



## CHAPTER SIX

# MURDER INCORPORATED MEETS VEGAS INC.



## The Strange Days and Ways of Mr. Hughes

Howard Hughes, high-flying, movie making billionaire and businessman, had become eccentric to the extreme. Once a dashing playboy and pilot, designing, building and flying aircraft, setting aviation records, heading up major movie studios and bedding blond bombshells, he had become a drug-addicted, germ-phobic recluse. He refused to shave, bathe, brush his teeth, cut his hair or fingernails and ate only Campbell's chicken soup and banana-nut ice cream. One of the nation's richest men, he had become an emaciated physical wreck, who had taken to storing his expended urine in Mason jars he kept in a closet.

Strange that such a person's financial involvement in Las Vegas should be seen as lending the city an air of legitimacy. Yet, that's what it did.

Despite the city's success, before 1966 almost all legitimate lending institutions either refused to make loans to Las Vegas' casino-hotels, or Nevada's

Howard Hughes,  
c. 1950s



prohibitive regulations excluded them. This left the door wide open for alternative sources of financing, such as those available to the underworld entrepreneurs who had backed almost every major project in the city.

Hughes had been coming to Las Vegas since the 40s. Back in his more dashing days, he visited the city often and was swept up in its glamour and excitement. He'd make the rounds, flitting from one casino to the next.

When he'd married actress Jean Peters in a ceremony at Tonopah, Nevada, in 1957, he'd already begun to gain a reputation for a variety of eccentricities. He was becoming somewhat reclusive, but his appearance and behavior were still relatively normal.

By November 27, 1966, Hughes' appearance wasn't so normal. At 4 a.m. on that day, a locomotive pulling only Howard Hughes' two private railway cars screeched to a halt on the Vegas outskirts. Hughes, bearded, and with only 120 pounds covering his 6-foot-4-inch frame, was taken off the train on a stretcher, placed into a waiting van and driven across town to The Strip.

His arrival and appearance were unconventional but like most gamblers coming to the city, Howard

Hughes had brought some money with him. About six months earlier, he'd received the largest check ever made out to an individual — \$546,549,171 — in payment for his controlling shares in Trans World Airlines. Howard Hughes wasn't a gambler in the conventional sense, but now he was betting on Las Vegas.

Howard Hughes' reasons for moving to Las Vegas may have been many, but primary among them was the desire to minimize his tax burden. By some accounts, the billionaire had not paid a penny in income tax for the past 17 years, a habit he did not wish to break. Nevada was much more tax friendly than California, his former state of residence. Hughes also thought Las Vegas held great business potential. He'd been buying property there since the 1950s. Despite his crazed appearance, strange reclusive manners and customs, his business dealings continued seemingly unaffected.

When he'd decided to make Las Vegas his headquarters, Hughes hired Robert Maheu, a former FBI agent turned private investigator, as his advance man. Through Hank Greenspun, publisher of the *Las Vegas Sun* and owner of KLAS-TV, and Moe Dalitz, the mob-affiliated headman at the Desert Inn, Hughes had arranged to rent the hotel's two top floors.

Dalitz agreed to rent the rooms to Hughes, but only for six weeks. After that the hotel would need the luxury accommodations to house the high rollers who'd be arriving for New Year's Eve. When the six weeks had passed, Hughes was not ready to leave. Dalitz refused point blank to extend his stay. Hughes, who wasn't gambling, was taking up valuable space. He was costing Dalitz money.

Hughes' fixer, Robert Maheu, contacted an old acquaintance, mobster John Rosselli. Maheu knew Rosselli, who had a reputation as a go-between in mob disputes, from when they'd each played a role in a CIA plot to assassinate Fidel Castro.

Rosselli spoke with Jimmy Hoffa, who'd loaned Dalitz the money for the Desert Inn and was then financing Dalitz' new venture, the Stardust. Moe had a change of heart and granted Mr. Hughes a two-week extension. Dalitz, however, felt pressured. He let Hank Greenspun know that he was interested in selling the Desert Inn.

Greenspun suggested to Dalitz that if he wanted to sell the Desert Inn, perhaps he should call Greenspun's

former lawyer, Edward Morgan. He might have some ideas. Morgan just happened to be a friend of Maheu's.

Three months later, Howard Hughes paid \$6.2 million in cash and assumed \$7 million in liabilities for a lease on the Desert Inn until 2022. Morgan made a \$150,000 finder's fee, Rosselli got \$50,000 and Greenspun took home \$25,000.

Howard Hughes wielded enormous power. His penchant to use his wealth to gain control over people and his environment was unleashed on Las Vegas. Hughes was anti-Semitic, anti-black — he opposed the Clark County School District's integration plan — and he hated children so much that he canceled the annual Easter egg hunt on the Desert Inn Golf Course for fear of, "snot-nosed children" running loose. Yet, Nevada Governor Paul Laxalt said of this bearded, skeletal creature, with three-inch plus fingernails curling into his grasping hands and jars of urine filling his closet, "If Nevada ever had a friend, a real friend, it was Howard Hughes."

The billionaire had promised the governor that he would underwrite the cost of a medical school for the University of Nevada. He never did. What he did do, this man who supposedly legitimized the gaming

industry in Las Vegas, was skirt the basic safeguards the Gaming Control Board had put in place.

To obtain a gaming license, the rules required Hughes to appear in person before the board, file a financial statement and be photographed and fingerprinted. The recluse refused to do any of them. Yet, the board and later the Gaming Commission approved his application.

Shortly thereafter Robert Maheu remembers getting a call from the boss he'd still never actually met, "How many more of these toys are available?" asked Hughes. Within months he'd purchased the Sands for \$14.6 million, the Frontier for \$14 million, the Castaways for \$3 million, the Landmark for \$17.1 million and the Silver Slipper for \$5.3 million. The last Hughes purchased because its revolving neon sign in the shape of a slipper shined into his window and disturbed his sleep. He reportedly sent Maheu a telegram that read, "I want you to buy that place, that damn sign is driving me crazy, it goes round and round and round."

Casinos were just part of Howard Hughes' shopping spree. During this same period he also purchased a small airline, an airport, a motel, a restaurant, several gold and silver mines throughout Nevada and almost a



Hank Greenspun  
(far right) stands with his  
wife, Barbara, to his left  
and Frank Sinatra is  
(far left) with his  
wife, Barbara.