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Testimony of Edward Phillip Osadchey (Eddy Spitz)
432 E. 64th Terrace
Kansas City, Missouri

(Approximate time 1 hour and 20 minutes)

Spitz is a night club operator, gambler and wire service partner. He was convicted of a prohibition act violation and was sentenced to thirty days in the Clay County, Missouri jail on January 5, 1932.

Spitz is a partner in the Ace Sales Company, in which Binaggio and "Snag" Klein were also partners. This company was organized to buy and sell war surplus and other materials. It operated at a loss.

(1) The Last Chance Gambling Casino. The Last Chance was a gambling "casino" located on Southwest Blvd. on the state line between Kansas and Missouri. The gambling operations at this place could be moved from state to state in order to avoid the police. Spitz said that he had somewhere between 8 and 12% of this gambling establishment. The other partners were:

Tano Lococo

Charles Gargotta

Abe Freedlander

"Snag" Klein

John Goulding (the owner of the building and got 25% of the profit)

Binaggio was a partner for about two months in 1949. Spitz invested about \$1200 or \$1300 in the Last Chance. He says that his function was to get customers.

The Last Chance closed the day that Binaggio was murdered, because it was expected there would be a lot of heat on.

The Last Chance was apparently very profitable during the two months that Binaggio was a partner. He drew out around \$4,000 on his investment of from \$1200 to \$1500.

Mr. Spitz stated that when the heat is on you cannot operating a gambling establishment and you can operate when the heat is off.

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Mr. Spitz first got into the Last Chance gambling establishment in about October of 1947. Some time previous to that date a man named Renegar had operated the place. Renegar was murdered some time in 1947. Shortly before Renegar was killed in January, 1947, there was a scare bombing in his establishment.

(2) The Stork Club. The Stork Club was a gambling establishment in Council Bluffs, Iowa, just across the river from Omaha. Spitz gives the following account of his becoming a partner in the

Last Chance. He had been furnishing wire service in this place and in that matter had become acquainted with one Charles Butter. The Stork Club had been losing money, according to Spitz. (Spitz did not mention the fact that this loss was probably attributable to the fact that in 1947 the machine gun firing robbers stole \$78,000 from the club) Butter had some interest in the Stork Club and he told Spitz that there might be a chance to get 50% of the club for \$20,000. Before Spitz and Klein paid for any half interest, Hutter told them that he could get some hometown people (Omaha people) to take half of the half that Spitz and Klein were going to buy for the full price of \$20,000. The result was, therefore, that Spitz and Klein got 25% between them without putting up any money. The Omaha people who had put up the \$20,000 and got 25% were Fred Barnes and the Einer brothers.

Spitz explained he was getting a free ride because of the fact he originally had the deal lined up and let Barnes and the Einer brothers in on it. This story is somewhat weakened by the fact that Hutter apparently located Barnes and the Einer brothers before Klein and Spitz had actually purchased 50%.

For comparison with Spitz's testimony there is outlined below the Internal Revenue Bureau's account of the Stork Club ownership obtained from anonymous informant. The facts about the robbery are pretty well substantiated.-- Early In the morning of April 6, 1947, owners of the Stork Club, Einer, Abramson, "Buster" Stanger, "Cy" Silvers, George Harris and Jack Doyle, were starting to drive back from Omaha from the Stork Club when they were stopped by a burst of machine gun fire. The robbers forced them to return to the Stork Club where some \$78,000 In cash was taken from them. A few hours after this cash was stolen, \$30,000 in small bills was used to post bond for Charles and Gus

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Gargotta in Des Moines, Iowa. Immediately after the stick- up, "Chicky" Berman and Chris Beskas were reported to have purchased the club for \$125,000 cash. They were supposedly backed by a Kansas City group.

On December 20, 1947, the Omaha interests were permitted to get back "less than half" of the club for \$50,000 because the Kansas City group thought that it was a good idea to have some local people interested in the club.

The Stork Club closed the day after Binaggio was killed because, according to Spitz, the heat resulting from the murder spread all the way to Council Bluffs, Iowa.

It has been rumored that the Stork Club was bombed at some time. Spitz might be asked what he knows about this.

(3) Wire Service. Briefly Mr. Spitz tells the following story about the wire service. A man named Pat Burns saw Spitz in Kansas City at the College Inn and arranged to sell Spitz the Trans-America Wire Service for \$1,000 a week. Spitz said that he had the whole deal by himself at first. This agreement was made strictly between himself, and no other people participated in

these initial negotiations. Spitz claims that he had met Burns a time or two, just because Burns had come into the College Inn. [*written in margin* Klein says Spitz told him he knew Burns from before.]

Spitz admits he knew that Continental were already furnishing wire service to this area, and he will also admit that he had no particular contact with bookmakers. It is very difficult to understand how these two strangers could have gotten together on \$1,000 a week deal.

Spitz's story is that he then contacted Tano Lococo, Morris Klein and Charles Gargotta and got them in as partners because they had better contacts with the "bookies" and would be able to line up the customers, However, before they made any appreciable effort to line up customers, Spitz found that he was experiencing difficulty in getting phone service. He then went over to Partnoy, who had previously been operating the wire service in Kansas City, and he asked Partnoy if they couldn't get together on a deal. He arranged that his group would pay Partnoy \$7,500 for his business and would give him \$200 a week salary and 15% of the earnings. This did give Partnoy quite a bit more than

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he had been making with Continental, so Partnoy agreed. Spitz states that he would never have gotten Klein, Gargotta and Lococo into the business if he had known that he could make a deal with Partnoy.

At the time Spitz approached Klein, Gargotta and Lococo, he asked Charles Binaggio if Binaggio wanted to go in with them. Binaggio said no and gave two or three reasons for not coming in.

After the Trans-America Wire Service was discontinued in 1947 the Kansas City Wire Service, which is sometimes known as Standard and sometimes as Mo-Kan, lost its out-of-town business and wound up with purely local business. They had formerly gone into Oklahoma, Kansas and Iowa. In dealing with the supplying news service after the dissolution of Trans-America, Spitz dealt with Sylvester Ferrell and Eddy Lenz, who are connected with Mid-West Illinois News in Chicago. Mid-West is an outfit which obtains its news from Continental.

(4) Political Activities. Mr. Spitz was active on behalf of Governor Smith in the 1948 campaign. He was associated with the 15th Street Club of Binaggio, Clark and McKissick. The 15th Street Club was trying to get an administration that would favor an open town in Kansas City. Spitz states that the 15th Street Club paid Noonan's expenses for travel over the state campaigning for Smith, Charles Binaggio handled the matter of paying expenses.

Spitz raised campaign funds during the election. He estimates that he raised \$2,000 or \$3,000, maybe. Spitz also contributed his own time and the money he spent for his own traveling expenses. He states that he spent at least \$2,000 for traveling and other miscellaneous expenses.

At one time during the campaign, Spitz went with Binaggio to see Moore, who is one of the partners in the Hyde Park Gambling Casino, which is located in southern Illinois. Spitz testified that he personally did not get money from Moore, by this he seems to infer that Binaggio did.

Spitz traveled around the state a great deal with Binaggio and according to Spitz, the purpose was not so much to raise money as it was to get various persons throughout the state to become active on the behalf of Smith.

(5) The Kansas City Police Situation. Spitz states that he tried to influence the police commissioners to hire Democrats. Spitz admits that at one time he talked to Chambers in an attempt to persuade Mm to fire Chief Johnson. Spitz says that he was trying to get John Braun appointed Chief of Police. Milligan agreed to Braun, to the best of Spitz's knowledge. Charles Binaggio had proposed Braun for police chief. Binaggio was also trying to get various persons appointed to other posts in the Police Department. Spitz attempts to characterize this as merely a matter of patronage.

Spitz will confirm the fact that the police commission was split in two factions, with Milligan and Ferrell going along pretty well with Binaggio and Cohn and Chambers opposing.

(6) Miscellaneous gambling in which Spitz had had a share. At one time Spitz had an interest in the 1711 Club, a gambling establishment at 9th and Woodland. Lococo, Gargotta and Nigro were also interested in this establishment. Nigro was in charge of the bankroll at this location.

Spitz also had an interest in a gambling establishment at 31st and Woodland. He also had an interest in the Boulevard and in an establishment at the Kay Hotel, in which Morris Klein was also interested. The Kay Hotel place was just a crap game.