans Souci gambling casino. FLYNN reportedly sent a telegram to an individual named RON WARNOCK, P. O. Box 152, Marysville, Washington, telephone OLive 9-4328. Source said that WARNOCK is a punchboard operator in the Washington Oregon area. WARNOCK, according to source, came to Havana and had the backing of some wealthy individuals in Marysville, as well as another unidentified group in Chicago, Illinois. (u)

10 - Bureau
(2 each: Albany, Miami, New York, Seattle)

1 - Havana
DJB:lg
(11)

sent 5/11/59 92-2781-95

MAY 13 1959

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MAY 13 1959

EX-135

CRIM. DATA

16-583

Classified by 325 R/VG

Declassify on: OADR

CLASSIFIED BY 1678 RFP/amy

3/19/84

4483-1651

NY 83-1682

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Cuba
Source stated that ~~WARNOCK~~ contacted ~~TRAFFICANTE~~ in Havana and that ~~DINO CELLINI~~, long-time associate of ~~TRAFFICANTE~~, was present at the meeting. According to source, ~~TRAFFICANTE~~ indicated that the New York - New Jersey syndicate which he represents wanted \$250,000 for the Sans Souci but that ~~WARNOCK~~'s top offer was \$175,000. Source stated that they were unable to reach an agreement concerning this matter. Source noted that ~~JOE STASSI~~, FBI No. 559327, was reputed to have \$75,000 invested in the Sans Souci night club. (e)(u)

PCI DE PHILLIPS informed further that there were indications ~~TRAFFICANTE~~ would make a false sale of the Sans Souci night club in order to satisfy the demands of the Revolutionary Government but, at the same time, would continue to secretly control the night club. (e)(u)

On February 26, 1959, HAV-31 advised that ~~TRAFFICANTE~~ reportedly had sold the Sans Souci but that the identity of the new owners or the legitimacy of the sale was not known. (e)(u)

On March 11, 1959, PCI SUAREZ ALEMAN advised that ~~TRAFFICANTE~~'s nephew, ~~SANTOS JOSE TRAFFICANTE~~, has been staying at ~~TRAFFICANTE~~'s apartment. Source said that ~~TRAFFICANTE~~'s nephew departed Cuba for Florida on March 9, 1959, and told source that ~~TRAFFICANTE~~ had sold the Sans Souci casino. (e)(u)

On March 23, 1959, HAV-33 informed that the present owner of the Sans Souci night club is reported to be EUFEMIO FERNANDEZ ORTEGA, former Chief of the Secret Police during the regime of ex-President CARLOS PRIO SOCARRAS. Source noted that there were no longer any Americans employed in the Sans Souci casino. (e)(u) *Cuba*

Source further advised that ~~BENNY FERNANDEZ~~ continues to operate the casino in the Hotel Comodoro in which ~~SANTO TRAFFICANTE, JR.~~ has a majority interest. Source said that ~~TRAFFICANTE~~'s nephew had been observed frequenting the casino in recent weeks. Source said that ~~SALVADORE SCALIA~~, former manager of the Comodoro casino, reportedly had gone to Florida. (e)(u) *Cuba*

On March 26, 1959, PCI ARTHUR NEWMAN (CONCEAL), Credit Manager, gambling casino, Hotel Nacional, stated that ~~SID JACOBS~~ has part-interest in the Hotel Comodoro casino and that ~~SANTO TRAFFICANTE~~ is the principal interest holder. (e)(u) *Cuba*

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On March 18, 1959, PCI ALBERTO SUAREZ ALEMAN informed that TRAFFICANTE has been using his apartment more frequently and that he is making numerous contacts with some unidentified Americans who are affiliated with the Revolutionary Army. (S)(u)

On April 6, 1959, HAV-33 informed that the purchase of the Sans Souci night club by EUFEMIO FERNANDEZ ORTEGA was a false purchase from TRAFFICANTE and that the only purpose in the sale was to make it appear that TRAFFICANTE had sold his interest in the Sans Souci. Source noted, however, that the Sans Souci was running into substantial difficulty because of failure to pay many of its employees during the time the night club was closed and that, unless some action was taken in the immediate future, it appeared that the night club might close. (S)(u) Cuba

On April 1, 1959, HAV-31 stated that SANTO TRAFFICANTE has an interest in a restaurant known as the Embers Club, located across the street from the Hotel Havana Hilton in Havana. Source said this club is operated by an individual named JOHNNY DAXTON and is a hang-out for Americans formerly employed at the Sans Souci casino. (S)(u)

On April 13, 1959, PCI ARTHUR NEWMAN advised that the Sans Souci was closed. Source stated that there is no indication when it might reopen. (S)(u)

On April 14, 1959, PCI SUAREZ ALEMAN informed that subject's wife had returned to Cuba. Source said he had been informed by subject's wife that subject does not intend to return to the United States in spite of his financial problems in Cuba. According to Mrs. TRAFFICANTE, a daughter of TRAFFICANTE will be married in Cuba within the next two months. Source noted that the Sans Souci night club is closed and that the Comodoro casino may close shortly. Source related that TRAFFICANTE is presently attempting to reopen the Deauville Casino but is having difficulty in making an agreement with Cuban employees. (S)(u)

Source said that TRAFFICANTE continues to have large amounts of money in his possession. Source said that recently he had observed packages of American \$1,000-bills in subject's possession. (S)(u)

Extra copies of this letter have been prepared for forwarding by the Bureau to Albany, Miami, New York, and Seattle. The Seattle Office is requested to furnish background information available concerning RON WARNOCK. (S)(u)

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