

How the Mob (Museum) Was Won: Building a History of Organized Crime in the U.S.

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Few places are as image-conscious as Las Vegas, making it an object lesson for other places with legal gambling and an emphasis on tourism. Not only does Las Vegas sculpt its image – after all, what happens here, stays here, except for what appears in the commercials – but Las Vegans also worry about how other places perceive them. The irony in that statement should be obvious: Las Vegas is marketed as a funhouse where gambling and sex are pervasive, but its residents worry about their community's reputation. Another irony is that what tourists think is Las Vegas, and what is Las Vegas, are two different things. The recent International Conference on Gambling and Risk Taking took place on the Las Vegas Strip, but not in Las Vegas. The Strip is in Paradise—literally, in an unincorporated township created to keep the city from annexing county land where hotels were being built in the 1940s and early 1950s.

That is part of Las Vegas history, a subject that the scholarly community has taken increasingly seriously in the past quarter of a century, and valuable for the gaming industry to understand as it recovers here and grows elsewhere. The Las Vegas past seems unusual, and in some ways it is: a metropolitan area settled early in the twentieth century with a population of more than a million by the twenty-first; an economy and a society built on the foundation of legal gambling and tourism; captains of industry with rap sheets. But it is less unique than we think. Consider the growth of the Sunbelt and various international cities within a limited period of time; the spread of legal gambling from one state to 48 and as an increasingly important part of the national economy; and the settlers of the American colonies included Pilgrims largely unwanted in England, Puritans unsure of their status as religious dissenters, and debtors in Georgia.

More crucially, gambling and its evolution – including organized crime and tourism – are part of the cycles and context of American history. Their existence reflects the impact and importance of immigration: consider that the story of modern American organized crime is inseparable from that of the southern and eastern European immigration of the late nineteenth and early twentieth centuries. How Americans spend their leisure time has been intertwined with understanding the frontier and urbanization, and more recently with the post-industrial society of recent America and technological advances ranging from transportation – interstate highways and jet airplanes – to computer technology.

The National Museum of Organized Crime and Law Enforcement, better known as The Mob Museum, examines this combination of continuity and change while probing the seamier side of Las Vegas history – and its ties to American and world history. How The Mob Museum originated and evolved provides a valuable lesson about the preservation and value of history, the history of gambling, and the history of organized crime, and their importance for the sake of knowledge and tourism.

The building that houses the museum is part of the story it tells. In 1933, two years after Nevada made gambling legal, the federal government completed construction of a

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courthouse in downtown Las Vegas. It served as the post office and included offices for all of the federal agencies in Las Vegas. On November 15, 1950, its courtroom was the site of a hearing held by the Senate Select Committee on Organized Crime, chaired by Senator Estes Kefauver of Tennessee, at which the committee and its counsel questioned several casino operators and state officials; Kefauver and the committee subsequently attacked Las Vegas over the role of organized crime and the interplay between gambling and politics. More than two years later, the building was the site of a trial at which a local newspaper publisher, Hank Greenspun, sued almost every casino owner in southern Nevada and U.S. Senator Pat McCarran, accusing them of a conspiracy to deny him advertising because he had dared to challenge McCarran. Greenspun won a settlement and remained a fly in the ointment of the senator and the casino owners. Other trials held there involved other casino owners or alleged mobsters to whom they reportedly had connections.

By the late 1990s, McCarran, Greenspun, and the casino owners would hardly have recognized the area. The population of the county was approaching 1.5 million. Steve Wynn had opened The Mirage, the largest resort built on the Strip in nearly two decades, in 1989, and then a long list of large, often themed hotel-casinos followed: Wynn's Treasure Island and Bellagio, Kirk Kerkorian's MGM Grand and New York New York, Sheldon Adelson's Venetian, Circus Circus Resorts' Excalibur, Luxor, and Mandalay Bay, and the Paris, to name some.

In 1999, Las Vegas elected a new mayor, Oscar Goodman, who had tried his first case as a local attorney in that old post office building. Goodman came to office with a reputation of his own. Since the 1960s, he had been the leading defense attorney in southern Nevada for organized crime figures, becoming so identified with his work that he played himself in the movie *Casino*, featuring Robert DeNiro as a far better-looking version of Frank "Lefty" Rosenthal, the Stardust casino operator, and Joe Pesci as Anthony Spilotro, the hot-headed mobster who killed several people and once put a man's head in a vise and squeezed. Goodman represented both of them and many others, prompting some critics to object that with him as mayor, the world would think that Las Vegas remained a mob town and made no progress toward cultural or economic respectability.

The critics were wrong. Goodman proved to be a controversial, colorful mayor, given to grimace-inducing pronouncements about the need to cut off the thumbs of graffiti taggers and drive out the homeless. But he also promoted the revitalization of downtown, including such projects as the Lou Ruvo Center, which researches and treats neurological disorders, and the Smith Center for the Performing Arts. He represented Las Vegas to the world as a place to have fun, and sold the city and himself in the process.

One of Goodman's most controversial initiatives involved the very issue he was attacked for when he ran. By the time he took office, most of the local federal offices had moved elsewhere in Las Vegas, and the government had no more use for the original federal building. Goodman declared that he wanted the building for the city. In 2000, the federal government agreed to sell the old courthouse to the city of Las Vegas for \$1, but with a proviso: in accepting the building, it had to use it for cultural purposes. This led to talk of an art gallery or a historical museum. But Goodman reasoned that attracting locals, much less tourists, downtown required something different. He said that the site should focus on something unique, and, in particular, unique to Las Vegas. Thinking of his own career, he came up with the idea of a museum about organized crime.

A decade passed between Las Vegas obtaining the building and the Mob Museum opening on February 14, 2012—a carefully chosen date, since one of the major artifacts in the museum is the wall where the St. Valentine's Day Massacre took place in Chicago

in 1929. During the decade of preparation, the city hired consultants and scholars, conducted studies of the building, obtained grants and used redevelopment money. The city brought in as the curators Dennis and Kathy Barrie, who had done similar work on the International Spy Museum in Washington, D.C., and the Rock and Roll Hall of Fame in Cleveland, as well as national and local researchers and designers. The city put together boards and committees that included members of the resort industry. Eventually, Goodman asked Ellen Knowlton, who had just retired as the local FBI agent in charge, to serve as chair of the museum board. It was a brilliant move: federal law enforcement officials became more willing to help with the project.

But the project also has been controversial – and at times a struggle. Consider the following:

- The culture in which a government entity proposed to build a museum. It faced criticism—inevitable in a state that claims a libertarian tradition and that has concentrated its economy on activity that people are supposed to be left in privacy to do—that it represented too great an investment of money. The city used redevelopment funds, meaning that the money was earmarked not necessarily for this project, but not for other or greater necessities. It continues to face criticism from libertarian-minded city council members and commentators. That it drew 300,000 visitors in its first year and aided nearby businesses—restaurants extended their hours due to the museum’s presence, for example—did little to affect their claims.

- Another struggle was the involvement by the key players. On the one hand, the city and the curators achieved a degree of buy-in from law enforcement by including Knowlton and representatives of the local police department, and from the gaming industry by including some resort executives. But on the other hand, the industry did not involve itself to the degree that it might have, for a couple of reasons. One is the understandable concern about image: would a mob museum suggest that the mob still has a role in the industry (it did not and does not)?

- Another is that the resort industry here faces a dichotomy that it probably encounters less often in newer jurisdictions: it is the center of the Las Vegas economy. Consequently, hotel-casinos are expected to contribute, especially financially, to anything and everything from funding government to every imaginable philanthropic endeavor, and their leaders understandably feel like they wear a bullseye. At the same time, their limited involvement in local history brings to mind a personal experience. I spoke in Bakersfield, California, to a group of schoolteachers meeting at the Kern County Museum, which has more than 50 historic buildings on 16 acres of land. Those buildings include a city block of buildings that the museum gutted and converted into “Black Gold: The Oil Experience,” a \$4 million interactive exhibit on the history and technology of the key to the area’s economy; the museum obtained the funding and considerable expertise from local oil companies. A true gaming museum would require similar involvement, but the results could be truly staggering.

- Another struggle involved the claim that it would be a tribute to the mob, locally due to Goodman, who as a defense attorney had denied the mob’s existence, and nationally and locally based on the perception that something called the Mob Museum must therefore be a tribute to the mob. Under the same train of thought, a museum about the history of slavery must celebrate that institution.

- Related to that struggle is the newness of the subject matter. A museum related to the Civil War, for example, may be controversial because so many feel so strongly about the subject, but the risk of offending Abraham Lincoln or Robert E. Lee is limited. The history of Las Vegas, like the history of the spread and rise of gaming

as a major industry in America, is comparatively recent. The day the museum opened, I was standing between Henry Hill, the inspiration for *Goodfellas*, and Frank Cullotta, a onetime mob killer who in the film *Casino* acted out a murder he had actually committed. Offending them might be unwise, but it probably would be far more unwise to suggest the connections between some living and prominent Las Vegans and the criminal past. Recent history is a balancing act.

These issues suggest the controversy that a museum may cause. They also lead to the sermonette portion of this essay. The history of gaming is the history of economics, politics, culture, and society. In that way, it is not unique. Nor is this museum, which seeks to be both informative and entertaining, as museums should be. But here are some of the lessons to be taken from this museum and its evolution:

- Gaming scholars have made great strides in preserving the industry's history in ways that the Mob Museum does not; it is not an archive, and the gaming industry needs to think more archivally. When the planning for this museum began, I gave an interview in which I said that the biggest problem was one that Woody Allen described: organized crime saves a lot of money on office supplies. I explained that if there was a memo saying, "To the boys, from Meyer, re Bugsy: kill him," it would be great to have, but it did not exist.
- When I made that statement about Meyer and Bugsy, I received three phone calls the following week from people who told me that they knew who had killed Siegel at Virginia Hill's bungalow on June 20, 1947. Those people, all certain of their facts, gave me three different names. We tend to forget that the history of the mob often has been a whispered history, but that that is true of so many other fields of history. Many transactions take place without anything being written down. It helps us to better understand this industry and ourselves to bear that in mind, and to take steps to make sure that we do respect history and the need for documentation and information.
- Understanding the history of gaming and organized crime, and how they are and are not intertwined, is important on many levels, including understanding the gaming industry itself. Casinos track the movements and actions of their customers, so that they know each customer's ... history. Thinking historically is beneficial to people other than the profession of those of us who study it.
- Not everything about history, even the history of the mob, may be all that interesting. Since legalization in 1931, Las Vegas has gone, essentially, through eras of gaming development that we have previously characterized as a "maverick to mafia to MBA" trajectory. This development actually unfolded through four eras: 1931 to 1946, featuring mavericks who tried some themes and tested the waters; 1946 to 1967, with mobsters and operators of illegal casinos building the first version of the Strip; 1967 to 1989, a time of transition between the former period and the corporate era, with the likes of Lefty Rosenthal mingling in the history with Howard Hughes and Kirk Kerkorian; and 1989 to the present, with a more corporate structure and larger, more elaborate resorts, but also with buccaneering corporate owners like Steve Wynn and Sheldon Adelson. A museum about organized crime and law enforcement obviously would have less to say about the recent past. But even the more colorful chapters of the past included elements of drudgery, as the leaders of all eras – even the mafia era – were heavily focused on the everyday challenges of running a business that in many ways is like many others¹.
- Myth and reality are important to try to separate. Relative to the above, the

1 Bernhard, B.J., Green, M.S., & Lucas, A.F. (2008). From Maverick to Mafia to MBA: Gaming Industry Leadership in Las Vegas from 1931 through 2007. *Cornell Hospitality Quarterly*, 49:2, 177-190.

curators held meetings with longtime Las Vegas and scholars to learn their thinking about what the museum should include. One longtime Las Vegas announced that the mob had controlled Las Vegas. Another longtime Las Vegas said, “They did not” -- and an argument ensued. Both have been here for more than half a century. Both are respected in the community and in their professions. Who was right?

The answer is, both.

The long-timer who minimized organized crime was thinking of the 1950s, when those businessmen who had run illegal casinos elsewhere had grown accustomed to flying under the radar and appreciated not having to pay off a sheriff or a district attorney to stay in business. The one who saw it as pervasive was thinking of the 1970s, when Tony Spilotro branched out into pimping and loansharking, he had the Hole in the Wall Gang committing burglaries, and his posse included a police detective. All of this belies the idea that the town was so much safer when the mob was around—something that might be heard in jurisdictions in which gaming is a more recent phenomenon—and that the history of gaming and organized crime are monolithic.

- The less explicable our past is, the more sensitive we are about it. If you are from the South, explaining the multilayered history of slavery can be difficult—several Founding Fathers depended on it, honored leaders defended it, and hundreds of thousands died to protect it. Why they said and did those things often depends on the individual and may often be connected to the culture of a given time. It is not that difficult to prove that slavery led to the Civil War, but convincing those who would rather not think so is very difficult, indeed.

So it is with gambling and organized crime, and the people who were or are involved in it. Each is broader than the casinos where they have taken place or the illegal activities that involved the mob. Not even the Mob Museum fully explains that Kefauver’s interest in the subject had to do with his tendencies as a moral reformer, but also his consuming presidential ambitions, which were impossible to achieve with big city political machines dominating his party; the connections between those machines and organized crime help explain what he did and why. Nor is it possible, so far as we know, to explain with certainty why the FBI took so long to target organized crime, although rumors about the personal life of Leonardo DiCaprio—that is, J. Edgar Hoover—abound.

The Mob Museum is an attempt to understand the history of organized crime and law enforcement and, through those prisms, how the rise of the gaming industry is connected to them. Whatever legitimacy gaming has achieved in the present is clear only when we understand the illegitimacy associated with it in the past. The Mob Museum is one way to do that, and it is one in which Las Vegas and the gaming industry should take considerable pride. And they should learn, not just from the museum, but about the value of knowing and preserving history and the possibility that tourists just might be interested in knowing some of that history. The Mob Museum is part of an area that now also includes a Neon Museum, thanks to the generosity of casino operators who donated their old signs; the oldest structure in Nevada, the Mormon Fort, rebuilt with help from the state and private groups; and the privately funded Museum of Natural History, which includes an exhibit on King Tut that the Luxor (casino) no longer wanted -- but that still provides information and entertainment. There is a lesson here for the tourism and gaming industry: there is a future in the past.