

UNITED STATES GOVERNMENT

# Memorandum

TO : DIRECTOR, FBI

FROM : SAC, LAS VEGAS (92-1842) (P)

SUBJECT: BARNETT B. MAGIDS /  
AR  
OO: Las Vegas

DATE: 5/24/66

Enclosed is one copy of FD 302 reflecting interview of BARNETT B. MAGIDS.

The subject first came to the attention of the Las Vegas Office when we received information from Houston in a case under subject's name involving a possible violation of FRA statute concerning the Lexington State Bank, Lexington, Texas, Houston file 29-657. The information furnished by Houston was that as a result of a fraudulent scheme on the part of MAGIDS, various lending institutions suffered losses of about \$2,000,000, of which \$1,000,000 was unaccounted for. During the course of this investigation by Houston, it was determined that the subject had made statements that he had an undisclosed interest in a "high rise" building in Las Vegas. Also, there were located a number of large checks (totaling \$128,000) made payable to various casinos in Las Vegas, namely the Stardust, Tropicana, Sands and Desert Inn Hotels.

Due to the fact that MAGIDS obviously was a frequent visitor to Las Vegas and a "high roller", an interview of him was sought since he obviously would be in a position to possess some information of possible value to us in the criminal intelligence program. Since that time an additional case has developed under the caption of [redacted] ET; [redacted] - VICTIM, ITAR - Extortion, Bufile 92-4221, Las Vegas file 166-320. In this latter case there does not appear to be a violation and a report is presently being prepared in this case.

MAGIDS was subsequently re-interviewed by the Houston Office on 4/25/66, at which time he furnished certain information but stated he would not furnish other information which he alleged to be in his possession, unless he was promised immunity from prosecution and received a guarantee

ENCLOSURE

- 2- Bureau (Enc. 1)
  - 1- Houston (29-6571) (Info)
  - 1- Las Vegas Airtel to LV
- WES: rbs.  
(4)

MCI-16-  
92-9303-1  
REC-112  
MAY 25 1966

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EX-103

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LY 92-1842

that any information furnished by him would not be used against him in a state court. It is noted that he is presently under an 18 count indictment for fraud in Houston and involuntary bankruptcy proceedings brought by three Houston title companies. He claims that he is also under investigation by the IRS but does not know whether this is so.

The Bureau will note from the enclosed interview with MAGIDS he identifies owners of the Thunderbird Hotel as [REDACTED] (JOE) WELLS and ASH RESNICK. The Bureau will note that in report submitted under the caption Thunderbird Hotel, that [REDACTED] is known to be an owner of the property on which the Thunderbird is located, however, though he was formerly an owner of record in the casino, he was not an owner of record of the casino at the time referred to by MAGIDS. However, from information coming to the attention of this office through informants, it is apparent that [REDACTED] maintained an undisclosed ownership and that possibly the person fronting for him was WELLS.

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In <sup>the</sup> relationship that MAGIDS alleges to have existed between him and WELLS, ET AL, it does not assure that the true position of [REDACTED] would have to be known to MAGIDS, however, there is the distinct possibility some information supporting this could have been brought to MAGIDS' attention and if this were so, then any such information that might be elicited from him would be of inestimable value.

The Bureau is requested to consider the information furnished by MAGIDS and all observations concerning this and advise whether it is felt an approach might be made to the Department to attempt to elicit any information in possession of MAGIDS through his appearance at a grand jury in Houston.

There is no further action contemplated under the above caption by the Las Vegas Office pending advise from the Bureau concerning the above.

## FEDERAL BUREAU OF INVESTIGATION

Date April 26, 1966

BARNETT B. MAGIDS, residence address 4819 Imogene Street, telephone number MO 8-8909, was interviewed at 811 Lovett, Townhouse Number 24.

He stated he does not have an interest in a "high rise" or hotel or casino or any property or any business in Las Vegas, Nevada.

He claimed he had attempted to buy the Thunderbird at Las Vegas about 1963 for some Houston businessmen, whom he did not care to name. The owners of the Thunderbird at that time were [redacted] (First Name Unknown) WELLS, a builder and ASH RESNICK (former professional basketball player). This was never accomplished and the Thunderbird was purchased by DEL WEEB.

He claimed he also had attempted to get financing for the Four Queens Casino and Hotel at Las Vegas but was again unsuccessful. He was promised the gambling concession but received telephone calls from so many different individuals telling him the percentages he would be required to pay that he would not have been able to operate at a profit. He declined to name who these individuals were and the percentages required to be paid to each one.

MAGIDS stated he could tell plenty about how the Las Vegas Hotels protect their customers, how the gambling proceeds are divided up, and all about gambling in Las Vegas, but would not do so unless promised immunity from prosecution and further receive a guarantee that any information furnished by him would not be used against him in State Court. He is presently under an 18 count indictment for fraud in Houston, Texas and involuntary bankruptcy proceedings brought by three title companies in Houston, Texas. He further claimed he is under investigation by the Internal Revenue Service.

On 4/25/66 at Houston, Texas File # HO 29-657

by SA [redacted] /jth Date dictated 4/26/66

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

ENCLOSURE

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HO 29-657

He claimed he first went to Las Vegas, Nevada in 1960 with his wife and another couple. He refused to name the other couple but advised that all four registered at the Tropicana and then went to the casino. He claimed he was completely unknown at Las Vegas and started to gamble with \$1,000.00 he had brought with him and ran it up to \$9,000.00 at the dice table by rolling dice himself, betting on other dice players, but not on each roll of the dice and sometimes passed the dice. He claimed never to have gambled with dice before although he had gambled on sporting events with local Houston bookmakers; he refused to furnish the names of the bookmakers.

During this first evening at Las Vegas "Thay" assigned a man to his party. He refused to identify "Thay" but claimed it is a practice of the casino's to assign a man to an "unknown" who is a heavy winner and this man's job is to keep steering the winner back to gambling tables at the same casino where he has been a winner. This man drove them around to the different clubs to take in the floor shows but always suggested they return to his casino as soon as the show was over to keep the "winner" from losing to another casino.

He claimed it is well known that lavish entertainment, including women, are provided for "winners" and "big losers", provided the losers pay their losses. He refused to name any of the individuals making such offers, refused to say he was provided with such entertainment in Las Vegas and refused to state if he was contacted in any manner after leaving Las Vegas.

He claimed he won \$22,000.00 on his first trip to Las Vegas and returned to Houston with his winnings, however, on his next and subsequent trips he always returned

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a "loser". He claimed he got "educated" on his second visit as someone was always encouraging him to bet on every roll of the dice and he developed a "neurosis to win". He explained he could never quit until he had lost to the limit of his credit. He refused to state what credit the casinos allowed him and claimed he set his own limit upon his arrival on his second and subsequent visits to Las Vegas.

According to MAGIDS, the operators of the gambling tables quickly checked with bookmakers and gamblers from an unknown's home town to ascertain his paying habits in regard to gambling debts and they place little stock in credit rating or Dun and Bradstreet reports.

He claimed once to have been ahead \$137,000.00 at the Tropicana and even though some friend, whom he would not name, advised him to quit, he continued to gamble for three days straight losing the \$137,000.00 plus his limit of credit.

He claimed each time he checked back into a hotel in Las Vegas he would immediately pay off all his "markers" at the casino or casinos he had last visited and then had no trouble having credit extended at his own limit.

According to MAGIDS, he traveled extensively in his business of selling real estate and obtaining financial commitments and thus his wife did not know of his many visits to Las Vegas or of his heavy losses. He claimed all of his gambling occurred in the casinos and he never entered into any private games.

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He stated no matter where you lose your money in Las Vegas, it ends up in the hands of a few individuals. He refused to furnish the names of these individuals, how he knew this, or if by his refusal, he meant he actually did know the identity of these persons.

MAGIDS refused to identify any persons at Las Vegas who extended him credit and also refused to furnish names of anyone cognizant of gambling operations in Las Vegas.

MAGIDS claimed he plans to return to Las Vegas as soon as possible in an attempt to get a loan but refused to name any possible source of subject, loan or the amount. The only delay he stated was his present failure to obtain sufficient funds for the trip.

FBI

Date: 6/3/66

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL AIR MAIL  
(Priority)

TO: DIRECTOR, FBI  
FROM: SAC, HOUSTON (92-556) (P)  
SUBJECT: BARNETT B. MAGIDS  
AR  
OO: LAS VEGAS

Re: Las Vegas letter to Bureau, 5/24/66;  
O-1 dated 5/31/66.  
Bureau airtel to Las Vegas and Houston,  
dated 5/31/66.

Enclosed for the Bureau are an original and three copies of a letterhead memorandum as requested in referenced O-1.

One copy of above letterhead memorandum is furnished to Las Vegas.

On 6/3/66, this matter was preliminarily discussed with AUSA [redacted] and he states he would be agreeable to granting immunity to subject if he can determine there is real basis for doing so and if it would not interfere with possible Federal prosecution by Internal Revenue Service for tax matters and the local state prosecution for fraud.

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- 3 - Bureau (Enc. 4) (AM)
- 2 - Las Vegas (Enc. 1) (92-1842)
- 2 - Houston

REC-32 ST-1202-9303-2

18 JUN 8 1966

C. G. Wick  
WGH/lc

(1) ENCLOSURE  
1 cl and 2  
room 1531

[redacted box]  
2241  
NO  
CAL: blu  
6/9/66

Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ M Per SJK

HO 92-556

In accordance with his request, contact will be made by this office with Internal Revenue Service and local authorities to determine whether immunity is possible in the near future or will have to wait until possible prosecution is complete. At that time, [redacted] will further evaluate the facts and obtain departmental authority if deemed advisable to proceed.

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ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE





UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to  
File No.

6015 Federal Building and  
United States Court House  
515 Rusk Avenue  
Houston, Texas 77061

June 3, 1966

**BARNETT B. MAGIDS  
ANTI-RACKETEERING**

By letter dated November 16, 1965, Assistant United States Attorney [redacted] advised he had received information that Barnett B. Magids had perpetuated a fraud and swindle against savings and loan institutions in Houston, Texas, and this matter arose out of the recent title company indictments returned by Harris County Grand Jury against Magids for fraud and forgery. Attorneys representing the title company suspected that Magids had obtained control of the Lexington State Bank, Lexington, Texas, and was probably milking the funds of that bank as part of his scheme.

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Investigation disclosed Magids borrowed \$186,000.00 from the Houston Bank and Trust Company, Houston, Texas, for the purchase of 1,430 shares of stock in the Lexington State Bank and pledged 1,380 shares to secure repayment of the loan. The remaining 50 shares were retained by Magids in order to qualify him to the Board of Directors of the Lexington State Bank. Magids also had an unsecured loan and a loan secured by real estate which the Houston Bank and Trust Company claims

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92-9303-2  
ENCLOSURE

RE: BARNETT B. MAGIDS

are likewise secured by the bank's stock.

[redacted] Attorney for the Stewart Title Company, who originally brought this matter to the attention of the United States Attorney's Office, advised there is nothing wrong with the original acquisition of the stock by Magids in the Lexington State Bank and there was no illegal activity by Magids at that bank and that he recalls no discussion with anyone concerning "milking of assets of the bank".

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Magids is a 33 year old real estate broker in Houston, currently under an 18 count state indictment for fraud. In about 1958, Magids was obtaining loans from various lending institutions on real estate purportedly owned by him. He secured the loans by giving Deeds of Trust to real estate, however, it was determined Magids did not own the properties and accomplished his fraud by forging releases in the names of the lending institutions and filing the forged releases in the Harris County, Texas, Deed Records. He would then obtain new loans and pledge the same property, using forged Deeds to transfer the properties to his name. Four pieces of property owned by Magids' father were also transferred as forgeries. As new loans were obtained, Magids continued making payments on the old loans from the new loan proceeds, even though releases were on file for the old loan. In June, 1965, Magids ceased payment on the loans, and the scheme came to light when the various lending institutions began foreclosing on their liens on the pledged properties. As a result of this scheme, Magids caused lending institutions to suffer losses in the total amount of \$2,000,000.00, of which \$1,000,000.00 was unaccounted for. The other \$1,000,000.00 was purportedly used by Magids to make payments on the various loans.

Magids was reported to have made statements to an appraiser, Al Westerhouse, Houston, Texas, that he has

RE: BARNETT B. MAGIDS

an undisclosed interest in a "high rise" building in Las Vegas, Nevada.

[redacted] traced disposition of checks issued by Stewart Title Company to Barnett Magids and determined the following: b6  
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Cashier checks were bought at the First State Bank of Bellaire, Texas, a suburb of Houston, and were cashed as follows:

<u>Approximate date cashed</u>	<u>Number of checks</u>	<u>Total amount of checks</u>	<u>Place where cashed</u>
8/61	2 (\$10,000.00)	\$20,000.00	Stardust, Las Vegas
	1	1,000.00	Tropicana, Las Vegas
9/61	2 (\$10,000.00)	20,000.00	Tropicana
4/63	1	5,000.00	Sands, Las Vegas
	1	10,000.00	Stardust
	1	10,000.00	Desert Inn, Las Vegas
	1	10,000.00	Tropicana
7/63	1	12,000.00	Stardust
12/64	4 (\$10,000.00)	<u>40,000.00</u>	Tropicana
	TOTAL - -	\$128,000.00	

RE: BARNETT B. MAGIDS

[redacted] advised that other lending institutions are likewise tracing disposition of proceeds of loans made to Magids, but he is not aware of the results of such tracing.

On April 25, 1966, Barnett B. Magids, who resides at 4819 Imogene Street, was interviewed at 811 Lovett, Townhouse #24, Houston, Texas.

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Magids denied he has any interest in a "high rise" or hotel or casino or any property or any business in Las Vegas, Nevada.

He claimed he had attempted to buy the Thunderbird at Las Vegas about 1963 for some Houston businessmen, whom he did not care to name. The owners of the Thunderbird at that time were [redacted] (First Name Unknown) WELLS, a builder, and ASH RESNICK (former professional basketball player). This was never accomplished and the Thunderbird was purchased by DEL WEBB.

He claimed he also had attempted to get financing for the Four Queens Casino and Hotel at Las Vegas, but was again unsuccessful. He was promised the gambling concession, but received telephone calls from so many different individuals, telling him the percentages he would be required to pay that he would not have been able to operate at a profit. He declined to name who these individuals were and the percentages required to be paid to each one.

Magids stated he could tell plenty about how the Las Vegas Hotels protect their customers, how the gambling proceeds are divided up, and all about gambling in Las Vegas, but would not do so unless promised immunity from prosecution and further receive a guarantee that any information furnished by him would not be used against him in State Court. He is presently under an 18 count indictment

RE: BARNETT B. MAGIDS

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During the first evening at Las Vegas, "They" assigned a man to his party. He refused to identify "They", but claimed it is a practice of the casino's to assign a man to an "unknown" who is a heavy winner, and this man's job is to keep steering the winner back to gambling tables at the same casino where he has been a winner. This man drove them around to the different clubs to take in the floor shows, but always suggested they return to his casino as soon as the show was over to keep the "winner" from losing to another casino.

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RE: BARNETT B. MAGIDS

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RE: BARNETT B. MAGIDS

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# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>LAS VEGAS</b>	Office of Origin <b>LAS VEGAS</b>	Date <b>5/20/67</b>	Investigative Period <b>2/6/67 - 5/19/67</b>
TITLE OF CASE  <b>BARNETT B. MAGIDS, aka Barnett Bob Magids, Barnett B. Magid</b>		Report made by SA <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Typed By: <b>jmn</b>
		CHARACTER OF CASE  <b>AR</b>	

*[Handwritten initials]*

REFERENCES:

Houston report of SA  7/20/66  
captioned as above, character being FRA.

Bureau letter to Houston 3/28/67.

- P -

LEADS:

THE HOUSTON DIVISION

AT HOUSTON, TEXAS

*[Handwritten initials]*

Will note information set forth below under the Administrative heading and after discussion with U. S. Attorney, advise what course of action is deemed most appropriate.

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below		
Copies made: 2-Bureau (92-9303) (RM) 3-Houston (92-556) (RM) (1-USA, Houston) 6-Las Vegas (92-1842) (1- 92-735) (THUNDERBIRD HOTEL) (1- 92-113) (ASH RESNICK) (1- 92-708 (TROPICANA HOTEL)) (1- 92-1313 (CAESARS PALACE))		<b>92-9303-5</b>	<b>REC-7</b>	
		<b>MAY 31 1967</b>		<b>EX-112</b>

CC. AAG, Criminal Division,

Organized Crime and Racketeering

Section, Room **2524**

*[Handwritten signature]*  
**STAMP SECT.**

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**67 JUN 19 1967**



