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Rothstein's shady racing interests

Gambler and organized crime figure dabbled in horse racing in the 1920s

by Rommy Faversham

One of the realities of horse racing, as with many of life's great pursuits, is that all too often it has held appeal for those of questionable character.

A prime example of this occurred on March 21, 1920 when it was announced in the pages of the *New York World* that noted businessman Arnold Rothstein would establish a local racing stable. Of course, many of the newspaper's readers were already familiar with Rothstein as one of America's most notorious crime figures.

Known by many aliases including A. R., Mr. Big, The Fixer, The Man Uptown and The Big Bankroll, Rothstein was born in Manhattan in 1882, the second son from a respected Orthodox Jewish family. Though of overwhelming intelligence, Rothstein had little interest in school except for mathematics and was soon well on his way down a path of ill-gotten gains, steeped in a haze of malignant narcissism.

Legendary author and newsman Damon Runyon dubbed Rothstein "The Brain" - the only alias he ever liked. A.R.'s notoriety inspired several famous fictional characters including Nathan Detroit from Runyon's short

story “The Idyll of Miss Sarah Brown,” which was eventually transformed into the musical, “Guys and Dolls”.

By 1913, Rothstein had become the main conduit between the New York underworld and Tammany Hall, the Democratic Party’s political machine.

Rothstein had a simple philosophy, “Look out for Number One”.

As the underworld’s primary banker, he transformed organized crime in New York from a thuggish activity into a big business. Crimes were committed on a corporate basis with Rothstein stationed at the top. It was never hard to find Mr. Big, as he had his own booth at Lindy’s delicatessen on Times Square where he held court.



Rothstein at Saratoga

Inventor of the ‘floating crap game’, Rothstein brandished an ever-growing bankroll which allowed him to set his own terms of usury and level of profits when laying-off large scale bets. He was known to have interests in many night clubs, a bonus he took for financing them. The Big Bankroll also ran one of the largest bail bond operations in New York and found time to smuggle uncut diamonds as well.

It is a sign of Rothstein’s evil genius that those he beat would insist that it was not any skill, but his blind luck that undermined them. Never, in fact, would he be convicted of having committed a single crime.

Rothstein’s first actual investment in the racing game came in 1912 when he joined Jockey Club chairman August Belmont II as a major investor in a new race track at Havre de Grace, Maryland. Rothstein’s long-suffering wife, former showgirl Carolyn, called it her husband’s most successful real estate venture.

Cheating the cheaters

Rothstein’s first sensational betting coup in a horse race took place at Laurel Park on October 18, 1917 in the American Champion Stakes, a special match race set up between Kentucky Derby hero *Omar Khayyam and Belmont Stakes winner *Hourless to help decide the year’s divisional honors.

***Omar Khayyam had beaten *Hourless by a nose in the Lawrence Realization Stakes, but that defeat left the latter’s trainer Sam Hildreth bristling as he watched veteran jockey Jimmy Butwell drop his whip at the break and then, inexplicably, get caught in a pocket in just a three-horse race.**

Like most other gamblers, Rothstein judged the *Hourless to be the superior contestant, but when he tried to get down a colossal six-figure bet on *Hourless he was refused by all concerned. By the next morning, however, things had drastically changed and his wagers were accepted, without limitation.

Sensing that a fix was in the works, Rothstein went straight to Hildreth to share this sudden change of attitude among bookmakers. Hildreth's response was to wait until less than ten minutes before saddling to announce a change in jockeys from Butwell to young Frankie Robinson. *Hourless and his new rider caught *Omar Khayyam at the eighth pole and drew off to win by just over a length in track-record time.

Rothstein had cheated the cheaters - the ultimate sting. Betting \$400,000 at 3 to 4 odds, he pocketed a cool \$300,000, probably earning a future favor or two from a Hildreth in the process.

By the time Major Belmont returned from the war to resume his affirmed duties to uphold racing, his former partner Arnold Rothstein was well-ensconced in the day-to-day manipulation of the sport, which included "horse sponging" and other forms of fixing.

Ever brash, Rothstein's money wasn't always on the winner. In February of 1919, in a Manhattan restaurant, he approached Commander J.K.L. Ross and proposed a wager of \$50,000 that his choice, Eternal, would defeat Ross's highly touted three-year old Billy Kelly in the Kentucky Derby. The two runners had already completed their juvenile season far ahead of their peers with Eternal beating Billy Kelly by a diminishing head when they met in late October.

The Canadian sportsman accepted this proposal from the man who was fresh off his role as financier for Tammany crony Charles Stoneham in raising \$1-million to buy the New York Giants baseball franchise.

Three months later at Churchill Downs, Eternal could finish no better than tenth of twelve while Billy Kelly finished second, five lengths behind his stablemate, future Hall of Famer Sir Barton, first winner of the Triple Crown.

Table 1

Winners for Redstone Stable 1920-21

| runner | year | sire | breeder | racing achievements for stable |
|-------------------------|------|------------|----------------|--|
| GLADIATOR | 1917 | Superman | H.T. Oxnard | 8 wins; Toboggan Hcp., Knickerbocker Hcp. |
| GEORGIE | 1917 | Star Shoot | John E. Madden | 10 wins; Interborough Handicap |
| NEDDAM | 1917 | Star Shoot | John E. Madden | winner of 2 allowance races |
| SPORTING BLOOD | 1918 | Fair Play | A. Belmont II | 7 wins; Travers Stakes, 2nd Belmont Stakes |
| SAILING B. | 1918 | Trap Rock | A. Belmont II | winner of 1 maiden claiming race |
| BILLY McLAUGHLIN | 1918 | Wrack | Charlton Clay | 7 wins; Fort Edward Handicap |
| DEVASTATION | 1918 | Wrack | A.B. Hancock | winner of 3 claiming races |
| WRECKER | 1918 | Wrack | A.B. Hancock | winner of 1 allowance race |

Table 2

Redstone Stable at a glance

| year | starts | wins | 2nds | 3rds | earnings | owner ranking |
|-------|--------|------------------|------|------|----------|-----------------------|
| 1920 | 48 | 15 | 10 | 7 | \$26,755 | 50th in U.S. |
| 1921 | 74 | 24 | 23 | 8 | \$58,441 | 13th in U.S. |
| total | 122 | 39 (32% winners) | | | \$85,196 | 87 (71% in-the-money) |

Rothstein's successes had so utterly outnumbered his reversals, however, that by early 1920 he decided to take his place among wealthy society by starting his own racing stable. Redstone, the literal translation of Rothstein, was chosen for a stable name.

The horses had been selected by future Hall of Fame trainer Max Hirsch. Even though Hirsch's brother-in-law, Willie Booth, was officially registered as the conditioner of record, everyone knew who was calling the shots.

Redstone's runners were named by Rothstein's Pulitzer Prize-winning friend Herbert Bayard Swope, best man at A.R's wedding and later chairman of the New York Racing Commission. The Redstone silks, designed by Jockey Club secretary Algernon Daingerfield, were later described by Carolyn Rothstein as a primrose (violet) jacket with a gold running horse on the front and back, a pattern she labeled "dreadful".

The Big Bankroll was said to have paid an extravagant \$200,000 for sixteen horses, eight of whom won races for the stable (Table 1).

Overall, the Redstone charges were a well-bred collection of racing prospects. Georgie and Neddham were both by America's five-time leading sire *Star Shoot and bred at John E. Madden's illustrious Hamburg Place Farm. The Belmont-bred Sporting Blood featured the vaunted Fair Play / Rock Sand cross made instantly fashionable by 1919 juvenile colt sensation Man O' War. *Wrack, sire of three of Rothstein's winners, soon became an influential sire at Bull Hancock's Claiborne Farm. As for the bottom-half of the pedigrees, most had superior runners within their immediate families.

Redstone Stable was represented for the first time on May 20, 1920 at Jamaica Race Course when the three-year old Gladiator beat a field of his peers to capture the Southampton Handicap. The bay colt became his barn's most consistent winner, taking eight of his first twelve races for A.R. and Carolyn, all in stakes and handicap events.

Years later, Carolyn would recall Gladiator as their favorite and remembered his Latonia Derby as the stable's toughest loss. At the end of the 1 1/2 mile contest, it was Gladiator in a head-bob with H.P. Whitney's Upset, the only horse to ever beat Man O' War. After several minutes of haggling, the placing judges awarded the victory to Upset, probably the third best colt of his generation, behind Man O' War and John P. Grier (like Upset, a son of Whisk Broom II from the Whitney barn).

Gladiator's four-year old season was highlighted by his victory in the Toboggan Handicap at Belmont Park when he outsprinted the year's eventual handicap champion, Mad Hatter, in a time of 1:08 4/5, a six furlong stakes record that lasted 35 years.

[The Travers caper](#)

The most celebrated horse to carry the Redstone colors was Sporting Blood, rated America's third best three-year old colt in 1921. Sporting Blood won that year's Travers Stakes trophy under a far less glorious set of circumstances than Man o' War had the previous year.

H.P. Whitney filly Prudery's overwhelming victories at Saratoga Race Course in the Miller and Alabama Stakes left her seemingly untouchable for the Travers on August 30. A walkover was averted when Rothstein., motivated by the guaranteed second-place money, entered Sporting Blood to face her. Prudery had spotted Sporting Blood seven pounds in the Miller and still defeated him by four lengths.

Bookmakers were holding Prudery at 1-to-4, with Sporting Blood at 5-to-2 when Rothstein was advised by his sources within the Whitney camp that the filly was off her feed and not likely to provide a prime effort in the big race. Sporting Blood, on the other hand, seemed to be training up to a career best.

Rothstein decided that a major distraction was in order. He cajoled Grey Lag's trainer Sam Hildreth to enter his divisional leader in the Travers. Grey Lag had already beaten Sporting Blood in the Belmont, Dwyer and Empire City Derby and had been thought to be preparing for the Realization at Belmont on Sept. 3.

When Grey Lag was entered in the Travers on the morning of the race, he temporarily replaced Prudery as the favorite and sent Sporting Blood's odds even higher. When Hildreth then scratched Grey Lag a half-hour before post time, bettors assumed the cagey trainer had simply changed his mind, thereby conceding the race to the filly. As a result, there was far less notice taken when Rothstein's agents got down \$150,000 in bets on his behalf, without the appropriate correction of his colt's odds.

After setting the pace, Prudery appeared to sulk at the top of the stretch when shown the whip and succumbed to the bay son of Fair Play by 1 3/4 length. Sporting Blood's owner earned a purse of \$10,275 to complement his

\$450,000 in winning bets at an inflated 3-to-1 odds. It has, indeed, been reported that future Hall of Fame trainer Sam Hildreth received a cut.

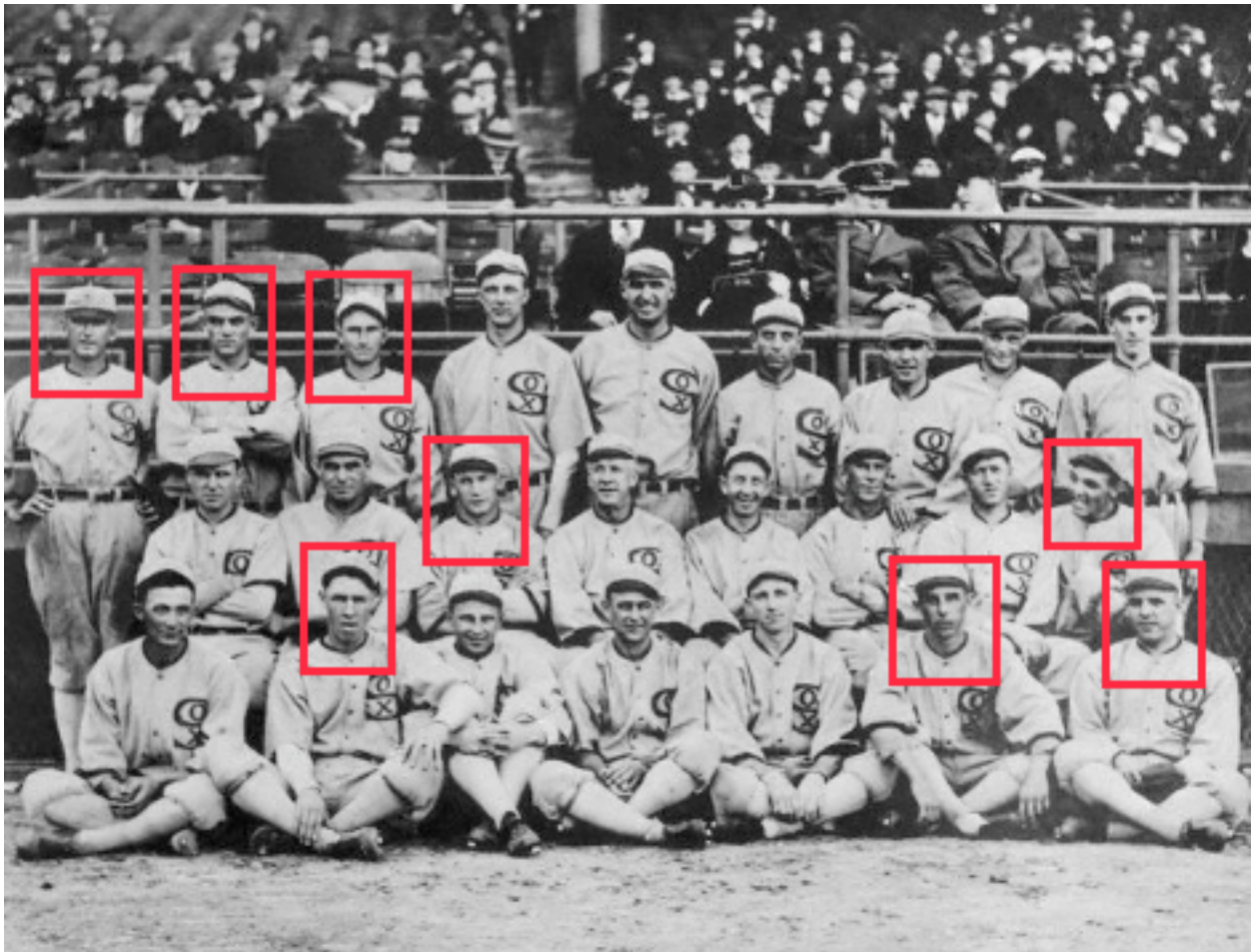
As it turned out, the Travers was the beginning of the end for Redstone Stable. Several days after the race, Rothstein accepted a very healthy offer of \$60,000 for Sporting Blood from cartoonist H.C. 'Bud' Fisher. After selling his marquee runner, Rothstein let it be known that the rest of his horses were for sale as well. By the end of October 1921, Redstone Stable no longer existed.

Were the horses just a temporary vehicle to deliver more racing scams and diversions? Not according to Rothstein's wife, trainer and friends who all maintained that "Mr. Big" ran an honest stable. Even Jockey Club chairman Belmont had to admit that an investigation of all races in which Redstone Stable had participated had shown no evidence that its horses had not run true to form.

Actually, as noted in Table 2, Redstone Stable form during its two seasons of activity was generally excellent, with 32% winners and 71% in-the-money performances. As a result, Redstone Stable runners were the betting favorites in 28 of their 39 wins. The biggest price on one of its winners was 6-to-1 in Sailing B.'s first-time out maiden score at Saratoga on August 27, 1920. Nevertheless, Rothstein was armed and ready, and is said to have collected between \$850,000 and \$900,000 on that colt's successful debut.

Rothstein's spectacular plunges did not cease with the dissolution of his stable. In 1922, he bet \$300,000 on undefeated Kentucky Derby winner Morvich at Aqueduct and lost. A month later, A.R. plunked down \$120,000 on favored Snob II in the Belmont Stakes and lost that huge bet as well. The *New York Sun* reported he took the two setbacks without batting an eye.

In his prime, A.R.'s involvement was assumed whenever criminal manipulation of an important American sporting event was suspected. From the *Hourless - *Omar Khayyam contest in October, 1917 to his controversial presence at ringside for the first Jack Dempsey-Gene Tunney heavyweight title fight in September of 1926 (when he bet and won \$500,000), The Fixer was at work.



By far, the most notorious of schemes was the infamous Black Sox scandal in which eight baseball players on the Chicago White Sox are believed

to have conspired with gamblers to throw the 1919 World Series to the underdog Cincinnati Reds. Rothstein, accused by American League president Ban Johnson of fixing the Series and then stealing the players' confessions from the courthouse, traveled to Chicago to testify in front of a grand jury and left unindicted.

[A connection with Big Red?](#)

One can only speculate what other never-revealed events Rothstein had a hand in.

The most intriguing might be the stunning loss suffered by the seemingly invincible Man o' War and the widely criticized ride by his jockey. In the Sanford Memorial Stakes at Saratoga, the son of Fair Play tasted defeat for the only time when he could not quite overtake Whitney's Upset after a series of starts and stops during the race.

Could it be that Rothstein, an annual pilgrim to the Saratoga track since 1904, played an untoward role in this fateful contest? It certainly seems feasible when considering the recent definitive biographies on Rothstein (2003) and Man O' War (2006), by David Pietrusza and Dorothy Ours respectively. Each book provides valuable new clues into the questionable relationships between Rothstein, Hildreth and Man O' War's rider, Johnny Loftus.

Both Loftus and Upset's jockey, Willie Knapp, had their jockeys' licenses revoked following the 1919 season, never to be reinstated again, but no explanation was ever published by authorities. And despite all of their accomplishments as riders, neither man would gain admission into Racing's Hall of Fame until well after his own death.

Ours' book documents the controversy surrounding Sam Hildreth's alleged influence on Loftus and his riding. This suggests as little as two degrees of separation between Rothstein and Loftus.

Recalling the clandestine relationship Rothstein enjoyed with Hildreth, Pietrusza's book also offers up scenarios and conversations supporting the notion that A.R. had potentially important liaisons inside the Whitney barn as well.



As to his whereabouts, The Man Uptown certainly figures to have been in town for the 1919 Sanford, having opened his own luxurious casino, The Brook in Saratoga Springs earlier that season.

Several months after the Sanford Memorial, the long-shot Reds overcame the seemingly superior talents of the Chicago White Sox to claim their first World Series title. A few months after that, with the onset of Prohibition in early 1920, Rothstein shifted gears to become one of the nation's first big-time rum-runners.

End of the line

Rothstein's luck finally ran out, at age 46, when he was shot in the abdomen while unarmed, having not paid up on poker debts totaling \$300,000. A day and a half later, on November 6, 1928 - the same morning Americans went to the polls and elected Herbert Hoover as 31st President, Arnold Rothstein died, never revealing his killer's name.

A threat to the integrity of almost any local enterprise, Rothstein manifested a style and genius that shaped a whole new generation of underworld leaders, including "Lucky" Luciano, Meyer Lansky and Frank Costello.

Never much of an altruist, it is unlikely Rothstein would have cared that none of the runners from his stable had any lasting effect on the American Thoroughbred gene pool.

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More of his work is available at <http://www.equicross.com>