VENOMOUS IN THE EXTREME: UNDERSTANDING FRANK SINATRA'S ACRIMONIOUS 1963 EXIT FROM NEVADA GAMING

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Today, there are few personalities more intimately connected with the classic era of Las Vegas casinos than Frank Sinatra. Indeed, the pre-corporate period (1940s to 1966) is often referred to as the “Rat Pack era,” in reference to the cohort of performers who coalesced around Sinatra at the Sands in 1960. This was a time, it is imagined, when the personal touch dominated, when guest satisfaction and table drop mattered more than corporate profits. The zenith of Rat Pack Vegas might have been getting comped into the late show at the Copa where Frank, and maybe Dean and Sammy, would be onstage. Sinatra was more than a singer for hire at the Sands; by 1963, he was (on paper at least) a nine percent owner of the resort. In 1961, he became the majority owner of Lake Tahoe’s Cal-Neva Lodge.¹ Looking back, one can’t imagine a more ideal pairing than Frank Sinatra and Nevada gaming.

But in reality, Sinatra had a fraught relationship with the Nevada gaming establishment and even his Sands

co-owners. Tensions between Sinatra and the state’s gaming authorities boiled over in the summer of 1963, as regulators, fearful of federal pressure, could not countenance Sinatra’s open embrace of alleged organized crime figures, the most notorious of whom was Chicago’s Sam Giancana. The confrontation between Nevada gaming and Sinatra culminated in the singer surrendering his license rather than defend himself against a complaint alleging that he had permitted numerous gaming violations at the Cal-Neva, and that he had “maligned and vilified” members of the Gaming Control Board (GCB) and Gaming Commission.² The conflict—and Sinatra’s ultimate retreat from Nevada gaming—demonstrates the lengths to which gaming regulators were willing to go to forestall external pressure that could upset the delicate balance between the sometimes-unsavory elements on which the industry relied for capital and expertise, and the state’s need for respectability.

OLD BLUE EYES IN LAS VEGAS

Frank Sinatra’s first association with Las Vegas came early in his career. In 1941, as a 25-year-old singer with Tommy Dorsey’s orchestra, he appeared briefly in the Paramount film *Las Vegas Nights*, performing “I’ll Never Smile Again” with the band. It was Sinatra’s motion picture debut, and it was not an auspicious one. After the singer, standing in the middle of a vocal group, crooned a few bars of the verse, the film cuts away to a riveting conversation between the romantic leads about the benefits of moving to the low-tax, always-friendly state of Nevada, although the focus shifts back to the stage for the song’s conclusion.³ Sinatra was paid \$15 a day for his services during the shooting.⁴

Sinatra returned to Las Vegas five years later as an investor in an “ultramodern” hotel being built on the Los Angeles Highway (today, the Las Vegas Strip). Work on the resort was started under the name “Nevada Desert Inn,” but in April 1946 Sinatra’s attorney

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¹Note on spelling: The North Lake Tahoe lodge is alternately described as the Cal-Neva and Cal Neva in sources. This article will follow the style of most contemporary sources, including the *Las Vegas Review-Journal*, and render the name as “Cal-Neva” throughout the text. Citations to sources, however, will maintain the source’s spelling.

²Edward A. Olsen, *My Careers as a Journalist in Oregon, Idaho, and Nevada; in Nevada Gaming Control; and at the University of Nevada* (Reno: Oral History Project, 1972), at 163.

³*LAS VEGAS NIGHTS* (Los Angeles: Paramount Pictures, 1941), directed by Ralph Murphy.

⁴J. RANDY TARABORRELLI, *SINATRA: BEHIND THE LEGEND* 46 (Secaucus: Birch Lane Books, 1997).

Albert Tearlson announced that Sinatra was buying into the project, which was now known as the New Horizon. Designed by Los Angeles architect Paul Williams (who would later design other Las Vegas landmarks including the La Concha motel, whose lobby building is now part of the Neon Museum), the hotel would feature a radio studio which would be linked via wire to stations around the country. Sinatra, according to the plan, would broadcast from the studio himself as well as persuading other radio stars to do the same.⁵

The New Horizon, however, was not to be. Originally slated to be finished in six months, the hotel, which would have been across from McCarran Airport, was dogged by a trio of lawsuits. The first, which disputed the land's title, was thrown out of court in 1946, as was the second. But the hotel itself was a forgotten memory by the time a third was filed in California in 1949.⁶ At that stage, it was reported that singer Bing Crosby has been a partner in the project as well.⁷ But despite Sinatra's ambitious plans to make Las Vegas a high-tech (for the time) media center, the New Horizon did not make any meaningful progress, and never came close to opening. Yet it would signal Sinatra's desire to be more than a singer in Las Vegas.

But, for the time being at least, Sinatra would have to content himself with singing for his supper. He began an engagement at Wilbur Clark's Desert Inn (which was not connected to the earlier Nevada Desert Inn debacle) on September 4, 1951.⁸ Much of the news coverage centered on the singer's relationship with Ava Gardner, whom he was in the process of divorcing his wife Nancy to marry.⁹ That November, he returned to Las Vegas briefly to obtain that divorce, and the *Review-Journal* headline reveals the esteem with which he was then held by locals: "Belligerent Singer Gets Divorce; Scorns Reporters."¹⁰ Identified as the "one-time idol of the nation's bobby-soxers," Sinatra

was further described as "pale," "wan," "pugnacious," and "spindly." He failed to endear himself to local reporters after "letting loose a stream of profane threats" at a reporter who had the nerve to call him in his hotel room. Deputy Sheriff John Lytle was present outside of the courtroom to prevent any violence between the singer and those who Sinatra called "newspaper bums" after his 15-minute session in closed court. He left the courthouse without incident.¹¹

Sinatra's first stand at the Desert Inn went well enough that he was back for another set the following July.¹² Yet he wasn't universally loved in Las Vegas, and, when it was announced that he would be moving to the Sands for an October 1953 engagement, expectations were low.¹³ Indeed, Sinatra himself wasn't 100 percent committed to the gig. In late September, Sinatra announced that he was going to skip playing the Copa Room if he was able to land the part of Terry Malloy in *On the Waterfront*.¹⁴ As it happened, Marlon Brando took the role (and the Oscar), so Sinatra did make it to the Sands in time.

The Sands, which opened in December 1952, had already established itself as one of the chief showplaces in not just Las Vegas, but the nation, under the leadership of entertainment director Jack Entratter. Having distinguished himself at New York's Copacabana, Entratter lured a number of high-profile stars, including Danny Thomas, Lena Horne, Ezio Pinza, Robert Merrill, and the Ritz Brothers to compete with the other six Strip resorts, who fielded names like Marlene Dietrich, Donald O'Connor, Ray Bolger, and Red Skelton.¹⁵

Frank Sinatra's first Sands engagement came as he was beginning to recover from the prolonged career downturn that had started in 1947. His performance as Maggio in *From Here to Eternity* would earn him a Best Supporting Actor Academy Award, and he was

⁵Walter Wilco, *Sinatra Resort Hotel Underway*, LAS VEGAS REV.-J., Apr. 12, 1946, at 1.

⁶*Hotel Job Assured*, LAS VEGAS REV.-J., July 29, 1946, at 1; *Wilbur Clark Corrects Story*, LAS VEGAS REV.-J., Apr. 13, 1949, at 4.

⁷*Wilbur Clark Corrects Story*, *supra* note 6.

⁸*Frank Sinatra*, ONLINE NEVADA ENCYCLOPEDIA (Nevada Humanities), <http://www.onlinenevada.org/articles/frank-sinatra>.

⁹*Romance Thrives*, LAS VEGAS REV.-J., Sept. 5, 1951, at 1.

¹⁰*Belligerent Singer Gets Divorce; Scorns Reporters*, LAS VEGAS REV.-J., Nov. 2, 1950, at 1.

¹¹*Id.*

¹²Advertisement, LAS VEGAS REV.-J., July 11, 1952, at 7.

¹³Sands Hotel, *Las Vegas, Nev.*, BILLBOARD, Oct. 31, 1953, at 12.

¹⁴*Sinatra Wants to Act*, VARIETY, Sept. 23, 1953, at 2.

¹⁵Chet Sobsey, *Strip Hotels' 1954 Talent Bill to Hit \$8 Million*, LAS VEGAS REV.-J., Apr. 21, 1954, at 15.

about to release a string of successful albums on Capitol Records.¹⁶ Still, some critics were underwhelmed by the “New Sinatra” at the Sands: he was initially lambasted for “rough treatment” of his orchestra on his opening night, though even his harshest critic admitted he won “fan acclaim.”¹⁷ One critic said point blank that “Sinatra’s showing is a failure . . . he is a warmed over has-been.”¹⁸ Even the favorable Bill Willard of *Variety* lamented Sinatra’s tendency to “insert dubious gags or parody lines in great established melodies,” though he conceded that “the unmistakable stamp of quality is always present.”¹⁹

Sinatra’s drawing power increased over the next few years, as his resurgent film and recording careers made him one of the most sought-after showroom performers of his generation. And he was a Sands exclusive. For the next 14 years, Sinatra would perform multiple three-week engagements each year and become identified, along with Danny Thomas, as the premier celebrity spokesperson for the resort. When the Sands’ owners needed someone to promote the relaunch of the struggling Dunes casino, which they had just acquired, they picked Frank Sinatra. Entratter filled the Copa with stars, and Sinatra was the biggest.

The zenith of Sinatra’s run at the Sands started in January 1960, when he appeared onstage at the Sands with Sammy Davis, Jr., Dean Martin, Joey Bishop, and Peter Lawford while filming *Ocean’s 11*. Though Sinatra himself preferred to call the group “The Summit” (after a series of meetings between Dwight Eisenhower and Nikita Khrushchev), the media labeled the gathering first “the Clan” and later “the Rat Pack,” the name that has stuck.²⁰ Sinatra in the early 1960s was one of the most visible performers in Las Vegas.

FRANK SINATRA AND “THOSE GUYS”

From early in his career, Frank Sinatra was dogged by rumors that he was close with organized crime fig-

ures. Though he admitted to having known several of “those guys,” Sinatra would long remain touchy on the subject of his associations with alleged mobsters, avoiding direct answers both in media interviews and in congressional testimony.²¹ Sinatra reportedly had friendships with a number of prominent reputed Mafiosi, including Charles “Lucky” Luciano, Willie Moretti, and Frank Costello, going back to the dawn of his performing career.²²

Throughout the 1940s, reporters raised allegations that Sinatra was too cozy with both organized crime and leftist groups. A January 1947 trip to Havana, Cuba, to see Lucky Luciano, who had been deported from the United States, became grist for gossip columnists. Robert Ruark and Lee Mortimer claimed that Sinatra had delivered \$2 million in small bills in a briefcase to Luciano, tribute from his former mob underlings stateside (a whimsical notion, unless the briefcase was somehow bigger on the inside than the outside).²³ In April of that year, Sinatra punched Mortimer at Ciro’s restaurant in Hollywood. Though he settled out of court for \$9,000, the incident helped to sink Sinatra’s reputation with both the national media and fans; the attack marked the beginning of his career’s decline.²⁴

One of the sauciest Sinatra/Mob stories had, by the early 1960s, filtered into the public consciousness, though it hadn’t been proven or disproven. In 1942, Sinatra had left the Tommy Dorsey band to embark on a solo career. Dorsey, however, insisted that his former boy singer honor the terms of his contract, which specified that the bobby-sox idol was to continue to pay Dorsey one third of all earnings over \$100 a week and an additional 10 percent to Dorsey’s manager, possibly for ten years, possibly for perpetuity. When Sinatra refused to advance his pay, the pair sued. The action was settled out of court shortly thereafter. Sinatra claimed that, after Dorsey rebuffed his initial request, he retained entertainment attorney Henry Jaffe, who, with the backing of MCA chief Jules Stein, informed Dorsey that, unless he set

¹⁶ARNOLD SHAW, SINATRA: TWENTIETH-CENTURY ROMANTIC 174 (New York: Holt, Rinehart, and Winston, 1968).

¹⁷Sands Hotel, *supra* note 13.

¹⁸*Id.*

¹⁹*Sands, Las Vegas*, VARIETY, Oct. 21, 1953, at 64.

²⁰TARABORRELLI, *supra* note 4, at 211.

²¹ANTHONY SUMMERS AND ROBBYN SWAN, SINATRA: THE LIFE 42–3 (New York: Alfred A. Knopf, 2005).

²²*Id.* at 45–7.

²³TARABORRELLI, *supra* note 4, at 92–3.

²⁴*Id.* at 93.

Sinatra free, would no longer be broadcasting on NBC. Dorsey then capitulated.²⁵

Dorsey himself recalled the incident differently. In a 1951 *New American Mercury* article written by Sinatra's journalistic nemesis Lee Mortimer (Sinatra so despised the columnist that he reportedly literally urinated on his grave after his 1963 death)²⁶ Dorsey claimed that he had "been visited by three business-like men," who told the bandleader to "sign or else."²⁷ Five years later, Dorsey had a slightly different version: "I was visited by Willie Moretti and a couple of his boys. Willie fingered a gun and told me he was glad to hear I was letting Frank out of our deal. I took the hint."²⁸

Although a Sinatra apologist later claimed that Dorsey's visitors weren't genuine mobsters but merely rough-looking characters that Sinatra's manager Hank Sanicola had dispatched to intimidate the bandleader, the story, first whispered in Hollywood and on Broadway, became part of Sinatra's legend thanks to the Mortimer article and subsequent retellings.²⁹ The tale of a bandleader convinced at gunpoint by a gangster to let a rising young Italian-American singer out of his contract was later fictionalized in Mario Puzo's *The Godfather* and Francis Ford Coppola's film of the same title; the similarities between Sinatra and Johnny Fontaine would lead to a restaurant confrontation between the singer and author, though no punches were thrown.

In addition to his ongoing ties with New York and New Jersey (alleged) mobsters, Sinatra kindled an enduring friendship with Chicago's Sam Giancana in the 1950s. Sinatra did not exactly keep the relationship a secret. He and Giancana were seen together at the El Rancho Vegas in 1958, and Sinatra attended the wedding of Giancana's daughter Bonnie in Miami Beach in July 1959.³⁰

Though his career had seen ups and downs, by the early 1960s Sinatra was used to bad press, and not

used to having to back down before anyone. He may have felt that, given the money and attention he had drawn to Nevada, he was immune from the kind of scrutiny that others were increasingly falling under. Mob ties were never exactly celebrated in Nevada, but after the Kefauver Committee's negative assessment of legalized gaming in 1951 and with the threat of federal intervention hanging over the state, associations with organized crime began to be taken much more seriously as the industry matured and became the state's economic dynamo. Federal anti-gambling action during the Kefauver era was largely restricted to the Johnson Slot Machine Act and the Wagering Tax Act, which did not strike directly at Nevada.³¹ But under Attorney General Robert F. Kennedy, the Justice Department took an intense interest in Nevada gaming, going so far in the summer of 1961 as to prepare a federal strike force that would, in the words of then-governor Grant Sawyer, "invade every major casino in Reno and Las Vegas" in pursuit of evidence of mob penetration.³² Though Sawyer had gotten flak for his "hang tough" gaming policy, which some perceived as too aggressive, the Democratic governor flew to Washington to head off the raid.³³ The attorney general was dismissive of Sawyer, but the governor was able to persuade President Kennedy that destroying the state's top employer would dim the Democrats' chances in 1964 and long after; the raid didn't happen.³⁴ Still, it was a reminder that, should Nevada be seen as too lax in its vigilance towards organized crime, the federal government was only too eager to step in.

Despite nothing having been proven in a court of law, as of 1963, federal law enforcement believed just as firmly as gossip columnists that Sinatra was linked to organized crime. With the Justice Department taking an increasingly hard look at Nevada gaming in the Kennedy years, the state's power structure began taking possible mob infiltration of its gaming industry more seriously. The bar for permissible fraternization

²⁵SUMMERS AND SWAN, *supra* note 21, at 74.

²⁶*Id.* at 143.

²⁷*Id.* at 75.

²⁸*Id.*

²⁹TARABORRELLI, *supra* note 4, at 65.

³⁰SUMMERS AND SWAN, *supra* note 21, at 253-4.

³¹DAVID G. SCHWARTZ, *CUTTING THE WIRE: GAMING PROHIBITION AND THE INTERNET* 73 (Reno: University of Nevada Press, 2004).

³²Grant Sawyer, *Hang Tough* (Reno: University of Nevada Oral History Program, 1993), at 89.

³³*Id.* at 86, 90.

³⁴*Id.* at 91.

with mobsters, convicted or reputed, had been steadily lowered over the previous decade. Rumors of Sinatra's associations with gangsters, hoodlums, and other unsavory types had been part of his public persona for over a decade at this point. This wasn't enough to keep a performer out of the state's showrooms. But, if flagrant enough, such relationships could potentially disqualify someone from owning a casino. As Sinatra had long since crossed from the first category to the second, any mob associations that moved out of the realm of rumor had the potential to provoke severe consequences.

FRANK SINATRA AS A CASINO OWNER

The failure of the New Horizon only whet Frank Sinatra's appetite to own a share in a casino. And the Sands gave him the chance to do just that. When he visited the Sands in May 1952, it was noted that he had already filed an application to buy a percentage of the casino.³⁵ The Sands' ownership had been a matter of concern for the Tax Commission (then the Nevada body charged with gaming licensure) since before its opening. Mack Kufferman initially built the resort, but he was repeatedly denied a gaming license due to the perception that he was too close to Joseph "Doc" Stacher, a reputed underworld figure. Jake Freedman, a Texan who had long run ostensibly illegal operations in Houston, was then licensed, initially as a sole owner, though he then took on 11 partners. Sinatra was to be the twelfth.³⁶

To argue his case, Sinatra engaged Harry Claiborne, whose client list already included several casino owners. Claiborne would go on to represent both entertainers and those suspected of ties to organized crime.³⁷ The application was not a slam dunk. In addition to his many run-ins with reporters, Sinatra owed \$200,000 in federal taxes—hardly the sign of financial stability required for suitability.³⁸ Indeed, this would be a sticking point during his licensing

hearing. Requesting permission to spend \$54,000 to buy a two percent interest in the Sands, Sinatra enjoyed a generally favorable reception by the Tax Commission, with the exception of member Robert Allen.

"I move that he take the \$54,000 and give it to Uncle Sam," Allen said.³⁹

But deference to Washington was not a virtue in Nevada.

"I say, let the government collect its own money," responded another member, to applause. The panel was satisfied with Sinatra's explanation that he had a payment plan with the Internal Revenue Service (IRS) in place and had already more than halved his tax debt. On October 30, 1953, Sinatra's application for ownership was approved.⁴⁰

Over the next decade Sinatra's ownership share increased until, by 1962, he owned a nine percent stake in the Sands. But that was not enough for Sinatra, who wanted to have not just ownership, but a controlling stake in a property. He got his chance in 1960, thanks to the declining fortunes of the Cal-Neva, a casino on Lake Tahoe's North Shore, which dated to 1926. Bert "Wingy" Grober had become the major owner in 1955. It has been rumored but never proven that Grober was actually a front for Joseph Kennedy. In any event, the Kennedy clan spent a great deal of time at the Cal-Neva during Grober's time as owner.⁴¹ At the time, casinos in Lake Tahoe ran only for a brief season, generally June to September, and were precarious investments. In 1960, either Kennedy or Grober wanted to get out—all that remained was to find a buyer.⁴²

In June, it was announced that Sinatra, along with Dean Martin, was negotiating to buy a share of the Cal-Neva, with a few other investors.⁴³ As it eventually happened, Sinatra, his manager Hank Sarnicola, and Sanford Waterman emerged as the major stockholders in the deal. The trio formally bought

³⁵*Pappas Seeks Interest in Tahoe Casino*, LAS VEGAS REV.-J., May 28, 1953, at 3.

³⁶*Tax Commission Defends State Gaming Industry*, LAS VEGAS REV.-J., May 12, 1953.

³⁷*To Press Sinatra Application in Hotel Here*, LAS VEGAS REV.-J., Oct. 27, 1953, at 3.

³⁸SHAW, *supra* note 16, at 125.

³⁹*Sinatra Gets Gaming License and Tax Rebuke*, CHICAGO DAILY TRIB., Oct. 31, 1953, at 3.

⁴⁰*Id.*

⁴¹JONATHAN VAN METER, *THE LAST GOOD TIME: SKINNY D'AMATO, THE NOTORIOUS 500 CLUB, AND THE RISE AND FALL OF ATLANTIC CITY* 175–7 (New York: Crown Publishers, 2003).

⁴²*Id.* at 178.

⁴³*Frank, Dean May Buy Tahoe Lodge*, LAS VEGAS REV.-J., June 28, 1960, at 4.

the Cal-Neva at the end of the summer 1960 season and were approved for a license to operate the casino the following May.⁴⁴ There was one hitch, however: Sinatra and his fellow investors in Park Lake Enterprises, the Cal-Neva's operating company, were responsible for paying over \$200,000 in back taxes and interest accrued by former owner Elmer "Bones" Remmer. By this point Dean Martin had sold his share in the casino.⁴⁵ That May, Sinatra, Sanicola, Grober, Waterman, and Ike Berger were listed as licensees, with Sinatra owning a 36.6 percent share.⁴⁶ Following the 1961 season, Sanicola announced Sinatra's intention to spend \$10 million improving and expanding the Cal-Neva.⁴⁷

When the Cal-Neva's application for the 1962 season was approved in May of that year, only Sinatra, Sanicola, and Waterman were listed as investors, with Sinatra owning a 50 percent share, Sanicola 33.3 percent, and Waterman 16.7 percent.⁴⁸ It is believed, however, that Chicago underworld figure Sam Giancana actually owned Sinatra's share, though that has never been proven conclusively.⁴⁹ Whoever the real owner, Sinatra was on paper the largest stockholder. The 1962 expansion, which included an improved showroom opened by Sinatra himself, primed the resort for a successful 1963 season.⁵⁰ Sinatra was far from an absentee owner—the signs pointing the way to the resort advertised "Frank Sinatra's Cal-Neva Lodge." Entertainment columnist Earl Wilson—who would later write a sympathetic biography of the crooner—described in August 1962 Sinatra's routine:

Frank hops over in a private plane from Los Angeles, looks in at the till to see how business is, then over to San Francisco for a ball game, then wings back over here so he can get up early next morning to play golf.

"He's even bought me a set of clubs," says his manager, Skinny D'Amato, "so he'll have somebody to beat."⁵¹

While all appeared to be running smoothly, D'Amato's presence at Tahoe was a red flag for Nevada regulators, and a preview of the confrontation that would drag through the following summer.

Paul "Skinny" D'Amato, an Atlantic City native, had run illegal gambling games in that city from his youth. In 1942, he began operating the 500 Club, a nightclub that would become a nationally known entertainment venue. An example of D'Amato's alchemy: in 1946, he paired Dean Martin and Jerry Lewis onstage for the first time. The two would go on to become acclaimed nightclub performers together and, after their 1956 split, individually.⁵² D'Amato met Sinatra in the summer of 1939, when the singer was performing with Harry James on Atlantic City's Steel Pier. As Sinatra's career fizzled in the late 1940s, D'Amato's rose, and performances at the 500 Club sustained Sinatra through his lean years. D'Amato was the one who recommended that Moe Dalitz hire Sinatra to sing at the Desert Inn in 1951, starting his Las Vegas performing career.⁵³

D'Amato's loyalty over the years—and his experience in running the 500 Club, which in addition to its showroom had a clandestine casino—meant a great deal to Sinatra. So when Sinatra became not just an investor but a majority owner in a casino, he wanted D'Amato to run it. D'Amato had just demonstrated his value to Joseph Kennedy when he used his influence with West Virginia sheriffs to help swing that state into Jack's column in the 1960 Democratic primary.⁵⁴ Though D'Amato did not have an official title at the Cal-Neva (his business card merely read "Paul 'Skinny' D'Amato"), one employee described him as "the right hand of God," whose word was to be heeded as if it were that of Sinatra himself.⁵⁵

For all of the respect that D'Amato rightfully commanded in his native Atlantic City and at the Lake, federal law enforcement had long been suspicious

⁴⁴*Sinatra Gaming Okayed*, LAS VEGAS REV.-J., May 23, 1961, at 1.

⁴⁵*Sinatra's Casino Must Pay Remmer Back Taxes*, LAS VEGAS REV.-J., June 23, 1961, at 3.

⁴⁶FBI File of Carl Cohen, Memorandum LV 92-511 (Nov. 16, 1964).

⁴⁷*\$10 million Expansion Plan for Cal-Neva*, LAS VEGAS REV.-J., Sept. 27, 1961, at 11.

⁴⁸*Sinatra Game Bid Approved*, LAS VEGAS REV.-J., May 15, 1962, at 4; FBI File of Carl Cohen, *supra* note 46.

⁴⁹SUMMERS AND SWAN, *supra* note 21, at 289.

⁵⁰Olsen, *supra* note 2.

⁵¹Earl Wilson, *Sinatra Finds Gold in Them Thar Hills*, LAS VEGAS REV.-J., Aug. 21, 1962, at 13.

⁵²For an in-depth discussion of D'Amato's career, see VAN METER, *supra* note 41.

⁵³*Id.* at 103–6.

⁵⁴TARABORRELLI, *supra* note 4, at 225.

⁵⁵VAN METER, *supra* note 41, at 178–9.

of the nightclub impresario's possible links with organized crime.⁵⁶ As the federal government ratcheted up the pressure on Nevada gaming regulators, any potential connections with the underworld were going to be scrutinized much more heavily than before. This would set the stage for the confrontation between Frank Sinatra and Nevada gaming.

"A BIG, FAT SURPRISE"

The 1963 season started well enough for Frank Sinatra at the Cal-Neva. The Gaming Control Board recommended the lodge and its owners for re-licensing as a matter of course.⁵⁷ But Sinatra's continuing contact with Sam Giancana, should it become more than an open secret, had the potential to ruin everything.

In 1960, as part of its "hang tough" policy, the Gaming Control Board, with the approval of Governor Sawyer, inaugurated the List of Excluded Persons—colloquially known as the "Black Book"—a list of 11 suspected mobsters and other "persons of notorious or unsavory reputation"⁵⁸ whom gaming licensees were instructed to "prevent the presence [of] in any licensed establishment." As it happened, Sam Giancana was one of the names on that list. Sawyer himself admitted in his 1993 oral history interview that the list was "a good idea, but perhaps one that was unconstitutional."⁵⁹ John Marshall, one of the other individuals listed, sued the hotel, the governor, and the state after the Desert Inn, at the urging of gaming personnel, ejected him from the casino. Ultimately the Ninth Circuit Court sustained the legality of the Black Book, but in 1963, it was still far from settled law.⁶⁰

While Sinatra was winning raves for signing Tony Bennett to perform at the Cal-Neva,⁶¹ Giancana was having a difficult summer. Subpoenaed to testify before a grand jury, he took the Fifth despite a U.S. Attorney's offer of complete immunity for anything he cared to discuss. As contempt proceedings against

Giancana began, the FBI maintained a 24-hour surveillance on him. Giancana sued the FBI, arguing that the surveillance was so intrusive that it had disrupted his golfing. After the court stipulated that FBI agents had to remain at least one foursome behind Giancana while on the links, the Bureau, in a fit of pique, turned its surveillance over to the Cook County Sheriff's Office. A few hours later, Giancana was in the wind.⁶²

On July 17, the alleged gangster, who authorities said had "disappeared from the face of the earth," materialized in Chalet 50 of the Cal-Neva, the temporary abode of Phyllis McGuire, who was slated to appear in the Celebrity Room with her sisters.⁶³ For the next 11 days, he had run of the property; although Sinatra was reportedly not happy with the "heat" Giancana could bring down on him, he was not about to demand Giancana leave.⁶⁴

But a dinner argument would force Sinatra's hand. A disagreement between McGuire and her manager Victor LaCroix Collins became heated enough that the two began shoving each other. Giancana, hearing the tumult, ran in and decked Collins, who inexplicably chose to fight back.⁶⁵ Sinatra's valet, George Jacobs, wanted to break up the fight but Sinatra refused to let him. After security guards separated the pair, Sinatra and Giancana reportedly took a moonlight stroll together. "Tomorrow, you're leaving," Sinatra reportedly said. "Sure, why not? I caused enough trouble," Giancana is said to have replied with a laugh.⁶⁶ Sinatra had Jacobs drive Giancana to Sinatra's Palm Springs home to lie low.⁶⁷

Collins began telling anyone who would listen that Giancana and Sinatra had issued "Mafia death threats" to him, and news that Giancana had definitely been at the Cal-Neva finally reached the ears of the Gaming Control Board, which had begun investigating reports that the gangster was in the region after he and Phyllis McGuire ran out of gas and made

⁵⁶*Id.* at 179.

⁵⁷*Gaming*, LAS VEGAS REV.-J., Apr. 16, 1963, at 2.

⁵⁸LIST OF EXCLUDED PERSONS (Carson City: Nevada Gaming Control Board, 1960).

⁵⁹Sawyer, *supra* note 32, at 87.

⁶⁰*Id.* at 87.

⁶¹Earl Wilson, *King Travels Light; Has 361 Suitcases*, LAS VEGAS REV.-J., Apr. 6, 1963, at 24.

⁶²Olsen, *supra* note 2, at 375–6.

⁶³VAN METER, *supra* note 41, at 195.

⁶⁴TARABORRELLI, *supra* note 4, at 285.

⁶⁵*Id.* at 286.

⁶⁶*Id.*

⁶⁷GEORGE JACOBS AND WILLIAM STADIEM, MR. S: MY LIFE WITH FRANK SINATRA 202–3 (New York: Harper Entertainment, 2003).

an impression at the tiny Christmas Tree lodge, who spread word that McGuire (they didn't recognize her escort) had been in their establishment.⁶⁸

The Control Board shared news of Giancana's erstwhile whereabouts with the FBI. Two days later, on August 2, a front-page *Chicago Sun-Times* story leaked news of Giancana's stay at the Cal-Neva and the ongoing Gaming Control Board investigation.⁶⁹ Media coverage of the investigation intensely angered Sinatra, fueling the intensity of his coming clash with gaming regulators. In his oral history, Gaming Control Board chair Ed Olsen implied that the leak came from far outside of his state, noting in his oral history that "Nevada newspapermen, who are notorious for not reading anybody else's newspaper, didn't have the same story until thirty days later."⁷⁰

Meanwhile, the Control Board's investigation of whether Giancana was actually present in Nevada—and what other misdeeds had been perpetrated at the Cal-Neva—continued. The political ramifications of the inquiry were high: on one hand, a Black Book entrant had allegedly been hosted by a casino owner, a clear violation of that edict. On the other, the owner was a popular and well-connected celebrity with strong ties to the White House (Sinatra had produced JFK's inaugural gala).⁷¹ The state's gaming apparatus, already enmeshed in litigation over the Black Book, couldn't ignore Sinatra's apparent flouting of it, but disciplining Frank Sinatra brought its own set of problems. Olsen later admitted that he "as a matter of fact, wanted to keep it as quiet as possible, because it was a pretty much of a hot potato. What are you going to do with Frank Sinatra?"⁷²

It wasn't widely known, but Sinatra's closeness to Giancana had already effectively cut him off from the President. In March 1962, Sinatra was scheduled to host JFK on a West Coast tour at his Palm Springs home, which he extensively renovated for the occasion, even adding a heliport. In February, however, Robert Kennedy's Justice Department produced a report stating that Sinatra's "long and wide" association

with "hoodlums" including Giancana, D'Amato, Joe and Rocco Fischetti, and John Formosa was "continuing."⁷³ Kennedy's misgivings against Giancana and Sinatra were magnified when, later that month, he learned that Judith Campbell, who Sinatra had introduced JFK to during the then-candidate's January 1960 visit to the Sands, was sleeping with both the president and Giancana. Bobby forbade his brother from staying with Sinatra, ending the friendship between the two.⁷⁴ Olsen and Sawyer might not have known the details of Giancana's role in the Sinatra-Kennedy relationship, but they knew that he was high on the Justice Department's list of suspected mobsters, and that appearing to allow him carte blanche in their state could invite federal intervention. Sawyer had no love lost for Bobby Kennedy—the Democrat later derided the attorney general's "arrogance and cavalier attitude" and claimed that he would have supported a Republican rather than back RFK during his campaign for the 1968 Democratic nomination—but he didn't want to give him any excuse to claim that Nevada was soft on the mob.⁷⁵

Sinatra and his associates didn't make the investigators' jobs easy. A week in, all the Control Board knew was that Giancana had apparently stayed in McGuire's chalet, but they wanted to know more: why he was at the Cal-Neva, to what extent Sinatra knew about his presence, and who had invited him. On August 8, investigator Charles LaFrance headed a team that interviewed managers and employees at the Cal-Neva, while Olsen himself arranged an interview with Sinatra in the GCB chairman's Las Vegas office. The Cal-Neva team learned little, as many employees claimed to not even know who Sam Giancana was, and D'Amato, on the advice of his attorney, declined to speak with investigators at all.⁷⁶

In his talk with Olsen, Sinatra himself admitted only to seeing Giancana briefly as his friend exited Phyllis's chalet. He hadn't asked him to leave, but he didn't know anything more about Giancana's visit,

⁶⁸Olsen, *supra* note 2, at 168.

⁶⁹*Id.* at 153.

⁷⁰*Id.*

⁷¹TARABORRELLI, *supra* note 4, at 239.

⁷²Olsen, *supra* note 2, at 155.

⁷³TARABORRELLI, *supra* note 4, at 264.

⁷⁴*Id.* at 264.

⁷⁵Sawyer, *supra* note 32, at 93.

⁷⁶Olsen, *supra* note 2, at 153.

though he freely admitted to seeing him “six to ten times a year,” playing golf with him, and hosting him at his Palm Springs house. Olsen remarked that associating with Giancana could discredit all of Nevada gaming. Sinatra offered to not see Giancana in Nevada itself, but insisted that he would continue to see him elsewhere, telling Olsen that, “This is a way of life, and a man has to lead his own life.”⁷⁷

Olsen then directly asked Sinatra if he recognized that hosting Giancana could jeopardize his gaming license. Sinatra allowed that this was possible, but said only that the state “would have to take whatever steps it wants to.”⁷⁸ Sinatra continued to deny that a fight had taken place, saying that if one had happened, “they must be keeping it awfully quiet.” He refused, however, to issue a denial while under oath.⁷⁹

Olsen had to leave it at that. Meanwhile, Board member W.E. “Butch” Leypoldt had gone to Canada to interview an alleged witness to the reputed Giancana/Collins fight who confirmed not only that a fight had taken place, but that Sinatra and Jacobs had broken it up. It also came out that one Manny Skar, reportedly a low-level Chicago underworld figure, had cashed two very large checks during Giancana’s stay, though no one at the Cal-Neva could shed any light on who had approved the transactions or who Skar was. Without much else to go on, Olsen issued a set of subpoenas in an effort to solicit more forthcoming testimony about Giancana’s July visit. At the same time, someone sent Hank Greenspun, publisher of the *Las Vegas Sun*, a clipping from the *Chicago Sun-Times* article from almost a month earlier. Greenspun called Olsen, who only confirmed that an investigation had been ongoing since July.⁸⁰ Other newspapers picked up the story, though Olsen remained publicly “noncommittal” about progress of the investigation.⁸¹

Sinatra heard about the new public scrutiny the investigation was attracting. He was not happy. Sinatra had his accountant Newell Hancock call Olsen in his

Carson City office on August 31 to relay an offer for Olsen to come out to the Lake to talk things over privately. “What in the hell are you doing to us with all this publicity?” Hancock asked. “Frank is irritated.”⁸² Olsen indicated that it would be best if they met in his own office. He finally agreed to a compromise—he and the singer would meet at Hancock’s Lake Tahoe home—and considered the matter closed, but a half-hour later Sinatra himself called. Sinatra wanted to know why Olsen wouldn’t visit him at the Cal-Neva. When Olsen explained that it would be best for them to meet in his office, Sinatra accused the regulator of “acting like a fucking cop.”⁸³

Sinatra claimed he didn’t want to be interviewed in Olsen’s office because he didn’t want to brave a gauntlet of reporters. He was incensed that he would have to report to a state office like anyone else. “Listen, Ed,” he told Olsen, “I haven’t had to take this kind of shit from anybody in the country and I’m not going to take it from you people.”⁸⁴ As Sinatra repeated his request for Olsen to join him for dinner at the Cal-Neva, Olsen had LaFrance and Guy Farmer, executive secretary of the Gaming Commission, pick up extensions to monitor the conversation. Sinatra then claimed that Olsen and his “God damn subpoenas” had caused him a great deal of trouble. When Olsen replied that only those who had been subpoenaed were aware of the summonses, Sinatra called him a “God damn liar.” He then challenged Olsen’s assertion that the subpoenas hadn’t been mentioned in the newspapers, offering to bet him \$50,000. When Olsen replied that he didn’t have \$50,000 to bet, Sinatra responded, “You’re not in the same class with me,” to which Olsen retorted, “I certainly hope not.”⁸⁵

Sinatra then insisted that he if Olsen had “conducted this investigation like a gentleman and come up here to see my people instead of sending those God damn subpoenas,” all would have been revealed. Olsen reminded him that his agents’ attempts to conduct interviews at the lodge had been unfruitful, adding that

⁷⁷*Id.* at 154.

⁷⁸*Id.*

⁷⁹*Id.*

⁸⁰*Id.* at 155.

⁸¹*Mobster’s Trip Eyed in Nevada*, LAS VEGAS REV.-J., Sept. 1, 1963, at 1.

⁸²Olsen, *supra* note 2, at 158.

⁸³*Id.*

⁸⁴*Id.*

⁸⁵*Id.* at 159.

he himself wasn't satisfied that Sinatra was being truthful about the Giancana/Collins fight. Sinatra insisted that he would never come to see Olsen again. When Olsen replied that he would simply issue a subpoena if we wanted to see him, Sinatra replied: "You just try and find me. And if you do, you can look for a big, fat surprise . . . a big, fat, fucking surprise. You remember that. Now listen to me, Ed . . . Don't fuck with me. Don't fuck with me. Just don't fuck with me."⁸⁶

Olsen asked if Sinatra was threatening him. Sinatra replied. "No . . . just don't fuck with me. And you can tell that to your fucking Board and that fucking Commission, too."⁸⁷

Sinatra argued that he had a great many other enterprises to manage and that the Cal-Neva didn't make him much money but was very important to the welfare of many "little people." Olsen suggested that it might be best for everyone if Sinatra chose to focus on those other enterprises.⁸⁸

"I might just do that . . . and when I do, I'm going to tell the world what a bunch of fucking idiots run things in this state," Sinatra answered. After another request to visit him for dinner (which Olsen declined), the conversation ended.⁸⁹

By coincidence, a few minutes later two Gaming Control Board agents (Don Aikin and Gene Kramer) arrived at the Cal-Neva for a scheduled observation of the 6 p.m. soft count. D'Amato called Hancock, saying that Sinatra had told him to "throw those dirty sons of bitches out of the house," and demanded to be immediately notified if they returned. But casino manager Irving Pearleman had already informed the agents that the count had already begun and the agents had agreed that entering the count room at that point would have been counterproductive. They promised return to conduct the observation at another time.⁹⁰

That was Saturday night. Monday morning saw their return. At 9 a.m. on that September 2, Aikin spoke with Olsen, relating that he and Kramer had routinely observed the 6 a.m. count at the Cal-

Neva in a "friendly atmosphere" without incident. At the count's conclusion, D'Amato reportedly placed two \$100 bills in the crook of Kramer's elbow, saying "here's one for each of you," as a way of compensating the two agents for the inconvenience of the missed Saturday night count. They returned the money and immediately reported the incident—which they construed as a bribe attempt—to Olsen.⁹¹

This was, for Olsen, the tipping point.

"Well, that was just the straw that broke the camel's back, as far as I was concerned," he later explained. "I was just fed up with the whole organization. I couldn't get any straight answers to anything, and they were just nothing but headaches, the whole business up there. I felt that it was just—continuation would be detrimental to the entire gambling industry in Nevada."⁹²

There are many "what ifs" in this story. What if the FBI hadn't abandoned its surveillance of Giancana in Chicago? What if Giancana's car hadn't run out of gas near the Christmas Tree? What if Collins and McGuire hadn't quarreled, and Giancana had left the Cal-Neva without incident? What if the Saturday count observation had been scheduled one shift earlier or later? In any event, the circumstances as they happened pushed Olsen to conclude that Sinatra could not be permitted to remain in Nevada gaming as a licensee.

"YOU'D BETTER BE RIGHT"

Olsen immediately set his staff to preparing a complaint that sought the revocation of Sinatra's licenses at the Cal-Neva and Sands due to "his having conducted an unsuitable operation and having associated with people who were deleterious to the gaming industry."⁹³

Before filing the complaint, Olsen went to Governor Sawyer's office to apprise him of the situation, bringing a ream of memoranda and other background information. Sawyer's reaction reveals just

⁸⁶*Id.*

⁸⁷*Id.*

⁸⁸*Id.*

⁸⁹*Id.*

⁹⁰*Id.* at 160.

⁹¹*Id.* at 161.

⁹²*Id.* at 162.

⁹³*Id.*

what a delicate political situation Sinatra's conduct had created.

"When I told Sawyer that I was going to file a complaint for the revocation of Sinatra's license," Olsen later recalled, "well, the man just dropped his teeth! This was the last thing in the world that he felt he needed at the moment!"⁹⁴

To his credit, Sawyer asked two questions: "Why," to which Olsen used his files to illustrate Sinatra's unsuitable conduct, and "When," to which Olsen replied, "as soon as the legal details are worked out."⁹⁵

"Well, you'd better be right," was Sawyer's only response.⁹⁶

On September 11, 1963, the Gaming Control Board filed a formal complaint against Park Lake Enterprises, charging that the company and its principals had violated Nevada's gaming statutes. Despite the reticence of the Cal-Neva's managers and employees, GCB agents were able to ascertain that Giancana had been at Phyllis McGuire's chalet between July 17 and July 28, that Giancana was served food and drinks and chauffeured around by Cal-Neva employees, and even allowed to drive a Cal-Neva vehicle himself (this was the car that had run out of gas, triggering the investigation). Further, Sinatra had openly stated that he intended to continue to associate with Giancana, thus defying the Black Book. The complaint then recounted the August 31 Olsen/Sinatra phone call, which was "designed and intended to intimidate and coerce the chairman and members of the State Gaming Control Board to discontinue performance of their official duties, and to drop the investigation" into Giancana.⁹⁷

Sinatra, the complaint alleged, had "maligned and vilified the State Gaming Control Board, the Nevada Gaming Commission, and members of both said Board and Commission by the use of foul and repulsive language which was venomous in the extreme."⁹⁸

The final counts in the complaint alleged that D'Amato had attempted to force money on Aikin and Lake, "tantamount to an attempt to bribe them," and that maître d' Edward King had fled the state to avoid responding to a subpoena.⁹⁹

Given Sinatra's antagonistic relationship with the press, media reaction to this regulatory rebuke was positively gleeful. The Cal-Neva had already closed for the season on schedule, so the most immediate consequence was that Sinatra had 15 days to respond to the allegations against him.¹⁰⁰

"SURPRISED, HURT, AND ANGERED"

Publicly, Sinatra laughed off the complaint. Emceeding a show at the United Nations later that week, he lit up a cigarette and remarked that, "It is essential to relax. With the stress and the hot spots around the world—Vietnam, Congo, Lake Tahoe. Anybody want to buy a casino? I didn't want it anyway. I've got \$400 in six banks."¹⁰¹

Nevada had just as much at stake as Sinatra, in a sense. John Marshall's civil action challenging the validity of the Black Book was about to begin trial, with jury selection beginning the week after Olsen filed the Sinatra complaint.¹⁰² It was possible that the entire Black Book might be ruled unlawful, which would jeopardize the centerpiece of Sawyer's "hang tough" policy. But Sinatra didn't have the luxury of waiting for a verdict in the Marshall case; his response to the complaint was due on September 26.

Although Sinatra's remarks at the United Nations indicated he was willing to abandon his license, the singer retained Harry Claiborne—the same attorney who had helped him secure his Sands license a decade previously—to fight the revocation.¹⁰³ Sawyer was resolute, pledging that "the full weight of the state's gaming control machinery will be brought to bear on any person who wishes to test us."¹⁰⁴ The governor explained that "Nevada's gaming

⁹⁴*Id.*

⁹⁵*Id.*

⁹⁶*Id.*

⁹⁷*Id.*

⁹⁸*Id.* at 163.

⁹⁹*Id.*

¹⁰⁰*Sinatra Faces Music in Nevada*, LAS VEGAS REV.-J., Sept. 12, 1963, at 1.

¹⁰¹*Sinatra Laughs It Off*, LAS VEGAS REV.-J., Sept. 14, 1963, at 1.

¹⁰²*Court Test for State's Black Book*, LAS VEGAS REV.-J., Sept. 16, 1963, at 1.

¹⁰³Don Digilio, *Sinatra Picks Atty: Claiborne*, LAS VEGAS REV.-J., Sept. 17, 1963, at 3.

¹⁰⁴*Governor Vows Tough Policies*, LAS VEGAS REV.-J., Sept. 14, 1963, at 3.

authorities hold a sacred trust from the people and no man—regardless of his wealth, social status or business and political connections—is bigger than this trust.” Sinatra refused to comment publicly, indicating that any statements on the matter would be released through his attorney.¹⁰⁵

Meanwhile, the complaint became a national news story. ABC censored a joke comedian Mort Sahl made on his own show about the matter. “The governor of Nevada is objecting to Frank Sinatra’s friends—who are Sam Giancana and the President of the United States” was heard on the East Coast broadcast but cut when the show was rebroadcast in the west.¹⁰⁶

Sinatra pleaded with his friends for help but found little support. D’Amato believed that Sinatra had brought his problems upon himself by being so disrespectful to Olsen.¹⁰⁷ The other owners of the Sands agreed that they would do nothing to help Sinatra retain his license.¹⁰⁸ Sam Giancana was exasperated.

“That bastard and his big mouth,” Giancana reportedly said. “All he had to do was keep quiet, apologize, let the lawyers handle everything. But no, he had to make that phone call, run that big mouth. Now we’re out of the whole place.”¹⁰⁹

Sinatra did have one friend attempt to advocate for him. On September 28, President Kennedy flew into Las Vegas to give a speech. As he rode with Governor Sawyer to the Convention Center, he asked “What are you guys doing to my friend, Frank Sinatra?”

“Well, Mr. President,” replied Sawyer, “I’ll try to take care of things here in Nevada, and I wish you luck on the national level.”¹¹⁰ If Sawyer wasn’t going to buckle to the President, there was little chance the complaint would go away on its own.

Once he had time to study the complaint, Claiborne launched an aggressive counterattack, requesting that D’Amato, Aikin and Kramer, King, LaFrance, and Olsen be subpoenaed to answer his questions. This was, according to regulators, perhaps “the first time in Nevada gambling history that the Control Board has had to tip its hand on a license revocation case.”¹¹¹

Olsen sat for his deposition, which he described as “a rather stringent cross-examination for about four hours,” on October 3.¹¹²

Claiborne appeared to be gearing up for a spirited defense of his client. But four days after Olsen’s deposition, the attorney issued a statement on behalf of his client. Sinatra explained that six months prior, he had made the decision to focus his interests on the entertainment industry as a performer, investor, and executive. He was already seeking to divest himself of his Nevada holdings when the state’s regulators took him by surprise:

I was surprised, hurt and angered when the Nevada Gaming Control Board asked the Nevada Gaming Commission to revoke my license to participate in the gambling industry in Nevada. My immediate reaction was to contest such recommendation, although it was consistent with my future plans. However, the Nevada Gaming Control Act specifically provides that a gaming license is a “revocable privilege” which the Nevada Gaming officials may grant or revoke at their discretion, and that I had no “vested rights” to retain this privilege.¹¹³

Sinatra claimed that since he had already chosen to focus on entertainment, “no useful purpose would be served by devoting my time and energy convincing the Nevada Gaming officials that I should be part of the gambling industry.”¹¹⁴ At his instruction, Claiborne notified Olsen that the singer “respectfully

¹⁰⁵*Id.*

¹⁰⁶*Mort Sahl’s Sinatra Joke Cut by ABC*, LAS VEGAS REV.-J., Oct. 1, 1963, at 1.

¹⁰⁷VAN METER, *supra* note 41, at 203.

¹⁰⁸FBI File of Carl Cohen, Memorandum (airtel) dated September 18, 1963.

¹⁰⁹KITTY KELLEY, *HIS WAY: THE UNAUTHORIZED BIOGRAPHY OF FRANK SINATRA* 326–7 (New York: Bantam, 1986).

¹¹⁰Sawyer, *supra* note 32, at 94.

¹¹¹*Game Czars Must Discuss Sinatra Revocation Case*, LAS VEGAS REV.-J., Oct. 3, 1963, at 3.

¹¹²Olsen, *supra* note 2, at 164.

¹¹³*Statement Made to the Press by Harry Claiborne for Frank Sinatra*, quoted in Olsen, *supra* note 2, at 165.

¹¹⁴Olsen, *supra* note 2, at 165.

requests that all gaming licenses that have been issued to him be terminated.”¹¹⁵

At the October 22, 1963, meeting the Nevada Gaming Commission formally stripped Sinatra of his licenses for the Cal-Neva and Sands, approving the sale of his interest in the Sands valued at \$391,000. The Sands corporation itself purchased the shares, with escrow scheduled to close by January 5. Though his license to operate the Cal-Neva was revoked, he was permitted to retain his ownership interest in the operating company and real estate until he could find a suitable buyer.¹¹⁶

Frank Sinatra was no longer a casino owner.

“HE’S NEEDED THIS FOR YEARS”

Some in Las Vegas railed against the Sawyer administration for forcing Frank Sinatra out. Hank Green-spun in particular launched what Olsen later called “vitriolic” attacks against him, his fellow regulators, and the governor. But Olsen found support from an unexpected quarter. The following year, he attended a Sammy Davis, Jr. concert at the Sands, after which he found himself face to face with the entertainer, who indicated he wanted to speak with Olsen alone. Olsen, expecting “a brawl,” was not prepared for what Davis had to say.

“That little son of a bitch, he’s needed this for years. I’ve been working with him for sixteen years, and nobody’s ever had the guts to stand up to him!” Davis said. The two parted friends.¹¹⁷

Disposing of his interests in the Cal-Neva took Sinatra years. It was not until June 17, 1964 that the Commission approved lessees to operate the casino for that season, with Sinatra receiving only a \$200,000 lease payment.¹¹⁸ The following year, a different group leased the casino for \$300,000.¹¹⁹ In 1966, the Com-

mission approved the same operators for their seasonal license, with one proviso: they had to remove Sinatra’s name from a neon sign outside the casino.¹²⁰ At this point, Sinatra had worked the situation into his act: “Anyone want to buy a casino at the Lake?” he would quip in his performances at the Sands.¹²¹

Despite being cast out as an owner and operator, Sinatra was no pariah in Nevada casinos. He continued to perform at the Sands until 1967, when he left the resort for Caesars Palace following a violent confrontation with Sands vice president Carl Cohen, and later sang at the Desert Inn, MGM Grand, and Golden Nugget. Yet his past did not entirely escape him. During winter 1966–1967, a federal grand jury investigating skimming in Nevada casinos took a long look at operations at the Cal-Neva and Sands.¹²² Sinatra himself testified before the probe on January 26, answering questions—and eliciting a round of laughter at least once—in a closed session.¹²³ Ultimately, Sinatra didn’t face any adverse consequences from that probe, but he was beginning to tire of his role as Cal-Neva landlord, indicating in 1967 that he wished to sell the property outright rather than lease it for another year. He was forced, however, to rent it once more.¹²⁴

In August of that year, Sinatra made a public request for Howard Hughes, the new owner of the Sands, to take the Cal-Neva off his hands.¹²⁵ But Hughes, who had never liked Sinatra, didn’t take the bait. When he moved to Caesars Palace, Sinatra made that casino’s buying the Cal-Neva part of the deal.¹²⁶ The owners of Caesars Palace did submit an application to purchase the Cal-Neva for \$2 million, though the Gaming Control Board delayed making a recommendation for months while it investigated reports of possible mob ties at Caesars.¹²⁷ On December 2, 1967, the Commission

¹¹⁵*Id.*

¹¹⁶*Gaming Officials Give Sinatra Time to Sell*, LAS VEGAS REV.-J., Oct. 23, 1963, at 1.

¹¹⁷Olsen, *supra* note 2, at 166.

¹¹⁸*Sinatra Casino to Open at North Lake Tahoe*, LAS VEGAS REV.-J., June 17, 1964, at 3.

¹¹⁹*Board OKs Merrick Bid for Casino Points*, LAS VEGAS REV.-J., Apr. 20, 1965, at 2.

¹²⁰*Cal-Neva Opening Okay If Sinatra’s Name Absent*, LAS VEGAS REV.-J., May 18, 1966, at 1.

¹²¹FRANK SINATRA, *VEGAS (LIVE)* (Rhino, 2006).

¹²²Roy Vannett, *Sinatra’s Playgrounds Eyed*, LAS VEGAS REV.-J., Dec. 21, 1966, at 1.

¹²³Colin McKinlay, *U.S. Jury Hears Sinatra*, LAS VEGAS REV.-J., Jan. 27, 1967, at 1.

¹²⁴*Approval Given on Cal-Neva*, LAS VEGAS REV.-J., June 4, 1967, at 22.

¹²⁵*Cal-Neva Sale Still Alive*, LAS VEGAS REV.-J., Aug. 12, 1967, at 1.

¹²⁶Earl Wilson, *Judy’s Luxurious Pad Only \$2,000 a Month*, LAS VEGAS REV.-J., Sept. 22, 1967, at 33.

¹²⁷*Cosa Nostra Connections Eyed at Caesars Palace*, LAS VEGAS REV.-J., Nov. 28, 1967, at 1.

finally approved Caesars' request, with some restrictions.¹²⁸ But Caesars did not close the deal, and in late January it was rumored that Hugh Hefner was considering buying the Cal-Neva.¹²⁹ But that did not happen, and Sinatra retained ownership of the casino for the 1968 season.¹³⁰

Finally, in March 1969, Sinatra sold the Ca-Neva for \$1.4 million to a sextet of Renoites who already owned the Club Cal Neva in Reno.¹³¹ The new owners had already begun construction of a ten-story addition when the Gaming Commission approved their licensure, and they announced that they intended to keep it open year-round.¹³² With that, the albatross that had hung around Sinatra's neck for five and a half years was removed.

Meanwhile, despite a 1970 incident in which Sinatra's former Cal-Neva co-owner Sandy Waterman pulled a gun during a dispute over credit at Caesars Palace, Sinatra's reputation in Nevada began to improve.¹³³ In 1976, the University of Nevada, Las Vegas honored him with an honorary doctorate. With the mob on the run and Sinatra more than a decade removed from his controversial turn as a casino owner, he was easy for the community to embrace.

Sinatra's rehabilitation had proceeded far enough in the spring of 1980 that he applied for a gaming license.¹³⁴ Just as he had in 1960, Frank in 1980 became closely involved with a presidential aspirant—in this case, Ronald Reagan. Sinatra campaigned vigorously for the Gipper, raising more than \$250,000 for the Republican candidate and chairing his inaugural gala.¹³⁵ Sinatra included both Ronald and Nancy Reagan on a list of references submitted to the Gaming Control Board. Nancy, who some speculated had a "crush" on Sinatra, was particularly eager to assist him, as the two had become close friends. Neither the president nor his wife were called

upon to testify, but the fact that they were willing to do so spoke volumes.¹³⁶

To further support his application, Sinatra provided affidavits from Gregory Peck, Kirk Douglas, and Bob Hope, and called upon the sheriff of Los Angeles County and a Catholic priest to vouch for his good character.¹³⁷

In his February 11, 1981, testimony before the Gaming Control Board, Sinatra contradicted his statements to Olsen in 1963, now claiming that he had "never invited Mr. Giancana to come to Cal-Neva Lodge . . . never entertained him . . . and never saw him" on July 27, "or on any other night, for that matter."¹³⁸ According to his sworn testimony, Giancana had never had any financial interest in the Cal-Neva and had never to his knowledge visited it.¹³⁹

With both Sam Giancana and Ed Olsen dead, there were few who had any motivation to argue otherwise. Still, when someone remembered that Sinatra had admitted to Olsen that Giancana had been at the Cal-Neva, he admitted that, "I might have said it. I was frustrated. I was angry. I might have said anything. But if I said it, I didn't mean it."¹⁴⁰ Despite a mountain of evidence to the contrary, including Sawyer's memoranda and the 1963 revocation complaint, Sinatra received little pushback.

After over five hours of Sinatra's testimony, the Control Board unanimously suggested that Sinatra be recommended to the Gaming Commission for a six-month license. On February 19, the Commission elicited one and a half hours of additional testimony in which Sinatra insisted that he had never associated with organized crime figures. The Commission voted that day to award Sinatra a gaming license with no six-month restriction.¹⁴¹

¹²⁸ *CP Wins Okay to Buy Cal Neva*, LAS VEGAS REV.-J., Dec. 29, 1967, at 1.

¹²⁹ *Hefner at Cal Neva? Wow! All Those Bunnies*, LAS VEGAS REV.-J., Jan. 26, 1968, at 12.

¹³⁰ *10 Story Hotel at Cal-Nev Lodge Approved*, LAS VEGAS REV.-J., Nov. 7, 1968, at 2.

¹³¹ *Cal-Neva Sale Gets Approval*, LAS VEGAS REV.-J., Mar. 21, 1969, at 5.

¹³² *Gaming Board Recommends Re-opening for Cal-Neva*, LAS VEGAS REV.-J., Mar. 13, 1969, at 15.

¹³³ Don Digilio, *Sinatra Caper Keeps Strip Humming*, LAS VEGAS REV.-J., Sept. 8, 1970, at 1.

¹³⁴ TARABORRELLI, *supra* note 4, at 430.

¹³⁵ *Id.*

¹³⁶ *Id.* at 437.

¹³⁷ *Id.* at 431.

¹³⁸ *Id.* at 432–3.

¹³⁹ *Id.* at 432.

¹⁴⁰ *Id.*

¹⁴¹ *Id.* at 435.

Sinatra never actually used the license, but claimed that getting it served his purpose, which was to clear his name.¹⁴²

In his remaining years, Sinatra remained a popular music icon without parallel. He would go on to receive Kennedy Center honors in 1983 (a fittingly ironic accolade given his personal history with the Kennedy family) and the Medal of Freedom from President Reagan in 1985. His alleged associations with mobsters—most of whom were now dead and gone—only heightened his mystique. And he continued to perform in casinos around the world. After his May 14, 1998, death at the age of 82, Las Vegas gave the singer its ultimate tribute by dimming, for one minute, the lights of the Strip and Downtown.¹⁴³

CONCLUSION

Frank Sinatra spent ten years as a Nevada gaming licensee. When he was initially licensed in 1953, the state was just beginning to tighten its suitability requirements in response to the possibility of federal intervention sparked by the Kefauver Committee's 1950–1951 investigations. The industry, however, was small, and concerns about the presence of organized crime within it had yet to become major policy issues. When he lost his license in 1963, the state was resisting the federal government's greatest-ever concerted effort to fight organized crime by striking indiscriminately against the Nevada gaming industry. Though federal investigations into skimming would continue, the industry as a whole never faced the existential threat that it did during the Kennedy years, when only energetic lobbying in Washington prevented the attorney general from closing the majority of the state's casinos.

Sinatra lost his license not only because he allowed Sam Giancana to stay at the Cal-Neva, violating his duty as outlined in the Black Book that he not permit Giancana on site; it was his abuse of gam-

ing regulators in general, and Ed Olsen specifically, that steeled Olsen's resolve to recommend Sinatra's license be revoked. Though Olsen said that D'Amato's "generosity" to the two audit agents who had observed the Cal-Neva count was the precipitating factor, it's arguable whether that was a serious bribery attempt, and even Olsen himself admitted that "obviously, we couldn't go into a major hotel, particularly in Las Vegas . . . without somebody coming along and picking up the check," often for cumulative amounts far in excess of \$100.¹⁴⁴ If casino managers showing financial largess to state agents truly was a revocation-worthy offense, the Strip would have been swiftly depopulated. It was Sinatra's attacks on the authority of Nevada gaming, "venomous in the extreme," that led to the complaint.

Despite all of the money Sinatra had made for the Sands owners, despite the millions he had invested in the Cal-Neva, despite his personal popularity and multitude of business and political connections, the Nevada gaming regulatory apparatus, from enforcement agents to the governor, united in their opposition to Sinatra's continued participation in gaming because he had so flagrantly violated the Black Book. But it was not just a statute violation that led the regulators to oust Sinatra. Rather, it was the conviction that allowing Sinatra to remain a licensee would give the federal government a pretext to take draconian action against the state as a whole. Governor Sawyer, as he was giving Olsen the green light to strip Sinatra's license, was in the process of publicly fighting Attorney General Kennedy and the FBI's J. Edgar Hoover after it was discovered that several top gaming executives had been illegally wiretapped by the FBI.¹⁴⁵ His position that federal agencies were overstepping their bounds in Nevada would have been undercut had Sinatra been allowed to host Giancana without retribution.

Even then, Sinatra's personality factored into the state's hardline against him. "Because he was

¹⁴²*Id.* at 436.

¹⁴³Ed Koch, *Frank Sinatra Dies at 82*, LAS VEGAS SUN, May 15, 1998.

¹⁴⁴Olsen, *supra* note 2, at 163.

¹⁴⁵Sawyer, *supra* note 32, at 92.

Sinatra,” Olsen later said, “it was obvious that we would have a problem enforcing regulations.”¹⁴⁶ Sawyer recalled having told Olsen to “give no thought too who he is, or thinks he is. Do the right thing, and do not be intimidated by him.”¹⁴⁷ It is doubtful that the laid-back Dean Martin would have provoked such a visceral reaction.

The Sinatra license revocation and its coda, his 1981 licensing, has a lesson for us. While Nevada gaming control is predicated upon the regulations on the books, outside influences—particularly the threat of drastic action against the industry at large—and personalities play a role in how regulators proceed against those suspected of unsuit-

ability. The facts of Sam Giancana’s stay at the Cal-Neva were no different in 1981 from what they were in 1963. But the politics around Sinatra had changed considerably: the federal government, far from exerting pressure on Nevada to clean up its casino industry had given the state’s gaming a relatively clean bill of health in 1976.¹⁴⁸ Instead of being at odds with the president’s brothers, Sinatra was now close friends with the first lady and a frequent lunch guest at the White House. Certainly Nevada never resorts to its most severe sanction lightly, but the case of Frank Sinatra suggests that the broader context of the dispute can be even more important than the facts of the matter.

¹⁴⁶*Id.* at 94.

¹⁴⁷*Id.*

¹⁴⁸COMMISSION ON THE REVIEW OF THE NATIONAL POLICY TOWARD GAMBLING, FINAL REPORT: GAMBLING IN AMERICA (Washington, DC: U.S. Government Printing Office, 1976).