

Gov. Sawyer Calls for Prosecution Of FBI Agents in Las Vegas Bugging

By Richard Harwood
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DENVER, June 29—Extraordinary courtroom confessions of electronic eavesdropping by the FBI created some serious legal problems today for the U.S. Government.

Nevada Gov. Grant Sawyer demanded publicly that the agents involved be prosecuted

as criminals under State law for their bugging activities in Las Vegas in the period from 1961 through 1963.

If they are brought to trial, it will be the task of the Department of Justice to defend behavior defined as criminal under Nevada law and, in all probability, to identify the officials in Washington who au-

thorized the bugging operation.

Of greater significance, however, was the probability that the FBI admissions in Federal District Court here have virtually destroyed any possibility that the Government will be able to prosecute gamblers in Las Vegas and in major cities throughout the United States who are suspected of a vast conspiracy to escape taxation on millions of dollars of winnings that flow through the casinos of Nevada.

"Obviously," said a Justice Department source, "we've got very serious legal problems with this."

His concern was based on court rulings that evidence obtained illegally is in effect a "grant of immunity" to a defendant.

For two days, a series of FBI officials and other agency personnel have described for Federal Judge Arnold A. Arraj the electronic eavesdropping techniques they employed to explore the alleged gambling conspiracy, the "corruption of public officials," the relationships between Las Vegas casinos and underworld figures in Chicago, Cleveland, Miami and Los Angeles, and to gather "criminal intelligence."

These disclosures were the

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Prosecution of FBI Agents in

result of an unusual court hearing requested by the attorneys for three convicted extortionists — Ruby Kolod, Felix (Milwaukee Phil) Alderisio and Willie Isreal Alderman.

It was the position of the defense lawyers that Kolod's telephone conversations at the Desert Inn casino in Las

Vegas were bugged, that the FBI kept records of the conversations, and that the records would prove that Kolod made no threatening telephone calls to extort money from Denver attorney Robert Sunshine.

The Federal Court of Appeals had ordered the FBI to produce the records obtained

from the Desert Inn bug for inspection by Judge Arraj and further ordered that the FBI agents involved in the bugging be produced for questioning.

At the end of their testimony today, Judge Arrj ruled that the innocence of the defendants was not proved by

the FBI records and that the convictions must stand.

But the hearings have had the more dramatic result of putting on the official record for the first time secret details of a "massive electronic surveillance" effort by the FBI from 1961 through 1963.

It involved, in Las Vegas, dozens of FBI employes, a large quantity of sophisticated electronic equipment, an undetermined number of bugs and possibly wiretaps, fake "companies" that leased telephone wires as a front for the FBI, and the recording of millions of words spoken by innumerable gamblers and underworld figures.

Purpose Explained

The entire operation was under the long-range supervision of FBI headquarters in Washington, according to the testimony. But whether the Justice Department attorneys engaged in the Las Vegas investigation were aware of what the FBI was doing was not disclosed.

Bugging Asked

The purpose of the bugging, said Dean Elson, head of the Las Vegas FBI office, was to find out who owned the Las Vegas gambling casinos, to determine whether money from gambling taxation, to gather the "gambling tables was essential intelligence," and to develop any other information of criminal activity by the Las Vegas gambling fraternity.

One of his assistants, Burns Toolson, told the Court another purpose was to discover "corruption by public officials."

Their testimony was supposed to be limited to a bug they installed in the executive offices of the Desert Inn. But their revelations went beyond that single installation.

Jack Ray Ridenhour, an FBI clerk assigned to monitor the Desert Inn bug, said he simultaneously monitored six bugs placed in various locations in Las Vegas. Other clerks told of monitoring from three to four bugs at the same time.

They peared out of a special monitoring room in the Las

Vegas FBI headquarters. It was equipped with numerous loudspeakers and tape recorders. Each was hooked up to a specific bug planted in the Las Vegas casinos. The monitors were given detailed instructions on what to listen for and what to record. They were supplied with printed forms on which they noted all incoming and outgoing telephone calls and summarized the conversations they overheard.

700 Pages Transcribed

From the Desert Inn bug alone, more than 700 typewritten pages of conversation were transcribed from tapes in a period of less than two years, according to the testimony. Copies of these transcriptions were mailed regularly to FBI Director J. Edgar Hoover, according to Elson. Pertinent excerpts were often sent by mail or teletype to FBI offices in other cities.

Gov. Sawyer said today that these disclosures represented adequate cause for prosecution because, under Nevada law,

THE WASHINGTON POST Thursday, June 30, 1966

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eavesdropping and wiretapping are criminal offenses.

"He said he had wraned former Attorney General Robert F. Kennedy on Nov. 3, 1963, that any violations of the Nevada laws on eavesdropping would be prosecuted no mat-

ter who was involved. Two months later, he said, he filed a complaint with President Johnson, who subsequently issued an executive order outlawing wiretapping by Federal agents except in rare cases involving the national security.