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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

HEARINGS

BEFORE THE

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE UNITED STATES SENATE EIGHTY-SECOND CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 202

(81st Congress)

AND

S. Res. 129

(82d Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION OF
ORGANIZED CRIME IN INTERSTATE COMMERCE

PART 18

JULY 6, 7, 11, 17, 19, 20; AUGUST 15, 16, 17

NEW YORK AND NEW JERSEY

Printed for the use of the Special Committee To Investigate
Organized Crime in Interstate Commerce



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UNITED STATES
GOVERNMENT PRINTING OFFICE

WASHINGTON : 1951

**SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN
INTERSTATE COMMERCE**

[Pursuant to S. Res. 202, 81st Cong.]

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LESTER C. HUNT, Wyoming

CHARLES W. TOBEY, New Hampshire

ESTES KEFAUVER, Tennessee

ALEXANDER WILEY, Wisconsin

RICHARD MOSER, *Chief Counsel*

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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, JULY 6, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO
INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE,
Atlantic City, N. J.

EXECUTIVE SESSION

The subcommittee met, pursuant to call of the chairman, at 10 a. m., in Room 325-326, Hotel Traymore, Atlantic City, N. J., Senator Lester C. Hunt, of Wyoming, presiding.

Present: Senator Hunt.

Also present: Samuel M. Lane, special counsel; Robert F. Morten, assistant counsel and John J. Winberry, special consultant.

Senator HUNT. Mr. Portock?

Mr. PORTOCK. Yes, sir.

Senator HUNT. Mr. Portock, what is your full name?

Mr. PORTOCK. Jack Portock.

Senator HUNT. Would you stand and be sworn, Mr. Portock?

Mr. PORTOCK. Yes, sir.

Senator HUNT. Do you solemnly swear the information you are about to give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PORTOCK. I do, sir.

Senator HUNT. Mr. Portock, my name is Hunt, Senator from Wyoming.

For the purposes of the record, this is a meeting of a subcommittee of the Senate committee, Special Senate Committee, authorized by Senate Resolution 202, to Investigate Crime in Interstate Commerce.

For your information, Mr. Portock, as well as for the information of other witnesses to follow, we are not a prosecuting body in any sense of the word. We are simply an interrogation team, so to speak, attempting to ascertain information on interstate gambling of all types, interstate crime in interstate commerce, for the purpose of reporting the same to the full Senate body, for whatever action they may see fit to take.

I want you to know we appreciate your appearing here this morning. I am sure you will be helpful and give us all the information you can with reference to the situation here in Atlantic City.

The chief counsel for this particular hearing is Mr. S. M. Lane of New York City. Mr. Lane will conduct the questioning of all witnesses and I will ask Mr. Lane, counsel, to proceed now with the interrogation.

TESTIMONY OF JACK PORTOCK, ATLANTIC CITY, N. J.

Mr. LANE. Mr. Portock, are you subpoenaed to appear before this inquiry?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Will you produce your subpoena, please?

Mr. PORTOCK. I will.

Mr. LANE. Before I go into direct questions about your own experiences in this area, I would like to make clear briefly on the record the county and city political organizations so I will ask you a number of leading questions which I think you can answer quite briefly.

In the first place, is Frank S. Farley the State Senator for Atlantic County?

Mr. PORTOCK. Yes.

Mr. LANE. Who is the solicitor for Atlantic County?

Mr. PORTOCK. Albert Shabadi.

Mr. LANE. Who is the county prosecutor?

Mr. PORTOCK. Louis Scott.

Mr. LANE. Who are his assistants?

Mr. PORTOCK. David Brone.

Mr. LANE. B-r-o-n-e.

Mr. PORTOCK. Yes.

Mr. LANE. Emery Keiss?

Mr. PORTOCK. Emery Keiss.

Mr. LANE. Is there any one else?

Mr. PORTOCK. There is one colored man. I do not know his name.

Mr. LANE. Would that be William Dart?

Mr. PORTOCK. That is right.

Mr. LANE. Who is the sheriff of the county?

Mr. PORTOCK. Gerard Gormley.

Mr. LANE. Who is the probation officer of the county?

Mr. PORTOCK. Preston Crook.

Mr. LANE. Who is the assistant of Mr. Crook's?

Mr. PORTOCK. Vincent Lane.

Mr. LANE. Vincent J. Lane?

Mr. PORTOCK. Yes.

Mr. LANE. Who is the indictment clerk in his office?

Mr. PORTOCK. Edward Nappen.

Mr. LANE. I mean by the last question the indictment clerk in the prosecutor's office.

Mr. PORTOCK. Yes, sir.

Mr. LANE. Who are the two county judges?

Mr. PORTOCK. Judge Leonard.

Mr. LANE. Leon Leonard?

Mr. PORTOCK. Leon Leonard; and Judge Naami.

Mr. LANE. George Naami?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Who is the director of freeholders for Atlantic County?

Mr. PORTOCK. I don't know that, sir.

Mr. LANE. You know who the secretary or clerk of the board of freeholders is?

Mr. PORTOCK. James Boyd.

Mr. LANE. Have we in that list named the principal county officers?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Coming now to the city organization, this is a city, is it not, organized under the Walsh Act, with a commission system of government?

Mr. PORTOCK. Yes, sir.

Mr. LANE. And is it a city of a residence population of say 60,000 people?

Mr. PORTOCK. Permanent population—it fluctuates in the summer-time.

Mr. LANE. I mean permanent.

Mr. PORTOCK. Yes, sir.

Mr. LANE. In the summertime, in the season, how large is the population altogether?

Mr. PORTOCK. At times it goes to 200,000, 250,000.

Mr. LANE. Of the commissioners, who is the director of public safety?

Mr. PORTOCK. Director Cuthbert.

Mr. LANE. William S. Cuthbert?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is there an assistant director?

Mr. PORTOCK. Tod Kerstetter.

Mr. LANE. There are four other commissioners?

Mr. PORTOCK. Yes.

Mr. LANE. Park, public works, revenue and finance, and public affairs?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Who is the municipal court judge for the city?

Mr. PORTOCK. Stephen Damico.

Mr. LANE. Who is the chief of police?

Mr. PORTOCK. Harry Saunders.

Mr. LANE. In the police department, who is the principal officer under Saunders?

Mr. PORTOCK. Acting Inspector Louis Arnheim.

Mr. LANE. Who are the principal officers under Arnheim?

Mr. PORTOCK. There are six captains of police. There is Captain Eckstein, Captain Butcher, Captain Lewis, Captain Malloy, Captain Myers and Captain Lodovico.

Mr. LANE. Is there any special organization within the Police Department for the detection of organized crime or bookmaking or the numbers racket in this city?

Mr. PORTOCK. At present they have two men assigned to a vice squad which was decreased from a total of—I think it was about 12 men—just this past week or two.

Mr. LANE. Directing your attention to the set-up of that vice squad prior to a week or two ago, who was in charge of the squad?

Mr. PORTOCK. A Sergeant Sullivan.

Mr. LANE. What is his first name?

Mr. PORTOCK. Frank Sullivan.

Mr. LANE. Will you name some of the members of the vice squad?

Mr. PORTOCK. Sergeant Frank Sullivan, John Mooney, Bud Hanesberry, Charlie Hahn. Those four men worked directly out of the chief's office on the south side, which is the white district.

Mr. LANE. Was there another section that worked in the colored district?

Mr. PORTOCK. Wilbur Spriggs, William Baynard, who were assigned to the vice in the north side, which is the colored district.

Mr. LANE. Were those two men white officers or colored officers?

Mr. PORTOCK. Colored officers, sir.

Prior to that they had three men assigned specifically to the sheriff as the sheriff's vice squad—Johnnie Berry, John Kelly, and Robert Shepardson, who was a colored police officer. They were assigned from the police department to the sheriff's personal vice squad.

Mr. LANE. Before we leave this organizational set-up, will you just define a little more specifically what the functions of the vice squad were, or what they are today?

Mr. PORTOCK. In my opinion or what they are supposed to do?

Mr. LANE. What they are supposed to do.

Mr. PORTOCK. They are supposed to keep the city clean of all vice.

Mr. LANE. When you say "vice"—

Mr. PORTOCK. I mean gambling.

Mr. LANE. Do you include in that prostitution?

Mr. PORTOCK. They were specifically assigned to gambling.

Mr. LANE. Was there another group assigned to prostitution?

Mr. PORTOCK. I know of no group assigned to prostitution.

Mr. LANE. When you say "gambling," do you refer to making book, bookmaking, numbers, crap, any form of gambling, slot machines?

Mr. PORTOCK. Punchboards, any type of gambling.

Mr. LANE. Roulette?

Mr. PORTOCK. Yes.

Mr. LANE. Do you include in gambling, bingo?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is there a city ordinance against bingo?

Mr. PORTOCK. There is a State ordinance here against bingo.

Mr. LANE. You say this squad has been changed within the last week or two?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What has the change been?

Mr. PORTOCK. The sheriff squad was disbanded entirely.

Mr. LANE. When you say the sheriff's squad, you mean the squad under Frank Sullivan?

Mr. PORTOCK. No. John Berry, Robert Shepardson, and John Kelly. They were disbanded, put back in uniform, and assigned to reliefs.

Mr. LANE. Was this vice squad a plain-clothes squad?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Then what else was done besides the disbandment of that?

Mr. PORTOCK. Sergeant Sullivan and Charlie Hahn were assigned to narcotics. Bud Hanesberry and John Mooney continued as they were before on the vice squad, assigned to the chief's office.

Mr. LANE. It is a two-man vice squad?

Mr. PORTOCK. William Spriggs and Baynard are still on it for the north side.

Mr. LANE. Who is the city solicitor?

Mr. PORTOCK. Murray Fredericks.

Mr. LANE. Isn't it a fact that Murray Fredericks is a law partner of Senator Farley?

Mr. PORTOCK. Yes, sir.

MR. LANE. Getting below this level and coming to the ward level, how many wards are there?

MR. PORTOCK. Four, sir.

MR. LANE. Would you tell us the organization of the wards?

MR. PORTOCK. The first ward is Lou Watson and Ben Segal. They control the first ward. One is the president.

MR. LANE. S-i-e-g-e-l?

MR. PORTOCK. S-e-g-a-l, sir. Benjamin Segal.

MR. LANE. Watson is what?

MR. PORTOCK. Watson is the president of the club. I think that Ben Segal is the president of the executive board. They are the two political powers of the first ward.

MR. LANE. The second ward?

MR. PORTOCK. Sam Weakley, who is an ex-chief of police, and Richard Jackson, who is presently the secretary to the director of public safety. He is on the fire department.

MR. LANE. That is, secretary to William S. Cuthbert?

MR. PORTOCK. Yes, sir. He is a battalion chief in the fire department, but he works directly in the director's office in plain clothes.

MR. LANE. The third ward?

MR. PORTOCK. The third ward is controlled entirely by Vincent Lane.

MR. LANE. He is the assistant county probation officer you referred to before?

MR. PORTOCK. Yes, sir.

MR. LANE. You said "controlled entirely by Vincent Lane."

MR. PORTOCK. Yes, sir.

MR. LANE. Isn't the third ward also shared by Harry Haggerty?

MR. PORTOCK. He is a racket man. In other words, you asked me for the political leader.

MR. LANE. I understand. But he is not one of the leaders in the third ward?

MR. PORTOCK. Not politically.

MR. LANE. Coming to the fourth ward?

MR. PORTOCK. In the fourth ward the president is Gerard Gormley, our present sheriff. The political powers under him are James Boyd and Edward Nappen. All the political favors are issued by James Boyd.

MR. LANE. Have I asked you to name to me the principal officers in the city organization now?

MR. PORTOCK. Yes, sir.

MR. LANE. Now, let's come back to you personally. I want your background. Where were you born, Mr. Portock?

MR. PORTOCK. Pine Bluff, Ark., sir.

MR. LANE. When did you come to Atlantic City?

MR. PORTOCK. I established residence here, permanent residence, when I came out of the service in 1945.

MR. LANE. What is your education? What has your education been, Mr. Portock?

MR. PORTOCK. I graduated high school, sir.

MR. LANE. Where?

MR. PORTOCK. South Philadelphia, Southern High in Philadelphia.

MR. LANE. From high school did you go into business?

MR. PORTOCK. I took up the trade of paper hanging.

Mr. LANE. And did you pursue that trade until you went into military service?

Mr. PORTOCK. That is right.

Mr. LANE. What was your military service, briefly?

Mr. PORTOCK. I put 5 years in the Combat Engineers Corps and I was first sergeant, sir.

Mr. LANE. Did you go overseas?

Mr. PORTOCK. Yes, sir; for 3 years, in Europe, sir.

Mr. LANE. In what campaigns were you?

Mr. PORTOCK. All through the European campaigns—England, France, Belgium, Luxemburg, Germany. I have been in Bavaria. I was in Bavaria when the war ended, sir.

Mr. LANE. What was the date of your discharge?

Mr. PORTOCK. The 11th day of July 1945.

Mr. LANE. Was it an honorable discharge?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What did you then occupy yourself with?

Mr. PORTOCK. Paper hanging, sir.

Mr. LANE. Where?

Mr. PORTOCK. In Atlantic City.

Mr. LANE. Were you married at that time?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Are you married today?

Mr. PORTOCK. Yes, sir.

Mr. LANE. How many children?

Mr. PORTOCK. Five, sir.

Mr. LANE. When did you give up the paperhanging trade?

Mr. PORTOCK. The 1st of October 1948 I became a police officer.

Mr. LANE. As a police officer, in your first year on the force, what was your rate of pay?

Mr. PORTOCK. \$2,400 a year, sir.

Mr. LANE. What is the scale of pay in the department?

Mr. PORTOCK. Your first 2 years you get \$2,400 a year. After you put in 2 years you get \$2,700 a year. After you put 3 years in you are at full pay at \$2,950.

Mr. LANE. Commencing with October 1, 1948, what were your duties, in general, from then until, say, October 1, 1950? Take the first 2 years.

Mr. PORTOCK. Just patrolling a beat.

Mr. LANE. You were walking a beat?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Any other duty?

Mr. PORTOCK. When you go to work in the evening you get a small card. That card tells you where you are assigned. Some days I would be assigned turnkey, next day I would be walking a beat downtown. The next day I would be walking a beat uptown. We weren't assigned to permanent beats.

Mr. LANE. Is that the way you passed the first 2 years in the department?

Mr. PORTOCK. Yes, sir.

Mr. LANE. In the fall of 1950 was there a movement in the police department among the uniformed men for an increase in compensation?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Were you one of those in that movement?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Are you a member of the Police Benevolent Association of Atlantic City?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What percentage of the men on the force are members of that association?

Mr. PORTOCK. Ninety percent.

Mr. LANE. So, you almost joined it as a matter of course?

Mr. PORTOCK. Yes.

All the new men who enter into the department join the organization. There are probably several old men who never joined.

Mr. LANE. Was this movement for an increase in compensation sponsored by the Police Benevolent Association?

Mr. PORTOCK. Yes.

Mr. LANE. Were the expenses contributed by the association?

Mr. PORTOCK. Yes, sir; by each member. Each member was asked to contribute, the first time, \$10 apiece. When we ran out of that amount of money, we all chipped in another \$10 apiece. I do not know the exact amount of money that was contributed by the organization; that is, the PBA. It may have been \$1,000 or \$2,000, which came out of the treasury.

Mr. LANE. I understand that was for—

Mr. PORTOCK. Expenses.

Mr. LANE. For publicity and circulating petitions, and things of that nature?

Mr. PORTOCK. Petitions, attorneys' fees, radio and newspaper advertising, billboard advertising. We put on a campaign just like they do at election.

Mr. LANE. Before you undertook that campaign, did you clear it with Senator Farley?

Mr. PORTOCK. The committee was appointed to see about our pay raise and we had a meeting with Senator Farley; yes, sir.

Mr. LANE. Did he indicate that it was satisfactory to him for you to conduct such a campaign?

Mr. PORTOCK. I was present at all the meetings with Senator Farley and we brought our papers in to him, how much increase in taxes there would be. We showed him that the taxes would not have to come out of the citizens' pockets due to the extra revenue that was coming into the city. He said that he could not sponsor it; that is, give us the support of his organization, but he would not come out and fight us. We felt that we could get the pay raise on our own merits through the citizens' feeling that we deserved it. We felt we could go out and get it. I reached over and shook hands with him.

Mr. LANE. Let me interrupt and ask you one general question about the county and the city officeholders. Are they not, almost without exception—all of the ones whom you have named this morning—Republicans?

Mr. PORTOCK. 100 percent, sir.

Mr. LANE. And Senator Farley is the Republican Senator in this county?

Mr. PORTOCK. Yes, sir.

Mr. LANE. In other words, you did not have his blessing, but you had his assurance that he would not oppose your efforts?

MR. PORTOCK. We also had his blessing. He said he was with us 100 percent. It would hurt him politically to come out in the open and say he was with us.

MR. LANE. You had his blessing, but not his affirmative support?

MR. PORTOCK. Yes, sir. He made a statement to the newspapers that he was not against our pay raise. He was going to stay neutral. If we felt we could get it, we should get it.

MR. LANE. Did he stay "neutral"?

MR. PORTOCK. He stayed neutral until about a week before election.

MR. LANE. Then, did he come out against the proposal?

MR. PORTOCK. He called us up at our headquarters about 10:30 in the morning and told us to be at the mayor's home at noon—the entire committee, which was composed of 16 police officers and firemen. We arrived at the mayor's home and he had present all the ward leaders that I have given you the names of, all the city commissioners, all the board of freeholders, the city solicitor, and himself and the committee.

MR. LANE. And what was the substance of what he said to you?

MR. PORTOCK. He just came out and said that due to certain taxes, and so forth, and so on, he felt that he would have to come out openly and fight our pay raise. The question arose about the Democratic organization and he said that he had the support of Mr. Lafferty, that he was against our pay raise also.

MR. LANE. Who is Mr. Lafferty?

MR. PORTOCK. He is the political Democratic leader down here, which is controlled by Senator Farley.

MR. LANE. Was any pressure brought upon you to withdraw from the campaign?

MR. PORTOCK. Yes, sir.

MR. LANE. What was it?

MR. PORTOCK. At that same meeting he told us he wanted us to gather all the policemen and firemen together in the commissioner's chambers and announce to them that Senator Farley was against the pay raise and that they should go out and defeat their own referendum. I spoke up and I told him it was an impossibility for us to do that after obtaining 16,000 signatures from the public for our pay raise. If he wanted to tell them he was against it, he would have to do it himself.

So he said he would. That night we had all the policemen and firemen in the commissioner's chambers and Senator Farley spoke and told them he was going to come out against the pay raise and that he wanted them to go out and defeat their own referendum. There was complete silence when he got done speaking and I took the floor and showed the men, after obtaining 16,000 signatures, we could not go out and tell the people who had faith in us until then, to go against us, and we were going to go out and fight the organization.

MR. LANE. In other words, you opposed Farley at that time?

MR. PORTOCK. Yes, sir. The men were in back of me 100 percent. They agreed. We took it to a vote on the open floor at his suggestion. He said he wanted the men to vote openly in front of him, how they would go, for him or against him, and they went against him 100 percent.

MR. LANE. Following that meeting, was some other pressure brought to bear upon you?

MR. PORTOCK. Following that meeting—maybe about 2 days, I do not remember offhand—2 or 3 days, or the following day, I was ap-

proached by Edward Nappen at police headquarters as I came in to work at 4 o'clock.

Mr. LANE. Edward Nappen being the indictment clerk of the prosecutor's office?

Mr. PORTOCK. The political leader of the fourth ward. He asked me if I could speak with him in private in the captain's office. He pulled out a sheet of paper similar to this, with a heading on it, and lines underneath the heading.

Mr. LANE. Lines for signatures?

Mr. PORTOCK. Lines for signatures. He said to me, "This is not my idea, Jack. I just came from a meeting with Senator Farley. I am only an errand boy."

I can't give you the exact wording of the heading.

Mr. LANE. The substance of it?

Mr. PORTOCK. It said something to the effect that I would stay loyal or be loyal to Senator Farley, Senator Frank S. Farley, the Republican organization, and would vote "No," and see that the policemen and firemen's referendum was defeated on November 7. When I looked at that—

Mr. LANE. Did he ask you to sign that loyalty oath?

Mr. PORTOCK. Yes, sir. I said, "Who else signed it?"

He said, "The one I want you to sign is in my pocket. This is only a copy. I cannot have you see who signed it before you sign it."

I do not know whether I should tell you what I told him to do with the paper.

Mr. LANE. Did you refuse to sign it?

Mr. PORTOCK. Yes, sir. He asked several other police officers. They refused to sign.

Mr. LANE. Then the referendum went to a vote, did it?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What happened?

Mr. PORTOCK. We were defeated, sir.

Mr. LANE. Was there any supervision at the polls to see how you voted on it?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What was that?

Mr. PORTOCK. It was common knowledge throughout the city that a police officer who voted—or fireman—against the pay raise would show his ballot to the political observer at the polls.

Mr. LANE. It is a written vote?

Mr. PORTOCK. Yes.

Mr. LANE. You check a ballot in a closed booth and put the ballot in a wooden box?

Mr. PORTOCK. Yes. The ones who voted "yes," folded it up and put it back in.

Mr. LANE. And the ones who voted against the referendum?

Mr. PORTOCK. Showed them the ballot as being in the good graces of the organization.

Mr. LANE. That brings it down to about the middle of November, doesn't it?

Mr. PORTOCK. November 7, 1950. That is election day.

Mr. LANE. What was your assignment before the balloting?

Mr. PORTOCK. I was assigned to the back of the patrol wagon, inside, sir.

Mr. LANE. What was your assignment afterward?

Mr. PORTOCK. I was on the street, sir.

Mr. LANE. Was that done at your own request?

Mr. PORTOCK. Yes, sir. I requested to be put on the street.

Mr. LANE. Did you ask to be put on the street because you were disturbed about conditions which you knew existed in Atlantic City and wanted to be in a position to do something about?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Were there others of like mind on the police force?

Mr. PORTOCK. I would say 90 percent are of like mind, but they are fearful of certain reprisals that would be taken against them.

Mr. LANE. Were there others on the police force who were willing to risk the consequences of taking action?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Will you name two or three of them?

Mr. PORTOCK. Fred Warlich.

Mr. LANE. How do you spell his name?

Mr. PORTOCK. W-a-r-l-i-c-h.

Francis Gribbin.

Mr. LANE. How do you spell his name?

Mr. PORTOCK. G-r-i-b-b-i-n.

William HOLVICK. There were several other officers willing to go out.

Mr. LANE. Did you, as a group in the police force, take independent action to intervene in the bookmaking and numbers racket in the city?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What did you do?

Mr. PORTOCK. We made an investigation on our own time on different number runners or number droppers, pick-up men, places that wrote numbers, and on November 20, 1950, we followed one Austin Johnson, 400 North Tennessee Avenue, and arrested him for possession of numbers slips and aiding and abetting a lottery.

Mr. LANE. Let me ask you to state on the record what sort of a racket Austin Johnson was a part of, what the organizational set-up was he functioned in.

Mr. PORTOCK. Austin Johnson worked for "Cherry" Haggerty. Cherry Haggerty is protected by Vincent Lane, in the third ward.

Mr. LANE. Cherry Haggerty is the business agent of the Bartenders Union in Atlantic City?

Mr. PORTOCK. Yes, sir.

Mr. LANE. He is also a political power in the fourth ward.

Mr. PORTOCK. Third ward. He is the sole racket power in the third ward. Anything pertaining to rackets in the third ward has to come through Cherry Haggerty. If you moved into the third ward and you opened up a cigar store and you wanted to write numbers and you did not turn your numbers in to Cherry Haggerty, he would call in to the vice squad and the vice squad would close you up, tell you either you turn your numbers in to Cherry Haggerty or you do not open up.

Mr. LANE. I will come back to that in a minute. Let's forget about the local people in this business. Won't you tell us what the county, the city, and State organization is of the numbers racket, how they function, who banks for them, where the money comes from?

Mr. PORTOCK. The big man in the State is Marco Reginelli.

Mr. LANE. How do you spell his name?

Mr. PORTOCK. R-e-g-i-n-e-l-l-i.

Mr. LANE. Is he a resident of Atlantic City?

Mr. PORTOCK. He has his summer home in Margate, Atlantic City. He is from Camden, N. J.

He in turn handed the county down to a man named "Stumpy" Orman.

Mr. LANE. Reginelli is at the State level?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is he reputed to go outside of the State for his money, or is it a wholly contained organization within the State so far as you know, or don't you have knowledge of that?

Mr. PORTOCK. I have no knowledge. I have never investigated as to the fact whether he goes further, like Costello. I know he has been connected with Joe Adonis. That is definite. We have tied those two in together. Zwillman, Klosteman—they are all one combine.

Mr. LANE. Then you said that the next man in importance in the racket below Reginelli is a man named Herman—

Mr. PORTOCK. Orman.

Mr. LANE. Is he a native of Atlantic City?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is he top man in the rackets, numbers for Atlantic County?

Mr. PORTOCK. He is top man in all rackets—numbers, horses, craps, anything pertaining to an illegal move being controlled by Stumpy Orman.

Mr. LANE. Do you confine that to Atlantic County or to Atlantic City?

Mr. PORTOCK. Atlantic County and Atlantic City. The county is larger than the city.

Mr. LANE. This man, Orman, is he, so far as you know, in any legitimate business?

Mr. PORTOCK. He owned the Cosmopolitan Hotel.

Mr. LANE. He owns it or owned it?

Mr. PORTOCK. I understand he sold it for \$165,000 or \$175,000.

Mr. LANE. Do you know when he bought it?

Mr. PORTOCK. I do not know offhand.

Mr. LANE. Has it been a matter of a few years that he had it?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Prior to that time, as far as you know, has he had legitimate business?

Mr. PORTOCK. No, sir. He has worked in horse rooms. He worked in the Bath and Turf Club, which is a gambling casino.

Mr. LANE. Has he any connections, so far as you know, with State Senator Farley?

Mr. PORTOCK. It is known throughout the entire town that he is the political power behind Senator Farley.

Mr. LANE. When you say that, you—

Mr. PORTOCK. He controls Senator Farley 100 percent.

Mr. LANE. Is he seen in public with Senator Farley?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is he a person who attends political dinners?

Mr. PORTOCK. Yes, sir.

Mr. LANE. That Senator Farley attends?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Does he associate, so far as you know, with Senator Farley, socially?

Mr. PORTOCK. Yes, sir. I think we have pictures to the effect that were taken with them at the fights together. It is in the files.

Mr. LANE. In this illegal business under Orman, who is the next in importance in Atlantic City and Atlantic County?

Mr. PORTOCK. Sir?

Mr. LANE. Who comes next in importance to Orman? Who is Orman's lieutenant?

Mr. PORTOCK. Orman has a man called Freddie Masucci.

Mr. LANE. How do you spell that name?

Mr. PORTOCK. M-a-s-u-c-c-i.

Mr. LANE. You say he is an associate with him. Do you know by that, that they are together in partnership in the operation of—

Mr. PORTOCK. Of a numbers bank.

Mr. LANE. How are the actual mechanics operated of running the numbers racket in Atlantic City?

Mr. PORTOCK. They have a storekeeper. He has what they call a numbers book, which 15 numbers which can be written in the book and they have three copies.

Mr. LANE. In other words, he has a book of blank slips?

Mr. PORTOCK. Slips.

Mr. LANE. With carbon paper between?

Mr. PORTOCK. Yes, sir. You have two sheets of carbon paper which go through the two sheets. There are three copies made. One copy goes to the man who places the number. I went into a store and played 565. I got a copy. One copy the storekeeper keeps. One copy is picked up by a runner who probably has 10 or 15 stops.

Mr. LANE. This Austin Johnson was a runner?

Mr. PORTOCK. Was a runner.

Mr. LANE. Then, are there a great number of these small cigar stores where you can place a numbers bet?

Mr. PORTOCK. All the cigar stores in Atlantic City.

Senator HUNT. Let me ask you: What disposition does Mr. Johnson, the runner, make of his slips?

Mr. PORTOCK. He takes those slips and turns them in to a bank, like "Cherry" Haggerty.

Mr. LANE. How many banks do you believe there are in Atlantic City?

Mr. PORTOCK. There is one controlled by Harold Scheper, who controlled the entire North Side.

Mr. LANE. How do you spell that?

Mr. PORTOCK. S-c-h-e-p-e-r.

Mr. LANE. He is a colored man?

Mr. PORTOCK. He controls the entire North Side.

Mr. LANE. He is the man who is referred to as the "numbers baron of the North Side"?

Mr. PORTOCK. Yes, sir.

Mr. LANE. He is a man with a record of convictions in bookmaking and numbers?

Mr. PORTOCK. Presently on probation.

MR. LANE. Does it include bookmaking or only numbers?

MR. PORTOCK. Only numbers.

MR. LANE. That is the principal colored bank?

MR. PORTOCK. That is the colored bank.

MR. LANE. Is there only one colored bank?

MR. PORTOCK. There are small banks, but they are all controlled. They all turn in their actions to——

MR. LANE. To Scheper?

MR. PORTOCK. Yes. The small bank will keep probably the 5- or 10-cent plays; but, if somebody plays 50 cents or \$2 on a number, they turn in all their big action to Harold Scheper.

In the third ward, that is controlled by "Cherry" Haggerty and Charles Hogan, who is "Cherry" Haggerty's partner.

MR. LANE. Both Haggerty and Hogan have records of arrests in the numbers racket?

MR. PORTOCK. Yes, sir.

MR. LANE. I have forgotten which ward Scheper is in.

MR. PORTOCK. That is not a ward on the North Side. It runs through the first, second, and third wards. It is north of Atlantic Avenue, where all the colored people live. "Cherry" Haggerty and Hogan control the third ward.

MR. LANE. And they run the bank?

MR. PORTOCK. They run the bank.

MR. LANE. There is just one bank in that ward?

MR. PORTOCK. Yes, sir.

MR. LANE. The first ward?

MR. PORTOCK. The first ward and third ward are controlled by Orman, Masucci, and Bennie Rubenstein. They are the principal banks in Atlantic City.

MR. LANE. When you said the first ward and fourth ward are controlled by them, do you mean each man has a bank or the three of them together have a bank?

MR. PORTOCK. They are together.

MR. LANE. What is the rate of payoff on a successful play on numbers?

MR. PORTOCK. Five hundred to one.

MR. LANE. If a man should bet 50 cents on a number, it would involve a large sum of money.

MR. PORTOCK. Yes, sir; \$5 for a penny is what he would receive.

MR. LANE. In the event of losses of that character, does anyone of these banks have sufficient capital to made the payoff at once?

MR. PORTOCK. No, sir.

MR. LANE. Where do they get the money?

MR. PORTOCK. We have investigated here previously. We know of a man coming here from Philadelphia. I think it was on the 26th of June. The number was 303 and the banks were hit very heavily. Through our investigation we found that a man brought some money in a violin case from Philadelphia. We are in the process of trying to get his exact name. We have his nickname. His nickname is "Bonsey."

MR. LANE. White man or colored man?

MR. PORTOCK. White man.

MR. LANE. Do you know the source of that money other than it came from Philadelphia?

MR. PORTOCK. No; I could not be truthful in telling you exactly where it came from.

MR. LANE. Do you know any person who won any very substantial part of that money?

MR. PORTOCK. No, sir; not offhand, sir.

SENATOR HUNT. Was that money in currency in the violin case?

MR. PORTOCK. Yes, sir.

MR. LANE. You have been telling us about the numbers racket, how it operates. What about the bookmaking racket? How does that operate in Atlantic City?

MR. PORTOCK. They have horse rooms here in Atlantic City.

MR. LANE. Where?

MR. PORTOCK. There are 20-25-30-40. Every little storekeeper writes horses and calls them in to a bank. If I have a little store, I may write numbers. You come in and you want to bet a horse. I will take your action. I will walk over to a telephone and call in to the main office where they have a table like you have there, with rundown sheets and telephones.

MR. LANE. Do men operate that or girls?

MR. PORTOCK. Men. They take all that action. If there is too much money bet on one horse, like you will call up and bet \$500 to win on a horse and somebody else will bet \$500 to win on the same horse, they will be carrying a little bit too much money, and they call Philadelphia or Chicago or New York.

MR. LANE. Wouldn't that depend on the odds?

MR. PORTOCK. That is up to the man who figures he can hold that much money.

SENATOR HUNT. These people who receive these bets in the various stores, are they especially designated people who do nothing but that in the stores or are they employees or owners of the stores?

MR. PORTOCK. Owners of the stores, themselves. If they get a little too busy—that is a lot of action—they will employ somebody who works for them.

MR. LANE. The Senator's question leads me back to the financial rewards to the operators of the numbers racket. What percentage does the cigar store operator commonly get out of the numbers?

MR. PORTOCK. It varies. The bank will give him as little as it possibly can. Sometimes he will get 25 percent of what he writes. If you are a good businessman and you have a large book—

MR. LANE. Does he get 25 cents regardless of whether it is won or lost?

MR. PORTOCK. Yes, sir.

MR. LANE. I see.

MR. PORTOCK. If he writes \$4 for the day, he gets a dollar.

MR. LANE. Does he retain the dollar and turn over the net, or does he get paid off periodically?

MR. PORTOCK. They get paid off every day.

MR. LANE. A man collecting \$100, does he retain \$25 and turn in \$75 or turn the whole \$100 in?

MR. PORTOCK. He keeps his \$25 and turns in \$75.

MR. LANE. What does the pick-up man get?

MR. PORTOCK. The pick-up man draws a salary, and if it is a good pick-up man, if he has a large territory to cover and he can talk his way into a percentage, like if he gets 10 percent, they will give him

10 percent. If the bank can keep him down to a plain salary, they do that. It is all to what the man can do.

MR. LANE. Do you have any idea what those salaries run?

MR. PORTOCK. Some get \$60 a week plus 10 percent of all their collections, which may run them into \$150 to \$200 a week.

MR. LANE. Then, when it gets above the level of the pick-up man, all the rest of the profit is for the bank?

MR. PORTOCK. Yes, sir.

MR. LANE. Coming back now to the bookmaking, is the same system of division of the profits made there?

MR. PORTOCK. Bookmaking is run—say, if I am a storekeeper and write \$100 worth of action today, that \$100 was won. That was a complete victory for the bank. Fifty dollars of that is mine, and \$50 goes to the bookmaker—to the banker. If he sells \$100 worth of action and \$100 was lost, the man who writes the horse, who takes the action in the store, has to make up that \$50 the following day before he can derive a penny profit.

MR. LANE. He shares half the loss, but he must take it out of his profits? Presumably, he doesn't have any other money?

MR. PORTOCK. That is right.

MR. LANE. He is the partner to the extent of 50 percent, but the man above him will bank for him?

MR. PORTOCK. That is right. He does not have to lay out the money. The bank is the one who lays the money out.

MR. LANE. These bets are all telephoned in?

MR. PORTOCK. Yes.

MR. LANE. Does he have a bank book or something in which he gives a receipt to the man who has laid the bet?

MR. PORTOCK. No. It is not a receipt. They have a sheet. I would say it is about 6 inches wide and about as long as this [indicating]. It is all lined out. Here [indicating] they will have the name of the man who played the bet, and here they will have the name of the horse, and here they will have something like 50:—5 to win, 2 to place, and 2 to show. Here [indicating] they will have the result, and here they have what is coming to the man or what the man is supposed to collect. This is a run-down sheet.

MR. LANE. Does the man who lays the bet have anything to show that he laid the bet?

MR. PORTOCK. Not necessarily, unless he asks for it. They put it down on a piece of paper if he does.

MR. LANE. You say those are telephoned in to one of a number of central offices in the city?

MR. PORTOCK. In the city, the larger banks.

MR. LANE. Larger banks? Do you mean the same banks that work the numbers racket?

MR. PORTOCK. No, sir. The numbers combine has nothing to do with the bookmaking operation.

MR. LANE. Yet they come together at the top through Orman?

MR. PORTOCK. Yes, sir. He controls them all, sir.

MR. LANE. These people whom you have declared, like Haggerty, Hogan, and so on, and the others, are they in both fields of endeavor, or only in numbers?

MR. PORTOCK. Haggerty and Hogan have horses also, which are represented by a man named John Messina.

Mr. LANE. How do you spell that?

Mr. PORTOCK. M-e-s-s-i-n-a. He is Haggerty's partner in the book-making end.

Mr. LANE. Does John Messina run one of these central offices where the bets are telephoned?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Then, do all of the bets from the various offices throughout the city, are they in some way pooled through some central office?

Mr. PORTOCK. You mean one large one?

Mr. LANE. Yes.

Mr. PORTOCK. No, sir.

Mr. LANE. Is there any way that the bookmakers can protect themselves from heavy betting on a long shot?

Mr. PORTOCK. Yes, sir.

Mr. LANE. How do they do that?

Mr. PORTOCK. They call it out of the State; they call the bet off.

Mr. LANE. When you say "they call the bet off," in the parlance, they lay it off?

Mr. PORTOCK. They lay it off.

Mr. LANE. How do they accomplish that?

Mr. PORTOCK. They have a list of phone numbers and addresses, bookmakers, where they can call their bets in and lay them off.

Mr. LANE. The mechanical effect of that on the betting for their own protection from long odds with heavy bets is worked out in what manner?

Mr. PORTOCK. I do not understand you, sir.

Mr. LANE. If a great deal of money is bet on one long shot and just prior to the race it appears that the horse may do well and cost the gamblers terrible losses, is there any way the gamblers can protect themselves from that loss, that you know of?

Mr. PORTOCK. Probably have a connection at the race track and lay it off at the race track.

Mr. LANE. When you say "lay it off," you mean lay bets on the horse, so as to reduce the odds at the last moment; so, if he does win, they won't be too badly hit?

Mr. PORTOCK. That is right.

Mr. LANE. When that requires substantial sums of money, is that obtained from out of the State?

Mr. PORTOCK. Truthfully, I could not give you that answer.

Mr. LANE. Now, Mr. Portock, beginning in November 1950, you said you and Gribbin and Warlich and Holvick, on your own, made raids on various places in Atlantic City; is that right?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Over what period of time did you make those raids?

Mr. PORTOCK. Over what period of time?

Mr. LANE. Yes; from when to when?

Mr. PORTOCK. From November 20, 1950, until April 28, 1951.

Mr. LANE. The places that you raided, what were they—numbers drops and bookmaking establishments?

Mr. PORTOCK. Numbers drops, numbers runners, numbers pick-up men, bookmaking establishments, horse joints, everything pertaining to gambling. We picked up punchboards in various stores.

Mr. LANE. Did you, in the course of those raids, arrest Fred Solitare and Ellis Lewis on December 7, 1950?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What sort of a place were they operating?

Mr. PORTOCK. Fred Solitare and Ellis Lewis had a bookmaking establishment at 3203 Boardwalk, which was in the rear of a bicycle shop. It was a complete horse room. They had PA systems hooked up.

Mr. LANE. Just tell us what you mean by that, "a complete horse room."

Mr. PORTOCK. They had three telephones. They had electric clocks, not one but two, to check back on the time, so they shouldn't be past post time. They had blank rundown sheets. They had pay-out envelopes. They had two radios. They had lounging chairs. They had electric fans in the place.

Senator HUNT. Did they have a blackboard with the scheduled races for the day listed and then put up the results as the race results came in?

Mr. PORTOCK. They did not have it up at that time when we raided it. The town was pretty hot and it was pretty closed up when we first started.

Mr. LANE. You mean by that they had been operating that day and were closing up when you arrived?

Mr. PORTOCK. No; when we made our first two or three raids, the town became very leery and everybody was sneaking their operations. They weren't as open as they were before. It was a complete horse room. They had lounging rooms. They had a back room. They had everything in there. They had a special lighting system. They would give you illumination.

Mr. LANE. Did you have a warrant to enter that establishment?

Mr. PORTOCK. No, sir.

Mr. LANE. Did you, by entering that establishment, run the risk of being charged with illegal entry?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did you make very certain before you made your raid that you would find the operation in progress?

Mr. PORTOCK. Yes, sir.

Senator HUNT. May I ask you: Did your superior officer direct you to make the raid?

Mr. PORTOCK. No, sir.

Mr. LANE. When you made the raid, did you obtain a list of the clients of that establishment?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Was that in the form of a book of telephone numbers?

Mr. PORTOCK. It was five or six sheets of telephone numbers that were hanging tacked up on the wall at the telephones.

Mr. LANE. Did you confiscate that?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did you make a copy of that?

Mr. PORTOCK. I made a photostatic copy of that when we were ordered to turn it in to our superiors.

Mr. LANE. You mean, first of all, you had it and made no copy of it and then you were ordered to turn it in?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Who ordered you to turn it in?

Mr. PORTOCK. Assistant Director of Public Safety Cuthbert.

Mr. LANE. He is the one who works under the chief of police, Saunders?

Mr. PORTOCK. He works under the director. He is above the chief of police. The chief of police at that time was on vacation.

Mr. LANE. Before you turned that in, did you make a photostatic copy of it?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Will you produce it?

Mr. PORTOCK. These are the negatives.

Mr. LANE. May I have it marked for identification?

Senator HUNT. This will be received and identified for the record as exhibit A.

(The document referred to was marked "Exhibit A" and is on file with the special committee.)

Mr. LANE. Did you also take pictures of that horse room?

Mr. PORTOCK. When we made the raid we called into police headquarters to send a police photographer there and we were turned down.

Mr. LANE. How did you call?

Mr. PORTOCK. We called the desk sergeant and called the detective bureau.

Mr. LANE. What did they tell you?

Mr. PORTOCK. He said he was not in and that he would send him if he could get him. We waited and waited and waited, but no photographer came. We had to take the men in to headquarters.

Mr. LANE. Did you afterward have pictures taken?

Mr. PORTOCK. By our own photographer, sir.

Mr. LANE. You say by your own photographer—someone paid by you personally?

Mr. PORTOCK. No; we didn't pay him. We got a newspaper photographer to go in the next day and take the pictures.

Mr. LANE. Did you accompany him the next day?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Was the horse room in the same shape as it had been?

Mr. PORTOCK. They pulled one telephone out.

Mr. LANE. Will you produce the pictures?

(The witness produced the pictures.)

Senator HUNT. The pictures will be received and for the purposes of the record will be identified as exhibit B.

(The pictures referred to were marked "Exhibit B" and are on file with the special committee.)

Mr. LANE. Going back to the list which was exhibit A, that list appears to be only telephone numbers; is that right?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Both local and out-of-State numbers?

Mr. PORTOCK. Yes, sir.

Mr. LANE. When you turned that list in to Acting Inspector Kerstetter, did you make any recommendation or request with respect to following up the information on the list?

Mr. PORTOCK. Yes, sir; we sent in a request in writing.

Mr. LANE. When you say "we," whom do you mean?

Mr. PORTOCK. Officers Gribbin and Portock. We were the ones who made the arrest.

Mr. LANE. Have you a copy of that request?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Will you produce it?

Mr. PORTOCK. Yes, sir.

(The request was produced by the witness.)

Senator HUNT. There is received, and will be taken into the records, as exhibit C, a letter addressed to Howard Lewis, captain of police, for Meredith Kerstetter, from Frank Gribbin and Jack Portock, patrolmen.

(The letter referred to was marked "Exhibit C" and is on file with the special committee.)

Mr. LANE. Also, may the record indicate that it is for Harry Saunders, chief of police, as well as Kerstetter?

Senator HUNT. The subject is: "Request for special detail."

Mr. LANE. This request, which has been marked "Exhibit C," you and Gribbin state that:

We believe that this warrants further investigation to help alleviate gambling and vice in this city. We request that we be placed in plain clothes on special detail to carry through the investigation.

What happened to that request?

Mr. PORTOCK. It was denied, sir.

Mr. LANE. By whom?

Mr. PORTOCK. Director Kerstetter.

Mr. LANE. You said further:

It is further requested that we receive written permission from your office to obtain the help of the Bell Telephone officials. It is also requested that this matter be given your immediate consideration, as time is of the essence.

What happened to that phase of the request?

Mr. PORTOCK. That was when we were ordered, given a direct order, to turn in the telephone numbers.

Mr. LANE. In other words, instead of being permitted to interview the Bell Telephone officials, you were told to turn in the list of numbers?

Mr. PORTOCK. He said his vice squad would take care of it.

Mr. LANE. Afterward, did you obtain a list of the subscribers to the telephones which were on that list of numbers?

Mr. PORTOCK. They were obtained by Officer Gribbin.

Mr. LANE. Is this a photostatic copy of the list that I show you?

Mr. PORTOCK. Yes, sir.

Mr. LANE. May it be marked "Exhibit D"?

Senator HUNT. This will be marked "Exhibit D," and taken into the record. It discloses information of phone numbers found at 3203 Boardwalk, on December 8, 1950, in the arrest of Ellis Lewis and Fred Solitare.

(The list of telephone numbers and subscribers' names referred to was marked "Exhibit D," and is on file with the special committee.)

Mr. LANE. Looking at this list, Mr. Portock, you will find a column headed "Bookmaker." Do you know who supplied the information in that column?

Mr. PORTOCK. There was only one party that could supply it. That would be the vice squad.

Mr. LANE. Are there, in that list under bookmakers' names, any that you recognize as being, in fact, bookmakers?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Are these bookmakers generally known to the vice squad?

Mr. PORTOCK. Yes, sir.

Mr. LANE. And to the members of the uniformed force?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Are all of those names in that list under "bookmakers" actually bookmakers?

Mr. PORTOCK. There are a few here that are big players.

Mr. LANE. Such as whom?

Mr. PORTOCK. You have Shumsky's Restaurant. Shumsky is not a bookmaker. He is a large gambler who plays big action. You have Shumsky's home here. Probably when he is at home, to call up. I know of no other player here.

Mr. LANE. How many of these bookmakers do you know by reputation as being bookmakers?

Mr. PORTOCK. I know them all, sir.

Mr. LANE. After your request was turned down for special duty to follow up this investigation, did you renew the request?

Mr. PORTOCK. Yes, sir.

Mr. LANE. When?

Mr. PORTOCK. After we arrested one Isaac Washington, a small numbers baron, we confiscated blank sales books, with the name of the shipper, the distributor of these books. We also turned that in.

Mr. LANE. When was this?

Mr. PORTOCK. On Saturday, December 9, 1950.

Mr. LANE. Did you make a copy of that?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Can you produce it?

Mr. PORTOCK. Yes.

(Produced by the witness.)

Mr. PORTOCK. We asked for the arrest of the man who received these books.

Mr. LANE. Can you produce a copy of the shipper of the blank books?

Mr. PORTOCK. Yes, sir.

Mr. LANE. The label of the shipper?

Mr. PORTOCK. Yes, sir.

(Produced by the witness.)

Mr. PORTOCK. On the bottom of that is our own handwriting for identification purposes.

Mr. LANE. I ask that a photostatic copy of a label produced by the witness indicating that it was on a package of sales books from I. & M. Sufrin, of 1207 Muriel Street, Pittsburgh, Pa., indicating shipment from a factory at Alliance, Ohio, to Van Smothers, at 1216 Adriatic Avenue, Atlantic City, N. J., be marked in evidence.

Senator HUNT. The exhibit will be received and marked "Exhibit E."

(The label referred to was marked "Exhibit E," and is on file with the special committee.)

Mr. LANE. The sales book referred to in exhibit E, Mr. Portock; what type of book was that?

Mr. PORTOCK. They were blank number books.

Mr. LANE. The ones you described previously that had three pages for each number?

Mr. PORTOCK. Yes, sir.

Mr. LANE. After you had made the raid on Isaac Washington's place you arrested Mr. Washington?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did you then, with this additional information, make a further request to Harry Saunders, chief of police, asking for special assignment to follow up your leads?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is this a copy of a report, dated Tuesday, January 2, 1951—is this a request you made to Chief Saunders?

Mr. PORTOCK. Requesting—may I read it, sir, to make sure?

Mr. LANE. Yes.

(The document was examined by the witness.)

Mr. PORTOCK. Yes, sir.

Mr. LANE. I ask that be marked in evidence.

Senator HUNT. This will be received and taken into the record and marked exhibit F.

(The letter referred to was marked "Exhibit F," and is on file with the special committee.)

Mr. LANE. In this request, did you say:

Due to the fact that we have inadvertently stumbled on to many gambling arrests both on and off duty, we feel that a serious gambling situation exists in Atlantic City. We also feel if we were allowed to give our full time to investigate this gambling problem, we could alleviate it tremendously, if not wipe it out in its entirety.

You go on and further say:

It is further respectfully requested that we be placed on special detail in plain clothes from your office so we can effectively combat the above problems.

Is that the request you made?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is that the statement of the condition that you made?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What response did it receive?

Mr. PORTOCK. We received no answer, sir.

Mr. LANE. No answer at all from anyone?

Mr. PORTOCK. Yes; that is right.

Mr. LANE. Just pigeon-holed as far as you know?

Mr. PORTOCK. Yes. Then we sent another request.

Mr. LANE. When did you send a third request?

Mr. PORTOCK. On February 7, 1951.

Mr. LANE. Will you produce a copy of it?

Mr. PORTOCK. Yes.

(Produced by witness.)

Mr. LANE. The witness produces a copy of a report to Meredith B. Kerstetter, assistant director of public safety, and to Harry Saunders, chief of police, from Jack Portock, Frank Gribbin, and Frank J. Warlich, dated February 7, 1951, which I will ask to have received in evidence.

Senator HUNT. The report will be received, and shall be indicated in the record as exhibit G.

(The report referred to was received and marked "Exhibit G," and is on file with the special committee.)

Mr. LANE. Did you, in this report, indicate that you received no response to your prior request, exhibit F?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did you say, in this report :

Since then, probably due to their numerous gambling arrests, Officers Portock, Gribbin, and Warlich have received numerous calls and requests asking them to act on gambling information they had?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What kind of information did you get in that way?

Mr. PORTOCK. I have quite a few letters at home that were sent to me informing me of different places that were operating.

Mr. LANE. Did you get telephone calls, as well?

Mr. PORTOCK. Telephone calls. People stopped us on the street.

Mr. LANE. Did you say, in this report—

* * * facts which clearly indicate that the three officers could, no doubt, make arrests from information and personal investigation if they were given the necessary authority and freedom from their regular routine tour of duty. I respectfully request that they be put on a special assignment to combat gambling, which they believe to be organized in this city?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What response was received to that request?

Mr. PORTOCK. No response.

Mr. LANE. Did you more than simply submit these written requests which have been marked in evidence? Did you also talk to Mr. Kerstetter?

Mr. PORTOCK. Mr. Kerstetter wouldn't speak to us about the gambling situation.

Mr. LANE. The answer is: You did not talk to him?

Mr. PORTOCK. No, sir.

Mr. LANE. Did you talk to Chief Saunders?

Mr. PORTOCK. He wouldn't talk to us, either, sir.

Mr. LANE. After you had turned in the list, which has been marked "Exhibit A," after you turned over to Assistant Director of Public Safety Kerstetter the list of telephone numbers at the Solitaire and Lewis bookmaking establishments, did you follow up any of the bookmaking establishments that were indicated on that list?

Mr. PORTOCK. We made an arrest and a raid on Vincent Rando of 2270 Nevada Avenue on the 28th of December 1950 which was fully 3 weeks after that list was turned in.

Mr. LANE. It is exactly 3 weeks from December 7, 1950, when you made the raid on Fred Solitaire and Ellis Lewis, right?

Mr. PORTOCK. Yes.

Mr. LANE. Was it after you had obtained the list of which a photostatic copy has been marked "Exhibit D"?

Mr. PORTOCK. Yes, sir.

Mr. LANE. And was exhibit D obtained from the vice squad of Atlantic City?

Mr. PORTOCK. By Officer Gribbin.

Mr. LANE. It was obtained from the vice squad?

Mr. PORTOCK. Yes.

Mr. LANE. So, on or about December 28, 1950, it appears that the vice squad knew, from that list, of the Vincent Rando operation?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Was it commonly known, quite apart from that list, Mr. Portock? Did you have to have Vincent Rando's name on that list to know he was in bookmaking?

Mr. PORTOCK. No, sir.

Mr. LANE. When you went there on December 28, 1950, was the place in operation?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What did you find?

Mr. PORTOCK. We found a garage. It was in a garage, with telephones, radios, adding machines, rundown sheets, easy chairs, hat racks. It was completely boarded up, so you couldn't put an automobile in it.

Mr. LANE. You mean the garage door was nailed down?

Mr. PORTOCK. Yes, I have pictures of it here.

Mr. LANE. Will you produce the pictures?

Mr. PORTOCK. Yes, sir. You will notice all the bookmaking paraphernalia can be pushed up into the wall after they are finished with it.

Mr. LANE. Who took those pictures?

Mr. PORTOCK. That was taken by a police photographer, sir.

Mr. LANE. At your request?

Mr. PORTOCK. Yes, sir.

Mr. LANE. The same day you made the raid?

Mr. PORTOCK. Immediately, sir. After a while we started to send for our superior officers who were working at the time when we made these arrests, so we could try to put them in a spot where they had a little responsibility on their hands.

Mr. LANE. Yes.

Mr. PORTOCK. And they, in turn, called for the police photographer.

Mr. LANE. I ask that the pictures be marked in evidence.

Senator HUNT. They will be received and taken into the record as exhibit H.

(The pictures were marked "Exhibit H" and are on file with the special committee.)

Mr. LANE. On this list I think there are approximately 120 telephone numbers; is that right?

Mr. PORTOCK. I do not know the exact count.

Mr. LANE. In any event, there are nearly four pages of foolscap length.

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did you, subsequent to December 28, 1950, raid any other places that appear on the list, which has been marked "Exhibit D"?

Mr. PORTOCK. No; we did not raid subsequent to that date. On January 6, 1951, Officer William Shepardson raided a place, 1300 block Baltic Avenue, operated by Morris Shenkman. He is on this list.

Mr. LANE. So far as you know, was any one of these one-hundred-and-twenty-odd places raided by the city police? Other than this one, Morris Shenkman, that you referred to.

Mr. PORTOCK. That police officer is with us 100 percent. In other words, he worked with us in our investigations on our own time.

Mr. LANE. By "us" you mean independently?

Mr. PORTOCK. Independently.

Mr. LANE. Independent of any superior command?

Mr. PORTOCK. Yes, sir; that is right, sir.

Mr. LANE. Is there any place on this list of some 120 that was raided or put out of business by the vice squad after the list was obtained, so far as you know?

Mr. PORTOCK. No, sir; not that I know of. No arrest has been made of any of these men.

Mr. LANE. What was the effect upon your own assignment in the police force when you started to make these raids?

Mr. PORTOCK. Well, they immediately assigned me to an isolated beat, which takes in the boardwalks here on the lower end of town, and in which there isn't anything but water and boardwalk.

Mr. LANE. How long a beat is that?

Mr. PORTOCK. I would say it is a little over a mile and it is completely isolated. It has been a patrol as long as I can remember, or as long as anybody else can remember.

Mr. LANE. Is it set up as a beat? Are there call boxes on it?

Mr. PORTOCK. The call boxes are all over the city for an emergency. The call boxes are not set up in beats. Your call boxes are put out throughout the city for emergency.

Mr. LANE. Was there a call box at each end of the beat?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Were you instructed to call up as you reached each box at each end of the beat?

Mr. PORTOCK. It used to be every hour. Then it was changed to every half hour.

Mr. LANE. You mean when you were first assigned to it?

Mr. PORTOCK. Yes.

Mr. LANE. You mean someone else had walked the beat before and it was an hour?

Mr. PORTOCK. No; there never was a half hour pull in any place in the city. Nobody walked that beat before I was assigned to it.

Mr. LANE. When were you assigned to it?

Mr. PORTOCK. I do not have the exact date, sir.

Mr. LANE. About when?

Mr. PORTOCK. I would say, after I made the arrest of one Charles Kaiser, approximately around the first of December.

Mr. LANE. What did you arrest Charles Kaiser for?

Mr. PORTOCK. Operating and maintaining a disorderly house.

Mr. LANE. When you say "maintaining a disorderly house," what do you mean by that?

Mr. PORTOCK. Bookmaking and numbers.

Mr. LANE. You do not mean prostitution, do you?

Mr. PORTOCK. No, sir.

Mr. LANE. How long did you walk that beat?

Mr. PORTOCK. I walked that beat until they created a traffic squad.

Mr. LANE. Were you then put on the traffic squad?

Mr. PORTOCK. I was assigned to the traffic squad and the traffic squad worked specifically from 10:30 in the morning until 6:30 at night.

Mr. LANE. Are those the hours, 10:30 to 6:30 at night, when the numbers rackets are in operation?

Mr. PORTOCK. Numbers racket and horses, both.

Mr. LANE. Do either of those rackets operate after 6:30 at night?

Mr. PORTOCK. No, sir.

Mr. LANE. Do either of them operate before 10:30 in the morning?

Mr. PORTOCK. No, sir.

Mr. LANE. What happened to Gribbin and Warlich?

Mr. PORTOCK. Warlich was assigned to the traffic squad also with me. Gribbin was left alone, figuring he couldn't work by himself, which is an impossibility for one police officer to do anything by himself.

Mr. LANE. You mean to say it takes two to conduct a successful raid?

Mr. PORTOCK. Two or more; yes, sir.

Mr. LANE. Were you put on separate relief, so you would not be on duty at the same time?

Mr. PORTOCK. All three separate relief, sir. We originally worked together and they changed every one of us to three different reliefs.

Mr. LANE. Did this appear to you to be a systematic attempt to make it impossible for you to continue to make these raids?

Mr. PORTOCK. Definitely, sir.

Mr. LANE. Did you, despite this, continue to conduct raids?

Mr. PORTOCK. Yes, sir.

Mr. LANE. And as a result of that were you suspended?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Under what circumstances?

Mr. PORTOCK. In making a raid on one Dorset Stewart—

(Recess.)

Mr. LANE. Before the recess, I asked you about the effect upon yourself in the force of these arrests that you had made, and you told us about having been assigned to a distant beat and having been put on the traffic force, and having been separated in your time of relief from the other men who were cooperating with you. Despite all those difficulties, did you continue to make arrests?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did you make the arrests both on duty and off duty?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Was one of those arrests made at the time when you were on the traffic squad?

Mr. PORTOCK. Yes, sir.

Mr. LANE. How did you accomplish that?

Mr. PORTOCK. Officer Warlich obtained a warrant from Judge Damico.

Mr. LANE. Judge Damico of the city magistrate's court?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Which I have called the municipal court on this record?

Mr. PORTOCK. Yes, sir.

In reference to a letter we had received in the mail about a man Dorset Stewart, 133 North North Carolina Avenue, apartment C-1, who was operating a lottery.

Mr. LANE. What is a lottery?

Mr. PORTOCK. Numbers. Officer Warlich took that letter in to the chief's office.

Mr. LANE. Chief who?

Mr. PORTOCK. Saunders. He asked him for permission to obtain a warrant to enter the premises at North Carolina Avenue. The chief told him he knew whom to see, Judge Damico. He told him to go up and get the warrant.

Warlich then asked him if he could have the assistance of the vice squad in making the arrest. The chief told him he could have any-

body he wanted but he should make the arrest himself. He said, "You do not need the vice squad."

He then asked him if he could have Officer Portock, who was on traffic duty at Virginia and Atlantic. He said he had Officer Gribbin with him. He said, "You can take anybody you like."

Warlich went upstairs and obtained a warrant and, when he obtained the warrant, in order for us to get the most secrecy we possibly could out of this warrant, we tied up the telephone at Dorset Stewart's home so nobody should call him and tell him we had the warrant.

Mr. LANE. You were fearful in applying for a warrant that after you had applied for it and before you could serve it, the suspect would be tipped off?

Mr. PORTOCK. Yes, sir.

Mr. LANE. To prevent that, you had—

Mr. PORTOCK. Tied the telephone up.

Mr. LANE. Put it out of commission?

Mr. PORTOCK. Yes, sir. In order to do that, we called the number and when Dorset Stewart answered, we did not answer it. When he hung up, we left our phone hanging. That means nobody can call him. The line is open. When he obtained a warrant, Officers Gribbin and Warlich came to see me at Virginia and Atlantic immediately and asked me to come with them on the warrant to serve it. I told them I could not leave until I was properly relieved at my post. Two minutes later Officer Clayton relieved me for lunch. Instead of taking my lunch hour, I immediately went to serve the warrant.

Mr. LANE. Did you find evidence at that place that Dorset Stewart was in the numbers business?

Mr. PORTOCK. Yes, sir. We have pictures to the effect that he was.

Mr. LANE. Will you produce those pictures?

(The Witness produced the pictures.)

Mr. LANE. The witness produces a picture of a living room with an adding machine and money and other paraphernalia which I ask to be marked in evidence.

Senator HUNT. They will be received for the record, marked "Exhibit I."

(The pictures referred to were marked "Exhibit I," and are on file with the special committee.)

Mr. PORTOCK. I have a copy of the warrant, a copy of the report after I made the arrest. Also, I have here a copy of the letter that was sent to my home in reference to the gambling that took place.

Mr. LANE. You mean this type of gambling?

Mr. PORTOCK. Yes, sir.

Mr. LANE. At the time you made the raid on Dorset Stewart, was there anybody else at his place or was he in there alone?

Mr. PORTOCK. He was there alone, sir.

Mr. LANE. Did you question him about his operations?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What did he tell you?

Mr. PORTOCK. He said he worked for a man by the name of Harry (Cherry) Haggerty.

Mr. LANE. Haggerty—that is the representative of the bartenders' union in the fourth ward, right?

Mr. PORTOCK. Yes, sir. I think it is in the report there.

Mr. LANE. I have it.

Did you make a written report of the whole proceeding?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is this the report, a copy of the report, dated February 1, 1951, addressed to Harry Saunders, chief of police, signed by Jack Portock, Frank Gribbin, and Fred Warlich?

Mr. PORTOCK. Yes, sir.

Mr. LANE. I ask that it be received in evidence.

Senator HUNT. This will be received as exhibit J.

(The copy of the report was marked "Exhibit J," and is on file with the special committee.)

Mr. LANE. Were you there and is this a correct description of what happened?

Stewart said, "I turn most of the big stuff over to 'Cherry' Haggerty," and then Officer Gribbin asked him, "Do you mean 'Cherry' Haggerty on South Connecticut Avenue," and he said, "Yes, the one at the bartenders' union."

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is this accurate?—

That Gribbin asked Stewart how much commission he received from Haggerty on the numbers, that he laid over to Haggerty, and he said 30 percent.

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did you ask Stewart about how much in numbers he wrote a day or did he say that he wrote several hundred dollars?

Mr. PORTOCK. Yes.

Mr. LANE. How many runners did he say he had working for him?

Mr. PORTOCK. Three, or four, or five. I do not remember offhand.

Mr. LANE. Following your arrest of Dorset Stewart and the submission of a report which has been marked "Exhibit J," what response was made by your superiors in the police department?

Mr. PORTOCK. When we brought Dorset Stewart back to headquarters to have him booked, I was met at the entrance by my immediate superior, Captain Malloy, who was captain of the traffic squad. He said to me, "Jack, I have to suspend you." I asked him why. He said, "You left your post without permission."

I said the chief of police gave Warlich permission to pick me up and I was on my lunch hour, which allows me to go any place I want. Certainly, I was in the performance of my police duties in helping another police officer in making an arrest.

So we walked in to the chief and the chief denied that he gave Fred Warlich permission to pick me up. He said, "I will have to take your badge and your gun." I took off my badge and my gun and gave them to him and asked him permission to go upstairs and finish making out the proper papers on the arrest, which I did. After the man was put in a cell, I went home.

Mr. LANE. You went home. Were you suspended at that time for any definite time?

Mr. PORTOCK. No, sir. I was just told I was suspended.

Mr. LANE. Did the newspapers get hold of that story?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Was there public outcry about it?

Mr. PORTOCK. Very much so, sir.

Mr. LANE. Were you given any departmental hearing?

Mr. PORTOCK. No, sir.

Mr. LANE. Were any charges preferred against you in the department other than those you stated were put to you orally?

Mr. PORTOCK. No, sir.

Mr. LANE. Was the suspension ultimately revoked? How long did the suspension last?

Mr. PORTOCK. The suspension lasted 5 days. On the fifth day a radio car brought a letter signed by the director of public safety informing me that I was suspended for 5 days and to report back to work on the morning of the sixth day.

Mr. LANE. Were you, during the time of your suspension, paid your usual salary?

Mr. PORTOCK. No, sir.

Mr. LANE. Were you paid any salary?

Mr. PORTOCK. The citizens of Atlantic City sent in donations to the newspapers, a dollar, \$2, different veterans organizations sent them in—\$3 or \$5.

Mr. LANE. You mean in lieu of your salary?

Mr. PORTOCK. In lieu of my salary, to see I didn't lose any pay. I obtained \$35 more than my salary and I did not keep the money. I donated the \$35 to charitable organizations of Atlantic City.

Mr. LANE. Have you, to this day, received your salary for that 5-day period?

Mr. PORTOCK. No, sir.

Mr. LANE. Have you, to this day, had any hearing on the charges against you?

Mr. PORTOCK. No, sir.

Mr. LANE. Have the charges been formalized?

Mr. PORTOCK. No, sir. I have never been questioned. I have never been asked. I have never been even called in.

Mr. LANE. How many of these raids did you make, on and off duty, beginning in November 1950?

Mr. PORTOCK. Twenty, sir.

Mr. LANE. How many people were arrested in the course of those raids?

Mr. PORTOCK. Seven, sir.

Mr. LANE. How many of them were subsequently indicted?

Mr. PORTOCK. They were all indicted.

Mr. LANE. How many of them have either pleaded non volte or guilty or have been convicted?

Mr. PORTOCK. There are three cases yet that have not been heard by the petit jury. Everyone else pleaded non volte and were convicted. We haven't lost a case.

Mr. LANE. Every one of those 28 pleaded non volte, meaning they do not contest the charges?

Mr. PORTOCK. That is right.

Mr. LANE. They throw themselves on the mercy of the court?

Mr. PORTOCK. There are three cases that have not come up before the court yet.

Mr. LANE. So they haven't pleaded?

Mr. PORTOCK. Yes, sir; that is right. They have not yet pleaded.

Mr. LANE. They have been indicted?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What were those three cases?

Mr. PORTOCK. Robert Richardson, arrested November 27, 1950. He was indicted by the grand jury. It has not come up before the petit jury.

Mr. LANE. What are his connections?

Mr. PORTOCK. He is a bookmaker. He is in the third ward under Vincent Lane. I think in his case Officer Warlich is the arresting officer. It came up seven or eight times and it has been postponed every time.

Mr. LANE. Vincent Lane is the assistant probation officer for the county?

Mr. PORTOCK. Yes, sir.

Mr. LANE. He controls the third ward?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What about the other two?

Mr. PORTOCK. Vincent Rando has also been indicted. That was on December 29 that we made the arrest. It has never come up before the petit jury.

Mr. LANE. Rando was the man you arrested on December 28, 1950, whose name appeared on the Lewis and Solitare list?

Mr. PORTOCK. Yes, sir.

Mr. LANE. You say he has been indicted, but never tried?

Mr. PORTOCK. That is right, sir.

Mr. LANE. What are Rando's affiliations?

Mr. PORTOCK. I really do not know. He is the fourth ward. His political power has come through James Boyd or Edward Nappen. I do not know his other connections.

Mr. LANE. The third man?

Mr. PORTOCK. The arrest was made on April 27, 1951. He is Irving Pollock of 1721 Atlantic Avenue. Also arrested was Rose Silverman, of 1721 Atlantic Avenue. Both were arrested for aiding and abetting a lottery.

Mr. LANE. That is, operating the numbers racket?

Mr. PORTOCK. They were operating a numbers book at 1625 Arctic Avenue.

Mr. LANE. And they have also been indicted, but not tried?

Mr. PORTOCK. Yes, sir. They waived the hearing at the local court, and they all were held for the grand jury. They were indicted, but they have never been tried.

Mr. LANE. Is there anyone of those individuals, the 28 individuals, who has been sent to jail since you arrested them?

Mr. PORTOCK. There is one, Austin Johnson. He is now in the State penitentiary.

Mr. LANE. Will you tell us about his arrest and conviction and confinement in the State penitentiary?

Mr. PORTOCK. When we arrested Austin Johnson on November 20, 1950—

Mr. LANE. Wasn't he the first arrest to be made?

Mr. PORTOCK. He was the first arrest. He was let out on bail.

Mr. LANE. Did he plead non volte?

Mr. PORTOCK. Before he pleaded non volte we arrested him again.

Mr. LANE. While he was on bail?

Mr. PORTOCK. Yes, sir. He was held for the grand jury. While he was out on bail we arrested him again on December 20, 1950.

Mr. LANE. For the same offense?

Mr. PORTOCK. Same offense.

Mr. LANE. What was that?

Mr. PORTOCK. Aiding and abetting a lottery and possession of number slips. We also put a charge of disorderly conduct against him. Prior to the first arrest he was on probation for 5 years for an attempted hold-up.

Mr. LANE. At the time you arrested him, the first time, that was November 20, 1950, you say he was on 5 years' probation for an attempted hold-up and presumably reporting to Vincent Lane as the probation officer?

Mr. PORTOCK. Yes, sir.

Mr. LANE. And at the same time participating in the numbers racket?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Then he was released on bail and continued in the number racket?

Mr. PORTOCK. Yes, sir.

Mr. LANE. So, at the time you arrested him, the second time, he was not only on probation, but he was out on bail?

Mr. PORTOCK. He was under indictment for aiding and abetting a lottery, out on bail.

Mr. LANE. Did they then put him in jail after you had arrested him the second time?

Mr. PORTOCK. No, sir. They released him on bail the second time.

Mr. LANE. Did you do anything about that?

Mr. PORTOCK. Officer Warlich and myself went up to see Prosecutor Scott.

Mr. LANE. That is the county prosecutor?

Mr. PORTOCK. That is right. We asked him how come a man who is on probation and has been arrested twice on lottery charges could be allowed to walk the streets of Atlantic City. He then said I was right and he told Dave Brone, the assistant county prosecutor, to issue a warrant for his arrest through the prosecutor's office, which they did. He was then let out on bail again by Judge Leonard.

Mr. LANE. County Judge Leonard?

Mr. PORTOCK. That is right.

Mr. LANE. He was in jail overnight, then?

Mr. PORTOCK. I don't think he was in overnight.

Mr. LANE. Was he still at large until he came up for trial?

Mr. PORTOCK. He was still at large until he came up for trial.

Mr. LANE. When was that?

Mr. PORTOCK. I do not have the exact date in my files. Let's say it was in the latter part of January 1951.

Mr. LANE. How did he plead?

Mr. PORTOCK. He pleaded non volte to all three charges. They charged him with violation of probation and two lottery charges. He pleaded non volte to all three charges.

He received a sentence of 364 days in the county jail on each charge, but the sentences were to run concurrently instead of consecutively, which kept him in the county jail. He started to serve his time—

Mr. LANE. Is it a fact that while he was in the county jail, he came home every week-end?

Mr. PORTOCK. Yes, sir.

Mr. LANE. How did he get home?

Mr. PORTOCK. It has been reported to us, and known around town, that the sheriff's chauffeur used to take him home.

Mr. LANE. Where is he now?

Mr. PORTOCK. In the State penitentiary.

Mr. LANE. How did he get there?

Mr. PORTOCK. He was brought home one Saturday night and instead of going home at his proper time he did not show up. The sheriff got a little scared and sent out a teletype that he had escaped jail. When he was picked up by the same man who brought him into town, it was known all over, through the newspapers, that he had escaped and the grand jury at the time, which was sitting at May's Landing, indicted him for escaping from the May's Landing jail, and they sent him to the State prison, where he is today.

Mr. LANE. When these cases came up for indictment before the grand jury, did you appear—you and Warlich and Gribbin—in those cases?

Mr. PORTOCK. Whenever we made the arrest; yes, sir.

Mr. LANE. Who were the prosecuting officers in that period of the grand jury?

Mr. PORTOCK. Prosecutor Scott, and Brone, his assistant.

Mr. LANE. Did Keiss appear on any of these?

Mr. PORTOCK. Never in the grand jury room, to my knowledge.

Mr. LANE. Did you tell these facts, in substance, to the grand jury, as you have told them to us?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Were they presented by the prosecutor or by yourself?

Mr. PORTOCK. By myself, sir.

Mr. LANE. With what result?

Mr. PORTOCK. It resulted in a grand jury investigation of the gambling situation and the political influence that was used over the police department by that local grand jury.

Mr. LANE. When was this?

Mr. PORTOCK. They sat until May. That was their last day, May 1. Prior to May 1 they were sitting all through that period, I would say a period of about a month.

Mr. LANE. Was there any indictment handed up?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Who was indicted?

Mr. PORTOCK. Two detectives, Anthony Myura and Detective Sermania.

Mr. LANE. Was there a presentment handed up, also?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Who was that presentment addressed to?

Mr. PORTOCK. To Judge Woods.

Mr. LANE. Who is he?

Mr. PORTOCK. He was the judge.

Mr. LANE. Judge Elmer Woods?

Mr. PORTOCK. Judge Elmer B. Woods. I don't know his exact title. He is the county judge over all the judges.

Mr. LANE. He is the senior county judge?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Of the superior court?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Has any action been taken on the presentment, that you know of?

Mr. PORTOCK. He said in newspaper articles, that the presentment was a little too strong and that it might mention certain names of certain individuals and police officials and they would not have their day in court to defend themselves.

Mr. LANE. In other words, it reflected upon the reputation of people in the police department?

Mr. PORTOCK. That is right. He wouldn't make it public. He was asked numerous times by the newspapers and members of the grand jury to make it public and he wouldn't do it.

Mr. LANE. Were any threats to intimidate you carried out against you in connection with your activity that you described?

Mr. PORTOCK. My wife's life has been threatened. My children and myself have been threatened. I had to get an unlisted phone put in. I have received letters, numerous telephone calls.

Mr. LANE. You told about the precautions you took when you arrested Dorset Stewart to prevent any type of tip-off reaching him by telephone. Have you any reason to believe that in any other case, or in any case where you obtained a warrant for arrest, the suspect was tipped off between the time you obtained the warrant and the time you arrived at his place of operations?

Mr. PORTOCK. Yes, sir.

Mr. LANE. What case was that?

Mr. PORTOCK. We obtained a warrant for a place at 1 South Mississippi Avenue, which is the waiter's union. Prior to that, we had an informer place bets there for a period of 2 or 3 weeks. On the day that we obtained a warrant, our informer was in the place gambling, making bets on horses, and Officer Gribbin went up to Judge Damico, who got the warrant, and the only two people who were present with Judge Damico was Officer Gribbin and the clerk.

Mr. LANE. What is the clerk's name?

Mr. PORTOCK. Teller Walker. We were going to serve the warrant at 3:30. I had to be at work at 4, which would allow one man to be in uniform. Our informer called us at 3:15 and told us a certain individual by the name of Rheumatism Rosey entered the premises and told them to clear everything out, that Portock and Gribbin had a warrant.

Mr. LANE. What time of day was it that Gribbin got the warrant?

Mr. PORTOCK. At 1 p. m.

Mr. LANE. When you got there with the warrant, what state of affairs did you find?

Mr. PORTOCK. They met us at the door, opened up the door for us. They were sitting around and playing gin rummy or pinochle. We searched the entire premises and as late as 2:20 p. m. on that date they were operating, according to our informer.

Mr. LANE. When you got there at 3:30 there was no evidence?

Mr. PORTOCK. Nothing there.

Mr. LANE. Were there any other instances?

Mr. PORTOCK. We have a report to that effect sent in to the chief's office.

Mr. LANE. May I see the report?

(The witness produced the report.)

Mr. PORTOCK. Here is another one. Here is the photostat of the warrant and another report.

Mr. LANE. Does the report, in substance, cover what you already told us orally?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is it possible for a man to be picked up in the numbers racket time after time, plead non volte in the municipal court and still not have any criminal record against his name?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Is it possible, for a man under substantially similar circumstances, to be picked up, charged with aiding and abetting a lottery and then be taken to the county court and each time he pleads non volte, have a criminal record against his name?

Mr. PORTOCK. Yes, sir. That is what has taken place. The vice squad was forced to go out and make several arrests due to the campaign that we put on, but they charged a man under the Disorderly Persons Act, which was not an indictable offense, and a man was fined \$175 in the local courts.

Mr. LANE. That is just the municipal court?

Mr. PORTOCK. Yes, sir.

Mr. LANE. That is just before Judge Damico?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Was it in each case a standard fine of \$175?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Then, with such a plea, it not being an indictable offense, there is no criminal record?

Mr. PORTOCK. Yes, sir; that is right.

Mr. LANE. You know instances in which that has been repeated with one person more than once?

Mr. PORTOCK. On several occasions. I understand there is a man—I cannot think of his name, probably Officer Gribbin or Officer Warlich can tell you his name—he was arrested 2 weeks ago for possession of numbers slips. He has been arrested 9 or 10 times.

Mr. LANE. Each time paying \$175?

Mr. PORTOCK. That is right.

Mr. LANE. And still that man has no criminal record on that account?

Mr. PORTOCK. That is right.

Mr. LANE. Who pays the \$175.

Mr. PORTOCK. The mob, as you would call it, or the man to whom he turns his accounts in to.

Mr. LANE. Would each one of those men, however, be subject to being charged under the circumstances, for aiding and abetting a lottery?

Mr. PORTOCK. Yes, sir.

Mr. LANE. And an indictable offense?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Did this grand jury act in any sense as a run-away grand jury? Did they take matters into their own hands?

Mr. PORTOCK. Yes, sir; very much so.

Mr. LANE. Were there, on that jury, a group of citizens who took a special interest in the facts that you had at your command?

Mr. PORTOCK. Yes, sir.

MR. LANE. Did they question you about it?

MR. PORTOCK. Yes, sir.

MR. LANE. Was what you told them in the confidence of the jury room?

MR. PORTOCK. Yes, sir.

MR. LANE. Was the confidence honored, or violated?

MR. PORTOCK. Violated, sir.

MR. LANE. How do you know that?

MR. PORTOCK. When I entered the jury room, they asked me these questions, as I cite here, the same type of questioning, only in different order. I gave them all the information I knew and after I left the grand jury room, about 2 or 3 days later—I do not remember exactly—4 days later, three officers, Gribbin and Warlich and myself, were called into the city solicitor's office, Murray Fredericks. He sort of acted as a liaison officer between the organization and us—the gambling fraternity.

MR. LANE. This is the same Fredericks who is a partner in the firm of Senator Farley's?

MR. PORTOCK. Yes, sir. He was asking us to become good police officers and be good boys and go back to the way we were working before. We weren't gaining anything. We were ruining the organization. He said that Warlich and Gribbin do not have too much against them. They can get straightened out. But as for Portock, he has been a bad boy over in that grand-jury room. He said things he wasn't supposed to say.

I said, "After all, Mr. Fredericks, I thought that was a secret hearing."

He said, "Well, we know what goes on."

I went back to the grand jury.

MR. LANE. On another case?

MR. PORTOCK. On another case.

MR. LANE. And on another occasion?

MR. PORTOCK. About a week or two later. After I presented my case, they proceeded to question me on the same trend and I refused to talk. I gave them an answer of no comment. They were a little stunned. They wanted to know how come the last time I was there I spoke freely and this time I came into the room and I did not want to tell them anything. So I said, "Well, to tell you the truth, there are several people in this room who carry tales. You have several people who are in here whom I would call common rats. I do not think it is coming from the prosecutor. So somebody in here is squealing. Somebody is in here taking information he is not supposed to take."

MR. LANE. Not taking it, but spreading it.

MR. PORTOCK. Spreading it.

That immediately caused an uproar in the grand-jury room. All the grand jurors started to argue amongst themselves, trying to find out what I meant and whom I accused, and so forth, and so on. They asked me where I got the information and I said I was in Murray Fredericks' office and he told me everything I said in the grand-jury room.

MR. LANE. Then did they ask Fredericks to come before the grand jury?

MR. PORTOCK. No, sir.

Mr. LANE. Not so far as you know?

Mr. PORTOCK. No, sir. He was never before the grand jury.

Mr. LANE. Well, now, let me just ask you a general question in conclusion, a series of them: In the first place, would you say, from your experience, that the bookmaking and numbers racket in Atlantic City is condoned by the law-enforcement officers?

Mr. PORTOCK. Yes, sir.

Mr. LANE. Would you say that it is a protected activity—protected by the law-enforcement officers?

Mr. PORTOCK. I would say it is protected by the higher echelon of the law-enforcement officers, not by the lower.

Mr. LANE. Yes. I mean that in my question.

Mr. PORTOCK. Yes, sir.

Mr. LANE. Would you say that the vice squad in its operation tends to curb the operations of bookmaking and numbers? Does it simply perform the function of compelling them to make contributions to the powers that be in Atlantic City?

Mr. PORTOCK. I would say they compel them to make contributions to the powers that be in Atlantic City.

Mr. LANE. Is it a fact that these numbers places and cigar stores and whatnot are all subject to a city license, mercantile license?

Mr. PORTOCK. Yes, sir.

Mr. LANE. And if a licensee will not cooperate, what is the effect upon its license?

Mr. PORTOCK. They probably would not get it any more the following year.

Mr. LANE. Is it your opinion, from what you have observed, that the profits from the numbers racket and the bookmaking racket find their way, not only into the pockets of illegitimate elements in the county, but also into the pockets of politicians?

Mr. PORTOCK. Definitely, sir.

Mr. LANE. Do you include, not only the county, but the city organization?

Mr. PORTOCK. Definitely.

Mr. LANE. Who, in your opinion, is the boss racketeer of Atlantic County?

Mr. PORTOCK. Herman (Stumpy) Orman.

Mr. LANE. Thanks very much.

Senator HUNT. Wait, just a minute. I want to ask some questions.

Can you tell us, from your own knowledge, have you evidence of payments made by any bookie or any numbers operator directly to any influential politician in the city or in the county?

Mr. PORTOCK. We have men who will testify to the fact that the money was collected on the north side by a man named Harold Scheper and turned over directly to Stumpy Orman, in person. We have information that, through investigation, one Robert Shepardson, who was assigned to the vice squad, used to collect \$250 a week from Harold Scheper and take it to the sheriff. He used to carry the money.

Mr. LANE. Gormley, is that the sheriff?

Mr. PORTOCK. Yes, sir. We have information that a man by the name of Lester Burdick, who runs the racing information out of Station WOND, stops into a place at 31 Atlantic Avenue, commonly known as Cappy's Cigar Store, every Thursday morning, receives a pack of Philip Morris, and there is a \$10 bill in it. It is common

knowledge throughout the entire city that every election they must donate so much money, \$100 from every cigar store, every card joint, every crap table. The larger you are, the more money you donate. Every police officer, every fireman, every city employee, must donate \$30 a year, 1 percent of his wages, to the organization. If you don't, you get harassed, you get changed from your beat, you get sent all over the city. They even give you a receipt for your money.

Senator HUNT. What would you estimate the number of book-makers in Atlantic County to be?

Mr. PORTOCK. Atlantic County?

Senator HUNT. In the city and county?

Mr. PORTOCK. I would say there are about 150.

Senator HUNT. How many operators of number games would you estimate there are in the city and county?

Mr. PORTOCK. You mean the large number banks or just small, large, and medium?

Senator HUNT. The number of outlets of numbers slips altogether, whether large or small.

Mr. PORTOCK. Every cigar store and men working in their private homes—there are three or four hundred places writing numbers in Atlantic City.

Senator HUNT. To the best of your knowledge, legitimate, commercial banks in the city of Atlantic City have no connection with this racket, have they?

Mr. PORTOCK. I would say "No," but they probably have knowledge of it. These banks must deposit an enormous amount of change every single day. A bank must bring into a legitimate bank approximately a thousand dollars a day in small change—pennies, nickels, dimes, quarters. There must be a reason for that.

Mr. LANE. These are ostensibly receipts from cigar stores and other places.

Mr. PORTOCK. Yes, sir.

Senator HUNT. The horse parlors in the city, what would you say is the greatest number of phones in any one of them that you happen to know of?

Mr. PORTOCK. Four or five.

Senator HUNT. Do you think these phones could be installed or could operate that business without the telephone company knowing of it?

Mr. PORTOCK. No, sir.

Senator HUNT. Do you think that a salary of \$2,500 a year is ample for any policeman to exist on today and keep a family?

Mr. PORTOCK. No, sir.

Mr. LANE. And keep straight?

Mr. PORTOCK. No, sir.

Senator HUNT. Why did you take the matter of increased pay up with Senator Farley?

Mr. PORTOCK. He is the political boss of Atlantic City and Atlantic County and it would not do us any good to step out and go out for an increase without consulting him first.

Senator HUNT. What would you estimate the take from the citizens—this is a hard one to estimate—is in Atlantic City and from the visitors to Atlantic City by the numbers game and the bookies, let us say, in a year?

Mr. PORTOCK. I would say the numbers game in Atlantic City per day would be about \$10,000 a day.

Senator HUNT. That is the numbers. What about the others?

Mr. PORTOCK. I couldn't give you an estimate on the horses, Senator.

Senator HUNT. Which do you think is the larger, the numbers or the bookie operations?

Mr. PORTOCK. The horses. It is a larger bet.

Mr. LANE. How do the bookmaking establishments get their information with respect to the winnings at the race tracks?

Mr. PORTOCK. They get it from the station over here in Pleasantville, WOND.

Mr. LANE. And when you say they get it from there, they are telephoned in?

Mr. PORTOCK. They get it over the radio. They get a race result as close to the finish of the race as 4 minutes, 5 minutes after the race is over.

Mr. LANE. You mean, by that, WOND broadcasts the information?

Mr. PORTOCK. Over the air.

Mr. LANE. And these bookmakers pick it up on their receiving sets in the city from WOND?

Mr. PORTOCK. Yes, sir.

Mr. LANE. How does WOND get it?

Mr. PORTOCK. Probably from the Western Union Telegraph. They have a ticker in there.

Mr. LANE. In the station at Pleasantville they have a Western Union ticker?

Mr. PORTOCK. Probably coming from the tracks.

Mr. LANE. How is that paid for? How do the bookmakers pay for the information they get from WOND?

Mr. PORTOCK. That same Lester Burdick, who I explained to the Senator stops at the particular cigar store at 931 Atlantic Avenue every week, makes his rounds to every bookmaker's place and numbers place. They are assessed so much per week. Some pay \$5, some pay \$10 and some pay \$25 every single week to Lester Burdick.

Mr. LANE. Presumably, Lester Burdick turns it over to WOND?

Mr. PORTOCK. Yes, sir. He is the representative of WOND.

Mr. LANE. Is that Lester Burdick, the henchman of Senator Farley?

Mr. PORTOCK. He is. I don't know whether he is a lobbyist. He tells everybody he is a senator up there in Trenton with Senator Farley.

Mr. LANE. Has he some political appointment up there in Trenton?

Mr. PORTOCK. He has, I do not know what it is. It is some kind of a clerk or some kind like that.

Mr. LANE. Is he generally known in the Atlantic County as being associated with Senator Farley?

Mr. PORTOCK. Very close, sir.

Senator HUNT. Do you know the owners of WOND?

Mr. PORTOCK. I do not know, sir. I think the other officers may be able to tell you their names.

Senator HUNT. Is it a powerful station or just a local station?

Mr. PORTOCK. Just a local station.

Mr. LANE. How long has it been in operation?

Mr. PORTOCK. A couple of years.

Mr. LANE. Was there another one that fulfilled that same function before WOND did?

Mr. PORTOCK. I think WFPG used to give results. That is a local station.

Mr. LANE. Thank you, very much.

Senator HUNT. Would you give me your name, please?

Mr. GRIBBIN. Francis Bernard Gribbin.

Senator HUNT. Mr. Gribbin, would you be sworn, please?

Do you swear that the testimony that you are about to give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GRIBBIN. I do.

Senator HUNT. Mr. Gribbin, I am going to ask the counsel to proceed with the questioning. A preliminary statement to our purpose and our objectives was made prior to interviewing the other witness, and it won't be necessary to repeat it.

TESTIMONY OF FRANCIS BERNARD GRIBBIN, PATROLMAN, ATLANTIC CITY POLICE DEPARTMENT, N. J.

Mr. LANE. Just briefly, we are fundamentally interested in the organization of crime in Atlantic County and Atlantic City and, of course, we are interested in whether it has any interstate aspects to it, which would give this committee jurisdiction to inquire.

Are you a native of Atlantic City?

Mr. GRIBBIN. Yes, sir.

Mr. LANE. How old are you, Mr. Gribbin?

Mr. GRIBBIN. Thirty-two.

Mr. LANE. Are you a member of the police force?

Mr. GRIBBIN. Yes, sir.

Mr. LANE. When did you join the force?

Mr. GRIBBIN. The early part of 1942; April 1, officially.

Mr. LANE. So that you have been a member now——

Mr. GRIBBIN. For 9 years.

Mr. LANE. Nine years.

During those 9 years have you been assigned to any special duty in the force?

Mr. GRIBBIN. Yes. Shortly after my appointment I was considered a rookie, unknown to the racket men or prostitutes. I was assigned to plain-clothes duty to assist the vice squad which, at that time, was composed at Ferd Moore and Latimer Grobes.

Mr. LANE. At that time, that is April 1942, you mean to say that very soon, almost immediately after you joined the force, you were assigned to plain-clothes duty with the vice squad?

Mr. GRIBBIN. Yes, sir. Right after I was appointed, the Army moved into Atlantic City and used these hotels and they assigned me and four other officers to clean out all the prostitutes.

Mr. LANE. At that point you were about 23 years old?

Mr. GRIBBIN. I was 24. I was comparatively new and none of the people knew me as a police officer. I worked around 3 or 4 months under Ferd Moore's direction and I arrested 77 prostitutes and had 77 convictions. I also arrested one Van Smothers, who was from Chester, Pa. I arrested him for white slavery. He is prominent. He

was prominent at that time. The Government took the case over. I think he received 10 years. He is out now on probation. He is around Atlantic City. He is in the numbers racket to a certain extent. I don't know how much.

Mr. LANE. How long has he been back in Atlantic City?

Mr. GRIBBIN. For the past year. He is a colored man, by the way.

Mr. LANE. He ran a house, or houses here, back in 1942?

Mr. GRIBBIN. He ran girls between New York, Chester, and I think, it was Baltimore, and Atlantic City. He rotated them. I arrested him through a fluke. I just picked up a girl and questioned her. I thought she was under the influence of dope at the time, but he had beaten her unmercifully for talking too much, or something of that sort. Finally, I got the story out of her, how she traveled from one city to another. I turned the story over to the FBI and they took the case.

Mr. LANE. At that time, back in 1942, was the vice squad performing a useful function?

Mr. GRIBBIN. To the best of my knowledge, at that time: yes.

Mr. LANE. Was it operating against the bookies and the numbers racket, as well as the prostitution?

Mr. GRIBBIN. I would like to say, at the time I was a rookie and when I was taken upstairs, Mr. Grobes and Mr. Moore instructed me to concentrate on prostitutes. There were no lines drawn. Nobody was given immunity. I was to grab everybody. They handled book-making, and so forth. It wasn't turned over to my particular jurisdiction. Not being too experienced a policeman, I cannot say whether they were actually trying to or not.

Mr. LANE. Who was the commissioner of public safety at that time?

Mr. GRIBBIN. William Cuthbert. He had been for 30 years.

Mr. LANE. Who was the chief of police?

Mr. GRIBBIN. Deputy Chief Earl Butcher.

Mr. LANE. He is no longer there?

Mr. GRIBBIN. He is captain of detectives right now. He is a very honest man.

Mr. LANE. Who was the mayor at that time?

Mr. GRIBBIN. Thomas Taggart.

Mr. LANE. Was an effort made in the early years of your service on the force to clean up vice and corruption in Atlantic City?

Mr. GRIBBIN. Did you ask me whether there was an effort?

Mr. LANE. Yes.

Mr. GRIBBIN. I can only say vice, as far as they were concerned, was prostitution.

Mr. LANE. That was cleaned up?

Mr. GRIBBIN. Yes; I cleaned that up with the four other fellows that assisted me.

Mr. LANE. How long were you on that special assignment?

Mr. GRIBBIN. About 4 months.

Mr. LANE. What was your next assignment?

Mr. GRIBBIN. I was returned to uniform, patrolman on the beat, and I patrolled the boardwalk.

Mr. LANE. How long did you have that duty?

Mr. GRIBBIN. For 2½ years. Then I went into service for 2 years. When I returned from service, I went back to the boardwalk.

Mr. LANE. About 1945?

Mr. GRIBBIN. Yes. I was on the boardwalk about another year and then I was assigned to radio-car patrol duty. I have been on that duty continuously with the exception of this past winter when we were taken out of radio cars because we made a gambling arrest.

Mr. LANE. Let's come down to that. Starting in November 1950, was it evident to you that there was a substantial numbers and book-making racket in operation in Atlantic City?

Mr. GRIBBIN. Yes, sir.

Mr. LANE. Was that pretty generally known to everyone on the force?

Mr. GRIBBIN. Positively.

Mr. LANE. Anything being done about it?

Mr. GRIBBIN. There were periodic arrests, mostly of runners, as far as numbers were concerned, and occasionally a small bookie, but never a big one. Number men were repeatedly charged with possession, which carries with it a fine of \$175. I believe it comes under the Disorderly Persons Act.

Mr. LANE. Not being an indictable offense?

Mr. GRIBBIN. It is not indictable; no. Bookmakers on some occasions were charged with possession of betting slips, which is also under the Disorderly Persons Act.

Mr. LANE. All these men were then channeled into the same courts, were they not?

Mr. GRIBBIN. Yes. There is only one court in Atlantic City.

Mr. LANE. What court is that?

Mr. GRIBBIN. Stephen A. Damico.

Mr. LANE. That is the municipal court?

Mr. GRIBBIN. Yes.

Mr. LANE. Do they all get the standard fine of \$175?

Mr. GRIBBIN. Yes, sir. The usual procedure is go up there and the judge will read off the charges against you and tell you its provisions and fine you \$175, and you walk out.

Mr. LANE. The fine paid, is that paid then and there, or are payments made of it in installments or postponed, or what is the practice?

Mr. GRIBBIN. We do not have concrete evidence of that, but it is quite generally understood that you can pay it off in installments.

Mr. LANE. That goes for the municipal court?

Mr. GRIBBIN. Yes, sir. Not in that particular case. No; I am wrong again. Not in that case.

Mr. LANE. In the county courts, do they do that?

Mr. GRIBBIN. When the fine exceeds \$175 in the county courts, we are almost certain they can be paid on the installment plan.

Mr. LANE. Do you have any information as to whether some of them are not paid at all?

Mr. GRIBBIN. No; I do not have any information there.

Mr. LANE. You, yourself, have not had any examinations of the records of payment of fines?

Mr. GRIBBIN. Why they did not pay at all?

Mr. LANE. Yes.

Mr. GRIBBIN. No. I have heard of one numbers man. He runs a small bank. One of the small bankers, and he was grumpling all over the north side one night that Boyd—I think it was Jimmie Boyd—had told him to get his payments paid up because he had 4 or 5 of his runners arrested and he was in arrears on his payments and they wanted them all paid up to get the books straightened out.

Mr. LANE. Commencing in about November 1950, did you and Portock and Warlich attempt to do something about the numbers and the bookmaking?

Mr. GRIBBIN. Yes. In November we had decided, after we talked the thing over and discussed it, that it was time somebody showed the racket men that they were not going to push the cops all over town and did not give a damn whether we lost our jobs or not. They weren't worth it. We started out and grabbed everybody we could get our hands on.

Mr. LANE. What was the reaction?

Mr. GRIBBIN. It was terrific. Telephones started ringing. We got threatening letters. The police department moved us. I asked a guy in the radio car, but we could never figure out why they left me in the radio car. They moved Portock and Warlich to a beat. That beat hadn't been covered in the last 25 years. They did everything they could to discourage us. They suspended Portock, myself, and Shepardson.

Mr. LANE. Were you suspended?

Mr. GRIBBIN. A 5-day suspension.

Mr. LANE. Was that the same time Portock was suspended?

Mr. GRIBBIN. A short time after that. Portock was suspended in making an arrest with us, a very good arrest, in connection with number banks.

Mr. LANE. What were you suspended for?

Mr. GRIBBIN. We went up to see Goldschein in Philadelphia. He sent for us. We went up and gave him whatever information he wanted. I think we made three trips up there. A short time after those trips to Philadelphia the grand jury—

Mr. LANE. Would you identify Goldschein for the record?

Mr. GRIBBIN. He is a special assistant attorney general.

Mr. LANE. Special assistant attorney general of the United States?

Mr. GRIBBIN. Yes. He is conducting a probe in Philadelphia. He asked us to come up there, by phone, and we said we would. We went up there and he had subpoenas waiting for us. We made three trips altogether. We gave him whatever information he wanted and we tried to help him as best we could.

A short time after that they started a local grand jury probe here and we went over there and Director Kerstetter, Cuthbert, and Chief Saunders were there, and Officer Portock and I got into the grand jury room after they left. I went into the grand jury room. After I had gone in, Mr. Portock went in. While waiting outside for Portock, they opened the door and called me back in. Portock was sitting on the witness chair and the assistant prosecutor, Brone, said to me, "Gribbin, when you went up to Philadelphia to see Goldschein, whose car did you use?"

I didn't quite know what he was talking about at that time because I wasn't too sure whether we had Warlich's car or not. I told him I used Warlich's car once and a friend of mine's car twice. He said, "Did you use Colby's car?"

I said, "No; I never used Colby's car."

I was a little stunned by the question.

Mr. LANE. Is Colby a gambler?

Mr. GRIBBIN. Yes, sir.

Mr. LANE. He is otherwise known as Berenato?

MR. GRIBBIN. That is right. He said, "We had information that you went to Philadelphia to see Goldschein in Colby's car."

I said, "No. The car I used was a Buick belonging to Raymond Shepardson. That is Sig Shepardson's brother."

We needed a car and we talked to Raymond before about using the car. We had to change cars every day when we were out to get a racket man. They asked me if I had checked the registration. I said, "No. I never asked Raymond for the registration. I assumed it was his car, but I won't swear to it. If it is a matter of record that you are looking for, I won't swear to using anybody's car. I do not know to whom the car belongs. I know where I got the car."

When I got out of the grand jury room, they previously asked Porlock the same question and we had had no time to confer with each other. After that night I checked with Raymond and checked the registration and that car actually belonged to him. It was in his name. The subject was brought up a few weeks later when Warlich was on the witness stand. One of the attorneys asked him about it. Warlich didn't get a chance to answer. The judge refused to let him answer.

MR. LANE. The foreman of the grand jury?

MR. GRIBBIN. No; this was a municipal court hearing on the numbers case. I do not know what they were trying to do about it. The judge threw it out. That is all there was to that.

Shortly after that, Inspector Arnheim called me in to his office. I sat down at a desk. He threw a piece of paper over to me and a pencil.

He said, "Gribbin, there has been a lot of rumors that you used Colby's car to go to Philadelphia. I want you to write out a statement."

I said, "Inspector, why should I do that? I told the grand jury whose car I went to Philadelphia in. I was on vacation at that time. What does it matter how I went?"

He told me to make the statement. We know that Arnheim was appointed—he is only an acting inspector—by the politicians to do nothing but get us, one way or the other. He is distinctly a hatchet man, a collector for the organization for years. He is strictly no good. It just galled me to think that that man could make me give him a statement. I said, "If you bring no charges against me, I will not make a statement. If you want a police report, I will give it to you."

He said, "I am under direct orders by the grand jury to investigate this thing."

I knew he was lying because the grand jury had asked me the questions and I had satisfied them.

He said, "Do you mean to tell me that you won't make out a statement?"

I said, "I won't. If you want a police report, I will give you that. That has nothing to do with this department. I was on vacation. It is nobody's business."

He said, "You are suspended."

And I walked out. That was my suspension. That was what I was suspended for.

MR. LANE. How long did that last?

MR. GRIBBIN. Five days. That was 1 day before I was going to go before the grand jury again. I think they were afraid to try to

give me more. The circumstances surrounding the entire incident were so foolish, they did not want to have a public hearing in the police department. Here in the police department they can give you 5 days without a hearing, you have no defense.

Mr. LANE. That is the limit?

Mr. GRIBBIN. Without a hearing. This way I cannot even make a statement to the newspapers. I cannot call the newspapers up. His version in the newspapers make me look like a damn fool. I cannot give my version to the newspapers. They were trying to discredit Portock, me, and all of us.

Mr. LANE. In your opinion, who is the king pin in Atlantic County in the numbers racket?

Mr. GRIBBIN. Atlantic County?

Mr. LANE. Yes.

Mr. GRIBBIN. I would say the biggest number banks in Atlantic County are in Atlantic City.

Mr. LANE. Who is the king pin of those banks?

Mr. GRIBBIN. Stumpy Orman is the undisputed boss of the gambling enterprises, including numbers, horses, bingo, skillo's on the Boardwalk. He has a direct half interest in one bank.

Mr. LANE. Is that bank operating?

Mr. GRIBBIN. To the best of my knowledge it is split up into two small banks now. We think we have it located on Florida Avenue.

Mr. LANE. Is Orman associated in any way with Farley?

Mr. GRIBBIN. He is seen with him frequently. He has been on a vacation with him down in Florida. He is seen with him continually. He has been to a few parties that there were newspaper notices of. Senator Farley secured a gun permit for him. He signed it. He said he did not know he was a criminal. At least that was what the application called for him to say. He had Sergeant Pepper, a police sergeant, also sign it, that he didn't know he had a criminal record, and so forth.

Mr. LANE. Was any pressure brought upon you by City Solicitor Fredericks?

Mr. GRIBBIN. No. I wouldn't say it was pressure. He contacted Warlich and said he would like to talk something over with us fellows. I forget the date. We went up to his office. We went into the office. He said, "Sit down, fellows."

He had never met Portock and myself. We were introduced. He told us about our being bad boys, and so forth. What he said was precisely this: I am not quoting him, but he said: "I am interested in the organization. But what you fellows are doing is creating a lot of bad publicity for Atlantic City. Every arrest you have made gets played up in the newspapers. You would think you are grabbing Frank Costello every time you grab somebody. Why, I do not know. You fellows are evidently good copy. You are doing a lot of harm. It is doing the city a lot of harm. It is not doing the racket men any good, but we have an organization that we want to keep intact and we want to have peace and harmony. I do not know what started you fellows off, but I want to know what can settle it."

We told him what started it off, the racket men pushing cops around, writing numbers right in front of us, and telling us they would have us moved, and this, that, and the other.

He said, "I do not know anything about that."

Then he made some references to an arrest we made downtown where this fellow asked whether he could make a phone call. Portock said, "Whom are you going to call?"

He said, "I would like to call Senator Farley."

Mr. LANE. Who is the man arrested?

Mr. GRIBBIN. Ellis Lewis and Fred Solitare, a bookmaking joint, one of the biggest down here. He asked to call Senator Farley. Portock said, "Call him. If he walks through that door, we will arrest him, too."

I said to Jack, "He is referring to Senator Farley as his attorney. I think he asked to call Senator Farley as his attorney."

I think he asked whether he could call Stumpy, too. I won't swear to that. Anyway, I told him; "If you call Senator Farley and you call Stumpy and you call six other people and they all walk in that door, you are still under arrest, and that is all there is to it. You might as well not make any phone calls."

The story got back to Senator Farley that if he had walked into that door, I would have arrested that — — —. So he was very mad about it. I told Fredericks that I didn't say that, but I wouldn't give him the satisfaction of telling him that I did not, because I might, if I got mad. He was next door. He said that was beside the point. "What do you want to quiet down?" he asked.

I said: "There is nothing I want to quiet down. I don't trust the organization. These racket men are out to hang us if they have to frame us. They are already talking about how we are taking money and they are approaching different racket men to try to say that we are letting this guy operate and that guy operate and getting money. As far as we are concerned, all those rumors are good. That is the best advertising we can have. But I do not trust them. The only thing I can tell you to do is, if I were assigned to prostitution, as I was before, I might put all my time in there. If Warlich and Portock were assigned with me, maybe we could keep chasing the prostitutes all over the county. We are not worried about it. You fellows are more worried than we are."

He said: "I will give you an answer in a day or so. I will confer with the right people."

Warlich had one or two other conversations after that with him, but I never went back for the answer. I told Warlich and Portock that I did not trust them. I did not want any part of it. That is what you refer to as pressure, which I could not exactly call pressure.

Mr. LANE. Did any other person in political circles here try to dissuade you from what you were doing?

Mr. GRIBBIN. Jimmie Boyd did that.

Mr. LANE. When did that take place?

Mr. GRIBBIN. A short time after, when I would say it was November—about December.

Mr. LANE. He is the clerk to the board of freeholders?

Mr. GRIBBIN. Yes. I made an affidavit on that entire incident, which you people should have.

Mr. LANE. Can you tell us the substance of what took place?

Mr. GRIBBIN. It is a very long story.

Mr. LANE. Condense it, if you will, and give us just the highlights.

Mr. GRIBBIN. Portock made an arrest and he called me.

MR. LANE. For assistance, to assist him in the arrest?

MR. GRIBBIN. Yes. I was in the radio car. When I arrived there, we found this very elderly man. He is a very small bookmaker. He has a small store and writes a few numbers and a few horses. He was very, very nervous. He was ready to drop dead at our feet.

MR. LANE. What was his name?

MR. GRIBBIN. Kaiser. Portock asked him, in front of me, "Whom do you write numbers for?"

He said, "Bickstein." He meant Rubenstein. We said, "Whom do you write horses for?"

He said, "Freddie Grobes."

MR. LANE. How do you spell that name?

MR. GRIBBIN. G-r-o-b-e-s. He is a brother of the detective. So we called Sergeant Popowski. In front of Sergeant Popowski, we asked him again and he again told us, but this time he said, "Rubenstein," instead of Bickstein.

The arrest was made and after the report was made out, Jack came to me and said: "Frank, do you want to help me on that report?"

When we started to make the report, Jack said, "We should list in there what he said."

I said: "I wouldn't bother with it. In the first place he doesn't know what he is talking about, because Freddie Grobes is not booking the horses. Buddy Stearnes is booking them. Rubenstein is the numbers man and not Bickstein. He made the statement before the sergeant and if the sergeant doesn't want to do anything about it, the hell with it."

This guy was too old and too sick to put on a witness stand and question him at any length. The rumor was all over town that we would get a warrant for Rubenstein and Grobes.

I said, "Jack, if we get the warrant, the case is weak. They will bring him in and they will throw it out of the municipal court. Rather than give them that satisfaction, I want to wait until we get them good."

That was all there was to it. I was working 8 to 4. When I went home from work, I was informed to report back to work at 4 o'clock the next afternoon, which means they took me off that shift which I had been on for a year, and off the radio car, which I had been on for 4 years. I said, "O. K."

The next day, I was preparing to go to work at 4 in the afternoon. I got a call, a policeman came down and told me that the chief wanted me right away. So, I went up to the chief's office. Instead of the chief, I found Director Kerstetter in there.

He said: "Frank, I just wanted you to call me. Jimmie wants to see you. Wait a minute."

Then he picks up the phone on his desk and calls Boyd's office. He was talking to Boyd. It was about a quarter to 12. He asked Boyd, "Do you want to see him before lunch or after lunch?"

Boyd evidently said, "Send him right up. I will wait for him."

Director Kerstetter said: "Gribbin, go up to Boyd's office. He will wait for you."

It is a block and a half away. I walked over. I asked the colored man if I could see Boyd. He said he would be out in a minute. I sat there for 45 minutes. I was getting madder by the minute. I said to myself, "I didn't want to see him."

I walked out and they sent a radio car out to me where I was in a restaurant where I was getting some food. The cop said: "Frank, you have to go back there. They have been chasing all over to find you."

I said: "I will go up behind you, if you open the door, but I won't go there alone."

He made a phone call and then we went into the building. The door was open and I walked in to Boyd's office. Boyd was standing there, pretending like he didn't know me. He said, "What do you want?"

I said, "I do not want anything. What do you want?"

He said, "You are Gribbin?"

I said, "That is right."

He said, "Sit down."

So I sat down. He walked around the table a couple of times. He said: "You know, Gribbin, you have done a lot of external work on your own time. Somebody is going to get hurt."

He thought a lot between every sentence. He said, "You are in that radio car against my will. You know that, don't you?"

I said, "Yes, I do."

He said, "I have a sick man in my precinct I would like to put in that radio car. Do you know who that is?"

"I know that, too."

"Yesterday, I took you out of the radio car, and I am sorry. I am sorry because I do not believe your heart and soul is in this campaign against the racket men. You are letting that little Hebe gangster"—referring to Portock because he is Jewish—"influence you too much. You are supposed to be an intelligent policeman. The reason I know your heart and soul is not in this is because of the thing you did yesterday. You talked those boys out of getting a warrant out for Rubenstein and Grobes. I took you out of that radio car, but I am sorry. I would like to see you go out of here and mind your own business. Let Portock worry about himself and Warlich worry about Warlich, but you worry about Gribbin. What do you think?"

I said, "Well, what I did yesterday was only what I thought was right. As far as Portock and Warlich are concerned, I will stay with those two guys as far as I am concerned, as long as I live before I would associate with guys like you. I owe you nothing. If I am in that radio car tomorrow, I do not give a damn."

He said, "Well, you are mad. You mark my words, Warlich will never go back in that chief's office. Portock will never go back on the wagon. But I can straighten you out. When are you supposed to go to work?"

It was 3:30 then. I said, "4 o'clock."

He said, "Wait a minute."

He opened the door and he said to the colored fellow, "Get Tod for me."

That meant Tod Kerstetter.

MR. LANE. Otherwise known as Meredith?

MR. GRIBBIN. Meredith Tod Kerstetter, known as Tod.

MR. LANE. Is the acting inspector?

MR. GRIBBIN. He is assistant director of public safety. At that time the chief was on vacation, as he is now, and he was acting in the chief's place.

All I heard him say was, "Get Tod for me."

He came back in the room. I really cannot tell you what he said. He rambled on about the racket men and the organization. He said, "You cannot fight city hall. It has been tried before. It has crippled many a man fighting the hall. You cannot win. I am responsible for you. You have always been a good cop. I do not know what has happened to you."

The fellow called him. He went over and closed the door. I heard him say, "Listen, Tod——"

Then he closed the door. Then he went back in and said, "Frank, you go to work at 8 o'clock. I had you assigned to the chief's office for the day. Don't bother to go to work today. You go to work tomorrow at 8 o'clock, and you go back into your own car and with your own partner."

I said, "That is all?"

He said, "That is all."

I said, "There are no strings attached to what you did. It doesn't make a bit of difference to me. You took me out and you put me back in."

So I left.

A day or two after that, we made several pinches. And they were afraid to take me out of the radio car because the newspapers got wind of it. They intimated that they would take me out if I made a few arrests. But, in view of the publicity, they wouldn't take me out.

Mr. LANE. Are you still there?

Mr. GRIBBIN. No; I submitted a written request to be taken out. They started putting stool pigeons in with me, and I couldn't take that; so I had been out of the car. I was out of the car until 5 or 6 weeks ago, and then I was put back.

Mr. LANE. You were put back in?

Mr. GRIBBIN. Yes.

Portock is back in a car downtown, and Warlich works in the chief's office. Everybody has been trying to settle us down. Max Goldschein gave us an idea. He said, "You fellows have been working pretty hard all winter. You have all the big men in hiding. If you want to get the big men"—he came down one Sunday to talk to us—"I would suggest you lay off for a while. Take it easy and see what happens."

So, we did just that. We let them think we were tired. We soon had a proposition where we would be put back in radio cars, and so forth. So, we let them believe we would do what they wanted. Immediately we were transferred right back to the radio cars, and it has been that way since.

We had an idea from what Goldschein stated that he would be responsible; he would see that some persons of responsibility would be in around here this summer, and he wanted us to give it about 30 days, so to speak, to see what they would do. We did that. They started to open up. Bath and Turf opened up. Cardrooms opened up. A number of runners are running around the streets again. You people started checking, and we didn't want to do anything to hamper anybody's activities.

Mr. LANE. You spoke of stool pigeons in the car. Do you mean other members of the force?

Mr. GRIBBIN. Oh, yes.

Mr. LANE. Did you have the impression that those men were put there for any particular purpose?

Mr. GRIBBIN. Yes. I would say they were.

Mr. LANE. Was one of their purposes to tip off or frustrate any attempted arrests?

Mr. GRIBBIN. Under the circumstances, I wouldn't say it was that exactly, because Portock and Warlich were on a beat. I never attempted to make an arrest with anyone else but them, because in a civil suit, subsequently, I would lose out if I had a man with me whom I couldn't trust. They kept a man with me——

Mr. LANE. Just to keep you under observation?

Mr. GRIBBIN. Yes, sir.

Mr. LANE. Did they make any attempt to frame any charges against you?

Mr. GRIBBIN. Yes.

Mr. LANE. Besides this business about the Berenato car?

Mr. GRIBBIN. Not framed; no. I wouldn't say they tried to frame, but the Sheriff and John Mooney of the vice squad reported me for being out of the district, something I did for a year. They had Sergeant Popowski catch me before I got back in the district, but I somehow knew, and I moved. Popowski told me to be careful. I found out from the man inside who made the call. Sheriff Gormley made the call. I sat down immediately and typed out a request to be transferred out of the car, and they acted on it the next day.

Mr. LANE. Since you commenced with Portock and Warlich to make arrests in November 1950, has there been any effort made by your superiors to put an end to the numbers racket in Atlantic City?

Mr. GRIBBIN. No. Has there been any effort by my superiors?

Mr. LANE. Any effort that you know of originating with Kerstetter or Saunders or the vice squad to stamp out the numbers racket?

Mr. GRIBBIN. No.

Mr. LANE. Any effort to stamp out bookmaking?

Mr. GRIBBIN. No. All they did was—they tried to keep a like amount of arrests with us. If we made three arrests, they made three arrests. They always made minor arrests.

Mr. LANE. You mean the charges were only for disorderly conduct?

Mr. GRIBBIN. Not only the charges were minor, but they grabbed minor individuals. They were not attempting to grab others.

Mr. LANE. Did any of those individuals appear in the county court or were they all taken to the municipal court?

Mr. GRIBBIN. They were taken to the municipal court, and after the grand jury started taking an interest, they started holding them for the grand jury. In conversations with the grand jury, we let them know that they were being fooled, and thereafter the prosecutor insisted that they be held for the grand jury.

Mr. LANE. Is there any doubt whatever, in your mind, that the great majority of the bookmakers in Atlantic City are known to the responsible officers in the police department?

Mr. GRIBBIN. They are known to everyone.

Mr. LANE. Is the same true of those engaged in the numbers racket?

Mr. GRIBBIN. I will say "Yes," but not quite as familiar. The chief may deny that. He may deny that he knows a few numbers rackets. He may be telling the truth. The chief may, but the rest, I would say "No." The chief is a very peculiar person, very odd. I do not know how he lives. He has a little world all his own.

Mr. LANE. If you had the authority, could you, with a small staff, run all of the present known numbers operators out of town?

Mr. GRIBBIN. If what, sir?

Mr. LANE. With a small staff and the necessary authority, could you run the numbers racketeers out of town?

Mr. GRIBBIN. Certainly.

Mr. LANE. Could you do the same with the bookmakers?

Mr. GRIBBIN. The bookmakers, a lot easier; yes, sir.

Mr. LANE. Then, is it your opinion that the existence of the numbers racket and bookmaking in town is condoned by the law-enforcement officers?

Mr. GRIBBIN. Yes; they are kept directly under the thumb. That is the element in the police department responsible for vice. I would say 40 men in the entire detective bureau. They put the direct responsibility on the vice squad. That consists of six men. The direct responsibility lies on their shoulders. They are patrolmen. There is one sergeant, Sergeant Sullivan. I will say here and now that Sullivan is rather an honest officer. He is a good officer. But he was taken as a clerk and made a sergeant and put in as head of the vice squad, and he got himself a good job, but he had no choice in the selection of the men who work with him.

Mr. LANE. Is he a man who does what he is told?

Mr. GRIBBIN. Yes, but he is not easily told. If they say, "Lock up 'Cherry' Haggerty," he will say, "Lock him up yourself." He knows that, when they tell him to lock up "Cherry" Haggerty, they have another motive other than to close up bookmaking. He doesn't want to do their dirty work. But, when he knows something is going on, he will make the arrest. He has no control over the three men working with him. They are uniformed patrolmen assigned to vice in plain clothes.

Mr. LANE. Do these racketeers and bookmakers make political contributions to the ward clubs?

Mr. GRIBBIN. Yes.

Mr. LANE. Do you have any idea of the scope and regularity of those contributions?

Mr. GRIBBIN. I wouldn't be able to say what their contributions are. It would run according to the size of the bookmaker, of course, but one of their standard procedures is on election day they pay all the election workers in their precinct. So, in other words, the way it was explained to me was this: Any Republican club treasurer may have a listing of, say, \$45,000 for last year's election, which was paid out for workers. It was taken out of the treasury, but a fellow like Haggerty, who has the third ward, you might say, completely sewed up, actually puts up the money in cash, \$5 or \$10, or whatever his workers get for each and every worker in his entire precinct. So, if you want to look at it that way, there is \$35,000 going to come out of that treasury, but that \$35,000 isn't going to go for the election. That will go into the pockets of the politicians, but the racket man will pay for the election. That will cost them a pretty penny in the course of the year, because you have a general and primary every year. There are two elections at any rate.

Mr. LANE. What means are taken to enforce the contributions by the racketeers to the ward?

Mr. GRIBBIN. If the precinct captains do not get the necessary amount—

Mr. LANE. There are 46 precincts among the wards.

Mr. GRIBBIN. I am sorry. I mean the ward leaders. If the ward leaders, in a certain ward, do not get all the racket contributions for a particular election, they would call Stumpy and tell him.

Mr. LANE. What would Stumpy do about it?

Mr. GRIBBIN. He would send Arnheim—that was before he became an inspector—or the vice squad around to let the guy know he didn't pay up.

Mr. LANE. In other words, if the correct contributions are not made, then a raid takes place on the operations by the vice squad?

Mr. GRIBBIN. I wouldn't say a raid. They go around and let him know that it might cost him more in subsequent fines than if they paid now.

Mr. LANE. I take it from your description of Frank Sullivan that he is not a party to such an undertaking as that?

Mr. GRIBBIN. You might find out differently, but not in my opinion.

Mr. LANE. But there are other members of the vice squad who would do that?

Mr. GRIBBIN. Mooney is vicious, as vicious as they come. He is strictly Boyd's and Stumpy's man.

Mr. LANE. What about Hanesberry?

Mr. GRIBBIN. I can't say too much about him. Hahn is strictly an order man. They split them up. Sullivan now has to work with Hahn, and Mooney works with Hanesberry. Sullivan and Hanesberry wouldn't do the bidding of the organization. They split the two pairs up, now. Of course, if you are coming right up to date, Sullivan has now been taken off and is taking over narcotics. John Mooney and Charles Hahn are handling the vice. Sullivan has been telling me for the past year that he wanted to get out of vice because there is too much pressure being put on it.

Senator HUNT. Do you know, of your own knowledge, of any protection money that has been paid by any individual in the bookmaking business, a bookie, or in the numbers game, do you know of any moneys that have been directly paid for protection?

Mr. GRIBBIN. Are you referring to steady payment or, you might say, a shakedown?

Senator HUNT. Let's take it this way. Supposing you make any bet you might think of. A man has a book on that bet, or he has a numbers game. Do you know of any payments he has made in money for protection so he will be allowed to continue that game?

Mr. GRIBBIN. No. I could probably tell you 40 rumors, you know. They don't mean anything. They wouldn't be substantiated, with the exception of the time the vice squad walked in on Snyder, a bookmaker named Snyder, and that was a direct shakedown. That was what that was.

Mr. LANE. Were you present at the time?

Mr. GRIBBIN. No.

Mr. LANE. You only know it by hearsay?

Mr. GRIBBIN. It is very well substantiated throughout town that it happened, though. You have Mr. Cohen out here who was a partner of Mr. Snyder.

Mr. LANE. I see.

Mr. GRIBBIN. Maybe he will tell you about it.

Senator HUNT. Then, you are not in a position to tell the committee of any particular person who has paid money to any official for protection. All you know is hearsay.

Mr. GRIBBIN. As I say, it is only hearsay. On the north side, that is the colored district, the number bank is supposed to pay a thousand dollars a week. We know that they are supposed to be paying.

Mr. LANE. If they are supposed to be paying a thousand dollars a week, to whom is it rumored that they make those payments?

Mr. GRIBBIN. Stumpy Orman.

Mr. LANE. Who is Stumpy's agent for collecting that money?

Mr. GRIBBIN. That is debatable. I do not think Bruce ever collected for Stumpy but I know Bruce was the collector.

Mr. LANE. What is his name?

Mr. GRIBBIN. Bruce Williams. I am going back to 2 or 3 years ago. I do not know what happened. He is operating a small numbers bank himself. So I do not believe he is his collector, himself, now. I think Portock would know more about that. He was talking to somebody about that.

Mr. LANE. What part in this does "Cherry" Haggerty play?

Mr. GRIBBIN. I couldn't tell you that. He pays the group two or three hundred dollars.

Mr. LANE. What is his function in the racket?

Mr. GRIBBIN. He is a numbers banker and he is a bookmaker.

Mr. LANE. With whom is he associated?

Mr. GRIBBIN. He is associated with John Massina and Charles Hogan. Haggerty is on probation or parole. I do not know which it is. He has still 2 years to go. He doesn't touch anything. You couldn't hand him a numbers slip or even an Armstrong. Hogan handles everything—the numbers and the slips. John Massina handles the horses. All the stores in the third ward, who book horses, have to call the horses in to Massina. That is Haggerty's function. That is one outfit, Haggerty, Hogan, and Massina. As far as Haggerty's activities are concerned in the rackets, now, it is going to be pretty hard to catch him, because he doesn't touch it now.

Senator HUNT. Do you know of anyone who has been in the numbers game or bookies game who would care to testify before the committee that they had made payments for protection?

Mr. GRIBBIN. Only McCallum that I know of, so far. He is a convicted bookmaker. He is the only one who will be willing to testify, as far as I know. He is the only one who will testify. Mr. Cohen may give you the story about that \$2,500.

Mr. LANE. Thank you very much.

(Whereupon, at 1:45 p. m., the committee recessed, to reconvene at 2:30, the same day.)

AFTERNOON SESSION

Senator HUNT. I am Senator Hunt.

Judge, it has always been our custom ever since the committee started that we swear our witnesses. So, if you do not mind, I would like to swear you in.

Judge WARKE. Not at all.

Senator HUNT. Do you solemnly swear that the testimony you are about to give this committee will be the truth, and nothing but the truth, so help you God?

Judge WARKE. I do.

Senator HUNT. Judge, I want you to know the committee is appreciative of your taking your time and coming here today to give us the benefit of what information you have with reference to the questions we ask you. I think the committee is exceptionally fortunate that you will be a witness. We will attempt to be very careful not to ask you anything that will in any way embarrass you, and I hope that you can give us some information that may not have an exact bearing on what we are after in Atlantic City, but, if it has some distant bearing on the over-all picture, it would be quite worth our while.

Judge WARKE. I am always available, Senator, if I can get in when I get down here, more or less, and then get out. I am a one-man office, and it is hard to get away from it, but I am always available if you want me later or at any time I will be glad to come down.

Senator HUNT. Thank you.

Now, Judge, the counsel, Mr. Lane, will conduct the inquiry.

TESTIMONY OF ROBERT L. WARKE, FORMER JUDGE, COURT OF COMMON PLEAS, ATLANTIC COUNTY, N. J.

Mr. LANE. By way of preface, Judge, I cannot think of anything that will embarrass you?

Judge WARKE. I cannot either.

Mr. LANE. For the record, what is your full name and your residence?

Judge WARKE. Robert Lane Warke. I am presently residing, for the summer, at our place at Absecon. My permanent address is 115 North Windsor Avenue, Atlantic City.

Mr. LANE. Are you a native of Atlantic City?

Judge WARKE. You might as well say so. I was born in New York, but they brought me down when I was 3, and I have been here ever since.

Mr. LANE. Have you spent your entire professional career on and off the bench in Atlantic City?

Judge WARKE. On and off the bench and in other offices, if you want to know. I began in public office—

Mr. LANE. If you would give us just a thumbnail sketch so we will identify you for the record.

Judge WARKE. From around 1923 until 1925 I was assistant prosecutor. From 1925 to 1931 I was district court judge. That is a small court of civil jurisdiction. From 1932 to 1934 I was one of the city commissioners, and from 1934 on I went on the common-pleas bench. That is the county court. I was there until 1948, with an interruption during which Senator Taggart, who was senator and whose confirmation I had to have in the senate, kept telling me he would confirm me in a month or so, he wasn't ready to do it yet. That went on for a couple of years. If I had known that would go on for that long, I would have gone into private practice.

Mr. LANE. You served without compensation?

Judge WARKE. No; I did not serve at all. I was off the bench.

Mr. LANE. What was the jurisdiction of the court of common pleas over which you presided?

Judge WARKE. Almost everything except equity. Criminal, orphans court, civil causes, domestic relations, juvenile. We had 13

courts. Naturalization, workmen's compensation appeals, appellate jurisdiction from magistrate convictions, and virgin civil cases.

Mr. LANE. You here call a high crime what in other States they call a felony?

Judge WARKE. We call them high misdemeanors.

Mr. LANE. During the time you were on the bench, from 1934 to 1948, did you have an opportunity to observe the attempted control of vice in Atlantic City and Atlantic County?

Judge WARKE. The extent of control?

Mr. LANE. The attempted control. Did you observe the attempt by law-enforcement agencies in Atlantic County to control bookmaking and the numbers racket and prostitution and other crimes in Atlantic City?

Judge WARKE. Yes, certainly.

Mr. LANE. During that period, from 1934 to 1948, was there any change apparent to you in the attitude of the law-enforcement officials?

Judge WARKE. No.

Mr. LANE. Was there any change in the extent of numbers racket operations in Atlantic City?

Judge WARKE. No. Once in a while they would have the reputation of having quieted down while some heat was on, but they quickly got over that. I didn't know, of course, but I was told even in those times they kept right on doing business.

Mr. LANE. I am not asking you about the time you were told. I am trying to ask you about the time you were actually on the bench and you were presiding over trials or taking pleas from people who were arrested for numbers operations or for bookmaking.

Judge WARKE. No; I noticed no change in the activities.

Mr. LANE. Was it apparent to you during that time that it was in full swing in Atlantic City during that period except, as you say, for periodic investigations?

Judge WARKE. You will have to understand I never really knew anything. For instance, if you would ask me now to place a bet on a horse, I couldn't take you any place that I believe you could place your bet if you wanted to. I don't know that, but that is the reputation, and I am speaking of reputation throughout. I never knew of any activities as a matter of knowledge. Our newspapers and the special reform newspapers have been harping on the matter for years and even divulging names and places, but I never saw one and I never was in one.

Mr. LANE. How many of these men arrested for the numbers racket or for bookmaking did you sentence to jail.

Mr. LANE. That would only be perhaps one a year in the course of 14 years?

Judge WARKE. Something like that.

Mr. LANE. When you say 12 or 15, do you mean that those men were not only sentenced, but actually went to jail?

Judge WARKE. That is right.

Mr. LANE. Did you at the same time during the same period mete out jail sentences to men and then suspend the sentences?

Judge WARKE. Yes; I have done that.

Mr. LANE. Was there anything which could be described as the customary practice in dealing with those men brought before you for bookmaking and numbers?

Judge WARKE. So far as I was concerned, every tub stood on its own bottom, which is to say, every case I considered on its own merits. If a man was a previous offender, had a record for the thing, he would probably go away. If it was a first offense, it would usually be a fine and probation for 2 or 3 or 4 or 5 years. That was invariably the sentence. Get them out of the racket and keep them out.

Mr. LANE. Was there anything like a typical fine for men caught in the numbers racket?

Judge WARKE. Typical fine.

Mr. LANE. Yes.

Judge WARKE. I had been off for 3 years. I think the maximum was \$1,000. I used to put a respectable fine on them; yes.

Mr. LANE. It may not refresh your recollection and it may be off the point, but it has been brought to my attention that a typical sentence was 364 days.

Judge WARKE. I never gave such a sentence, not to my recollection.

Mr. LANE. Is there any particular virtue in having a sentence less than a year?

Judge WARKE. Yes. A sentence less than a year may be served in the county jail. Any sentence of a year or more must be served in the State institution. Of course, although maybe I shouldn't volunteer this, there is little scrutiny of activities in the county jail sentence. The judge can put the man in the county jail for 364 days today and let him out at the end of a month or a few weeks and nobody else would know.

Mr. LANE. Who lets him out?

Judge WARKE. The judge who puts him in. But when they get into a State prison, a State institution, the State parole board is the only one that can let them out or the court of pardons.

Mr. LANE. When a man is out on parole or is on probation to whom does he report in the county?

Judge WARKE. If he is on probation—parole would be from the prison. If he is on parole from the county prison, he would report to the county probation office. If he is on parole from a State institution, he reports to Walter Vetter, the State parole office.

Mr. LANE. Is there anyone who supervises the operations of the county probation officers? Is there any member of the bench who takes a responsibility in seeing that the probation is due regularly and the probationer reports regularly to the officer?

Judge WARKE. No one but the probation officer himself.

Mr. LANE. There is no check that you know of over him?

Judge WARKE. There is none.

Mr. LANE. These fines—

Judge WARKE. May I interrupt you for just a minute?

Mr. LANE. Yes.

Judge WARKE. May I say that the county board of freeholders is interested in probationers who have to pay fines regularly because that is county revenue and the probation officer, the county probation officer, regularly submits reports to them of those who are on probation and the fines that are coming in. In case somebody is in arrears in their fines, they may call on the probation officer to get their fine.

Mr. LANE. Then the probation officer not only checks up on their weekly activities, but he also is charged with responsibility for seeing that the fines are completed?

Judge WARKE. That is right.

Mr. LANE. Does he have discretion to collect them over a period of time?

Judge WARKE. No. The court fixes the amount of the fine and the rate at which it shall be paid.

Mr. LANE. Has there been any investigation of which you know to ascertain whether or not those fines are in fact paid?

Judge WARKE. There has been no investigation that I know.

Mr. LANE. Do you have any opinion as to whether they have been paid?

Judge WARKE. I would say that they have been.

Mr. LANE. Do you have any knowledge at all, Judge Warke, as to the source of the money that is tendered to the county in payment of those fines?

Judge WARKE. No.

Mr. LANE. No way that you know of to trace the money to the people that actually pay it?

Judge WARKE. No, only to ask the fellow who paid it where he got it.

Mr. LANE. On the record, it would appear that the man who is convicted has paid it and beyond that the county has taken no cognizance.

What is the term of office to which a common pleas judge is appointed?

Judge WARKE. Five years.

Mr. LANE. Who appoints him?

Judge WARKE. The common pleas judges are appointed by the Governor and must have the confirmation of the Senate. If you happen to be a candidate from Atlantic County for the county court, that is, not the supreme or superior court, all your Senator has to do is tell the Senate that you are personally objectionable to him and, as a matter of senatorial courtesy, the Senate will not confirm him. The Governor might as well take your name out and save you the embarrassment of being turned down by the Senate.

Mr. LANE. You might have served an interim appointment to come out with 14 years?

Judge WARKE. Yes.

Mr. LANE. When you were first appointed who was the State senator from Atlantic County?

Judge WARKE. Emerson L. Richards.

Mr. LANE. When was he succeeded by another senator?

Judge WARKE. I do not remember.

Mr. LANE. But your reappointment was credited to Richards or was Senator Farley already the senator when you were reappointed?

Judge WARKE. I had my first confirmation from Senator Richards. The second confirmation was from Senator Taggart. My third confirmation was from Senator Farley. I better say Mr. Farley. I do not think he is a senator.

Mr. LANE. You do not think he was a senator?

Judge WARKE. I call him Mr. Farley. He is no senator.

Mr. LANE. He is in fact the State senator?

Judge WARKE. Yes; he has the title and the office.

Mr. LANE. It must have been in 1943 at the time of the approval of your reappointment that he had the title and office and he approved your reappointment?

Judge WARKE. That is right.

Mr. LANE. Then, when you came up again for confirmation in 1948, you were persona non grata to Senator Farley?

Judge WARKE. I didn't hear that.

Mr. LANE. You were not apparently acceptable to Senator Farley in 1948?

Judge WARKE. I wasn't given to understand that. He always told me I was acceptable.

Mr. LANE. I am not trying to split hairs.

Judge WARKE. Apparently I wasn't. He didn't confirm me. However, he never told me he wouldn't.

Mr. LANE. You came to the end of your term and you were ready to serve another term?

Judge WARKE. That is right.

Mr. LANE. You had been out of law practice by then for nearly 15 years?

Judge WARKE. Oh, 20 years. I didn't practice any law when I was prosecutor or district court judge or city commissioner—little office stuff. I would do that, but not general practice. I couldn't.

Mr. LANE. You expected reappointment in the usual course?

Judge WARKE. Yes.

Mr. LANE. Did you discuss it with Senator Farley?

Judge WARKE. Definitely.

Mr. LANE. What did he give you to understand? What was the substance of what he said to you at that time?

Judge WARKE. If I might take your time for that, under the circumstances, if you are a candidate the Governor has the appointing power, the least you can do is ask him to appoint you. If you can go to him and tell him that you have the approval of your Senator, it helps the Governor a lot and helps you. So I saw Farley before my term expired and asked him if he would reappoint me. He said, "Sure. You have been all right with me. Tell the Governor it is all right with me."

Then I went to see the Governor and told him that. He said, "That's fine. That is helpful. I do not think you have anything to worry about. I will give it every consideration. Go home and wait until your term expires."

Mr. LANE. Was that Governor Driscoll?

Judge WARKE. Yes. I came back. The term expired. Nothing happened.

Mr. LANE. Had you had any further talks with Farley before your term expired?

Judge WARKE. Not before the term expired. I went back to Farley then and said, "What is the trouble here, Frank?"

He said, "Well, I am going to confirm you, but I am not ready to do it yet."

I said, "Just so you do not forget me. I am off the payroll."

He and I laughed and everything was fine.

Then the newspapers began carrying stories that a man by the name of Naomi—

Mr. LANE. Was there a vacancy?

Judge WARKE. I served until my time was up. After your time is up, on midnight March 31, you are out.

I went back to Mr. Farley and said, "I don't like these newspaper stories about Naomi."

Mr. LANE. Who is Naomi?

Judge WARKE. He has the office now.

Mr. LANE. What was his background at that point? Where did he come from?

Judge WARKE. He is a local man. He is a graduate from a local school, graduate of Dickinson, and practicing office around here. He served one term on the district court. That was the court in which I originally served. He didn't succeed me.

So when I told Mr. Farley that I did not like the newspaper stories, he said, "You have been around long enough not to pay attention to newspapers. You are all right with me. I am not ready to confirm you."

But the next thing I knew the newspapers carried a story that Mr. Naomi was appointed and confirmed.

Mr. LANE. Did you talk to Mr. Farley again after that?

Judge WARKE. I have seen him, but I do not notice him and I do not care whether he notices me.

Mr. LANE. What was the reason why you were not acceptable?

Judge WARKE. I do not know. I told Mr. Winberry you can draw conclusions, but nobody ever told me.

Mr. LANE. What was your conclusion?

Judge WARKE. So far as I know, I am not the only judge that ever sent a gambler away, but I sent far and away the most of them. I know one judge who sent one. He almost couldn't help it. The man might have done it anyway. The fellow was a bad egg. He had to go. I think one of these present judges sent a gambler away, but, outside of that, I do not know anyone that sent any away.

Mr. LANE. Were there two judges on the common pleas bench?

Judge WARKE. Yes; all the time I was on there, there were two judges. There was supposed to be two judges. There were vacations and occasionally there was a time when I was the only judge.

Mr. LANE. Who was your colleague at the time when your time expired?

Judge WARKE. Judge Leonard, the present incumbent.

Mr. LANE. He was reappointed?

Judge WARKE. This is his first appointment.

Mr. LANE. His first confirmation?

Judge WARKE. That is right.

Mr. LANE. Was it ever reported to you by Farley that your action in sending bookies and numbers men to jail had caused him embarrassment in political circles?

Judge WARKE. No. He did call me the day before that newspaper story came out and he said, "It looks now as though it will be a long time before another common pleas judge is appointed. Understand, Bob, there is nothing personal in this but you are not going to be confirmed this week, as I told you you would be," or something like that. Then he hung up. I thought, "What is there that is not personal about it if I am going to be confirmed?"

Then the following day that story was in the papers about Naomi being appointed and confirmed.

Mr. LANE. Did you ever have a colored numbers operator named Scheper before you?

Judge WARKE. I do not know whether I had or not. I do not think so. I think what was before me in that was an action by his counsel or his wife's counsel against the county prosecutor to get the money back that was seized in that raid. Mrs. Scheper claimed that it was hers and brought action to get it. But I do not know what became of the action. It never was tried by me. I think it was a preliminary motion on that.

Mr. LANE. Don't you recall, Judge, that Scheper was sent to jail?

Judge WARKE. No. Did I send him?

Mr. LANE. I believe so.

Do you recall that Scheper was alleged to be the numbers baron of the north part of town?

Judge WARKE. Yes; I remember that. I remember the name. That was where they found the money, in tin boxes under the floor, wasn't it?

Mr. LANE. I do not recall that detail, but, if I tell you that Scheper has been filing income-tax returns that show an admitted income of \$175,000 a year, does that refresh your recollection as to the extent of his operations, that he was a large operator?

Judge WARKE. I recall his reputation of being a big man out there; yes. I recall that.

Mr. LANE. But you do not recall whether you sent him to jail?

Judge WARKE. No. There was a prominent man out there that I did send to jail. What was his name? Mr. Winberry, what was his name?

Mr. WINBERRY. I do not know.

Austin Clark?

Judge WARKE. Austin Clark; yes. He had a big reputation out there. Then the Governor let him out on the representation that my sentence was illegal because I both fined and imprisoned him. I attacked that and the Governor unhappily was obliged to retract his pardon and put this fellow back in jail.

Mr. LANE. Austin Clark was a colored numbers operator, wasn't he?

Judge WARKE. That is right.

Mr. LANE. Do you recall the point of law that was involved in the controversy that arose from it when he was sent to jail? Does it refresh your recollection that in his case you not only fined him, but sent him to jail also?

Judge WARKE. Yes. That was the controversy.

Mr. LANE. And did the attorney general of the State intervene in that controversy?

Judge WARKE. The attorney general told me that he gave no opinion. Counsel for Clark said that the attorney general's office did give an opinion.

Mr. LANE. To what effect?

Judge WARKE. That the sentence was illegal.

Mr. LANE. Because it was in the conjunctive rather than in the disjunctive?

Judge WARKE. That is right.

Mr. LANE. Because of that supposed illegality, was Clark released from prison?

Judge WARKE. Yes; he was.

Mr. LANE. Then did he come back before you?

Judge WARKE. No. I went to the newspapers. There was a young man, a young attorney, who handled pardon matters during the time that we had no parole board. The old constitution had gone out and the new parole board had not been set up under the new constitution. So the governor was pardoning these people and this young man by the name of Milmed was advising the governor whom to pardon and whom not to pardon.

(Discussion off the record.)

Mr. LANE. Judge, was the upshot of this that Austin Clark was pardoned?

Judge WARKE. That is right, but he was returned.

Mr. LANE. Did your ruling that this law in the disjunctive was unconstitutional stand or was that overruled?

Judge WARKE. That was never overruled. In fact, it was decided again in Cape May County by Judge Loveland.

Mr. LANE. Do you know who, if anyone, did intervene on behalf of Clark to bring about the pardon?

Judge WARKE. Do I know who what?

Mr. LANE. Who intervened on his part to get the pardon?

Judge WARKE. Mr. Salisbury, his attorney, who was an assemblyman at the time.

Mr. LANE. Do you know anybody else?

Judge WARKE. No.

Mr. LANE. When Mr. Dickson was down here as special prosecutor, did he bring before you quite a number of these gamblers and bookies in Atlantic City?

Judge WARKE. Yes.

Mr. LANE. Did they, by and large, plead non volte before you?

Judge WARKE. Yes.

Mr. LANE. Were any of them cases where they pleaded not guilty?

Judge WARKE. I do not remember. I do not think so.

Mr. LANE. Do you recall any trials?

Judge WARKE. There were no trials.

Mr. LANE. Did you sentence them? Did you exact from them considerable fines?

Judge WARKE. Yes, very substantial fines—\$5,000, \$7,500.

Mr. LANE. On whose recommendation? Mr. Dickson's?

Judge WARKE. Mr. Dickson's.

Mr. LANE. In each case did you follow his recommendation in the matter of fine?

Judge WARKE. I did.

Mr. LANE. Did you yourself, knowing some of these men as old offenders, recommend to Mr. Dickson what the fine should be?

Judge WARKE. No; I did not. I recommended prosecution and trial and imprisonment, if they were convicted.

Mr. LANE. But Mr. Dickson felt that a stiff fine and probation would suffice?

Judge WARKE. Yes.

Mr. LANE. In that you were in disagreement with Mr. Dickson?

Judge WARKE. Yes; I was. I went to see Justice Eastwood, who was presiding in the circuit.

Mr. LANE. What jurisdiction did Justice Eastwood have?

Judge WARKE. The justice of the supreme court holding the circuit, as they call it, which consists of three counties, was, to speak sort of

slangily, the law in his circuit. He could come in if he wanted to and go on the bench in my place. He couldn't put me off, but he could come in and replace me. In other words, he was the chief law administrative officer of the county.

Mr. LANE. With the power to intervene in any trial that he saw fit?

Judge WARKE. That is right.

Mr. LANE. So, you consulted him on the policy question as to whether these men should be fined or jailed?

Judge WARKE. Yes; I had before that sent quite a number of gamblers to jail, and I told Justice Eastwood that I felt that the men who were in jail were entitled to have other people who did the same thing sent to jail, and I did not feel quite right about letting these fellows off with fines and probation in view of the fact that I had adopted a policy of putting gamblers in jail. Eastwood said, "It is all right. It is one view—and I suppose it is a good enough one—that the county would be enriched and these fellows would be put out of circulation for the probation period. If Dickson wants it that way, you should go ahead and do it."

He pacified me, in other words.

Mr. LANE. Weren't there two aspects to your point of view? First, if you did not put them in jail, they would go back to their own activities. Secondly, if you did not put them in jail, they were getting preferential treatment to the men whom you had put in jail.

Judge WARKE. I wasn't afraid of their going back to their activities, because, if they did that and were picked up by the probation officer, the sentence was there to be enacted. They wouldn't go back during their probation. I do not know one who did.

Mr. LANE. Isn't it a fact that some of these men came back and went straight back to what they had done before?

Judge WARKE. I never had that experience. Once or twice I have a juvenile on probation go bad on me, but I do not recall any burglar or thief or gambler or assault and battery that ever violated probation. I can recall a gambler and I sent him away.

Mr. LANE. Did you ever sit on the municipal-court bench?

Judge WARKE. That would be the police court. No.

Mr. LANE. Yes.

Judge WARKE. The district court is a municipal court, but that has no civil jurisdiction.

Senator HUNT. Who is this man Dickson?

Judge WARKE. He is a very prominent and very capable lawyer from Newark, N. J., who first came into prominence by his prosecution of Mayor Ellerstein of Newark and the city commissioners up there on a land-purchase deal; wasn't it, Mr. Winberry?

Senator HUNT. My question was, What gave him the authority to advise the court?

Judge WARKE. He was appointed special prosecutor by Justice Eastwood to come in and clean up the gamblers.

Senator HUNT. That was only in 1947-48?

Judge WARKE. That is right.

Senator HUNT. You were not bound, of course, to follow his recommendation.

Judge WARKE. No.

Mr. LANE. Here we are in 1951 and there is no question in your mind that the bookmaking business and numbers racket is still flourishing in Atlantic City?

Judge WARKE. I believe it is; yes, from what I see in the papers and from what I hear on the streets. I wonder about the night-club gambling. I do not know anything about these things. I have heard that these fellows use some judgment and quit when people like you are coming in or some State agency intends to come in.

Mr. LANE. I think you indicated earlier in your testimony that, whenever the heat is on, it stops temporarily until the heat is off. Is there any remedy to that that you could recommend?

Judge WARKE. It is pretty hard to answer. Vigorous enforcement of the law by prison sentences is about all that I know could be tried and persisted in.

Mr. LANE. Didn't you have the opinion that, by sending the men to jail rather than fining them and releasing them on probation, you could stop their activities?

Judge WARKE. I figured that would amount to something of a deterrent.

Mr. LANE. Do you think there is any substitute for a jail sentence?

Judge WARKE. There isn't any.

Mr. LANE. Is it your opinion that they could continue as they do in the numbers and bookmaking business without the knowledge of the law enforcement agents?

Judge WARKE. No; certainly not. If you are a patrolman on a police beat, there cannot be gambling on your beat and you not know that. That is ipso facto. You cannot get away from that. If you are a detective, there cannot be a gambling house or a house of prostitution in your district and you do not know about it.

Mr. LANE. It has been testified here this morning that practically every cigar store in town is a place where you can place a numbers bet. Do you doubt that?

Judge WARKE. No. I do not know about every one, but I do not think there are many that do not write them from what I hear.

The argument here is that it is an economic necessity; that the winters are long and the season is short, and patronage is short in the winter, and they have to make this on the side. I got it in court. We were told, if he was put on probation, he would quit.

Mr. LANE. But he never did?

Judge WARKE. I don't think so.

Mr. LANE. Was there ever anything that indicated to you, Judge, that there were any dominant figures in the numbers and bookmaking rackets in Atlantic County?

Judge WARKE. There were any what figures?

Mr. LANE. Dominant figures. Any overlord of this numbers and bookmaking racket known to you?

Judge WARKE. Only by reputation.

Mr. LANE. That is what I mean.

Judge WARKE. What was this man in Philadelphia who is dead now? He was supposed to be kingpin.

Mr. LANE. You mean that ran the racing-type sheet?

Judge WARKE. Nig Rosen. Would it be Nig Rosen? No; that wasn't it.

Mr. LANE. Did you ever hear of a man named Herman Orman?

Judge WARKE. Yes.

Mr. LANE. What is his reputation?

Judge WARKE. His reputation is that he is running the county.

MR. LANE. He is running what?

Judge WARKE. Running the county.

MR. LANE. And, if he is running the county, then, I assume that includes the fact that he is running the political party in the county?

Judge WARKE. That is his reputation.

MR. LANE. That would include, of course, Senator Farley?

Judge WARKE. That is right.

MR. LANE. Does Orman, so far as you know, have any legitimate source of income?

Judge WARKE. He is the owner and proprietor of a hotel on Atlantic Avenue, with a taproom.

MR. LANE. Do you know by reputation a man named Haggerty?

Judge WARKE. Yes. I sentenced Haggerty.

MR. LANE. For what?

Judge WARKE. Fine and imprisonment. Gambling. Big gambler.

MR. LANE. Do you know whether or not Haggerty is supposed to be in partnership with Orman?

Judge WARKE. No; I do not.

MR. LANE. Do you know who Haggerty associates with; who his associates are, if any?

Judge WARKE. No; I do not know that. I think he is quite all right in his own right. He is president of the Bartenders Union.

MR. LANE. You mean by "quite all right" that he has a source of income?

Judge WARKE. Yes; I think he is an independent factor. He may collaborate with Orman, as those fellows are supposed to do. I do not know. He probably does. I do not know what the set-up is. But he is reputed to be a sizable factor in his own right.

MR. LANE. Do you know whether or not any of these bookmaking and numbers offices make contributions to political campaigns here in Atlantic City? You have no information on the subject?

Judge WARKE. Not at all.

MR. LANE. One way or the other?

Judge WARKE. No.

MR. LANE. Just to get back on the subject, which you discussed before, I understand that you felt it was a mistake, when the special investigation was being conducted by Mr. Dickson here, to let these men off with a fine and suspended sentence?

Judge WARKE. Well, as I said—

MR. LANE. Both unfair and a mistake?

Judge WARKE. I felt it was unfair. That was what concerned me largely.

MR. LANE. Unfair to those sentenced?

Judge WARKE. That is right.

MR. LANE. And a mistake from the point of view of law enforcement?

Judge WARKE. I think it was a mistake from the point of view of law enforcement. I was not the law-enforcement officer. The proposed action had the sanction of the justice of the circuit.

MR. LANE. But you had the authority, in any event, to follow the dictates of your own conscience?

Judge WARKE. That is right, but that would have involved, as a said, long, protracted trials, possibly acquittals.

Mr. LANE. Even on a plea of non volte, you could have sent these men to jail.

Judge WARKE. It was understood before they plead that they would be fined.

Mr. LANE. What did you take to be Judge Eastwood's—not motive, but why was it his policy to take the pleas and let them off on suspended sentences?

Judge WARKE. He may have had just what I have recited in mind, that, if we had gone on in the way I suggested and insisted on their pleading not guilty, there may have been acquittals.

Mr. LANE. Wasn't the evidence actually overwhelming on all of these cases?

Judge WARKE. I think it would have been. The State police told me they never saw anything so open. They conducted raids in plenty of places. They had trouble getting in. These people were just like sitting ducks. You walked into the door and there were the things going on. So they must have had plenty of testimony. On the plea of non volte, I wouldn't be told what the testimony was, but I say Eastwood may have had in mind just what I have said: that there would have been a great deal of work and the chance of failure, and in this other way they collected. I do not know just how much, but \$40,000 or \$50,000 and stopped these fellows for at least 3 years.

There were a number of them. Justice Eastwood and Dickson, too, certainly were not motivated by any consideration for these fellows. Let's have that clear on the record.

Mr. LANE. You say it stopped them for 3 years. Actually, on that you will have to plead ignorance, won't you, because you do not know whether they went back to their operations or not?

Judge WARKE. I do not know, but, if they did, they never were brought up for it.

Mr. LANE. But you were off the bench after that.

Judge WARKE. That is right. I was off the bench a year after that. That transpired in 1947 and I went off in April of 1948.

Mr. LANE. Do you have any reason to believe that your, shall we call it, more vigorous policies with respect to these gamblers and racketeers made you persona non grata to elements in the Atlantic City area which had influence on politicians?

Judge WARKE. It certainly was not calculated to enhance my popularity with them, to say the least.

Mr. LANE. Recognizing that it cannot be any sort of evidence admissible in a court, you must have drawn some conclusion in the matter.

Judge WARKE. Sure. I would say that it made them unfriendly to me.

Mr. LANE. And they made that feeling felt where it counted with respect to your reappointment?

Judge WARKE. I was let out.

Mr. LANE. But you concluded that that was one of the influencing factors?

Judge WARKE. I know of nothing else. I was doing a good job. In 14 years I was reversed 7 times, and there were plenty of appeals. So, as an attorney, you will understand that is a pretty good record.

Mr. LANE. An excellent record, Judge.

Judge WARKE. I was going along all right, as far as I knew.

Mr. LANE. That was a reason which never would be voiced to you, but a reason you could not escape drawing?

Judge WARKE. I say again, if it wasn't that, I do not know what it was.

Mr. LANE. So you concluded that it was that?

Judge WARKE. I feel that had a lot to do with it, yes.

Mr. LANE. Then, if you had been left to your own devices during this Dickson investigation, you would have sent these men to jail rather than releasing them on probation?

Judge WARKE. I would have tried to. I say again it was a matter, you might call it business judgment rather than any thought of consideration for the defendants involved; that is, on the part of Mr. Dickson and Justice Eastwood. They thought it better policy to do it that way.

Mr. LANE. It seems to me, Judge, you would have put the fear of God with a strong attitude at that time, with a special investigation in progress, that would have been the correct attitude to adopt. I say that as a voluntary remark.

Senator HUNT. Judge, during your long term on the court and your other work with courts, did you know of any specific incident where gamblers paid protection money to any public official in Atlantic City or Atlantic County?

(Discussion off the record.)

Mr. LANE. Judge, before you go, I would ask you again a rather broad question. Would it not, in your opinion and from the experience that you have had now, both in office and on the bench, be naive to suppose that the political complexion of Atlantic County is almost entirely Republican, one party?

Judge WARKE. Would it be naive to think that?

Mr. LANE. Let me rephrase that. Isn't Atlantic County run by one party, the Republican Party?

Judge WARKE. Yes. It has been for 30 years. I am not of that party.

Mr. LANE. With the bookies operating here, as you said, so openly, and the numbers racket flourishing so openly, wouldn't it be naive to suppose that there is no connection between that political government of the county and the operation of the bookies and numbers rackets?

Judge WARKE. I would think so.

Mr. LANE. Wouldn't it be naive, Judge, to suppose that those operating the bookie establishments and the numbers establishments do not contribute to the campaign funds of the dominant party?

Judge WARKE. Certainly. I would think so.

Mr. LANE. And when I say it would be naive, I call your attention to Herman Orman and ask you whether it is not a fact notoriously known in this community that Orman dominates Atlantic County?

Judge WARKE. That is the general impression that everybody has and has been given out in the newspapers and in editorials and otherwise.

Mr. LANE. The general impression is that he not only bosses the Republican Party but also bosses the rackets in Atlantic County.

Judge WARKE. That has been said and is said repeatedly.

Mr. LANE. And is something you have no reason to doubt?

Judge WARKE. No, I have no reason to doubt it.

Senator HUNT. Thank you, Judge.

Would you give us your name, please?

STATEMENT OF WILLIAM CHARLTON, COUNSEL FOR HAROLD SCHEPER

Mr. CHARLTON. William Charlton. I am a lawyer in Atlantic City.

I represent one of the subpoenaed witnesses who is suffering from Hodgkin's disease, and I have a certificate from his physician which I would like to present to you. I have been here since 10 o'clock in his behalf. He is a colored man, 60 years of age.

Mr. LANE. May I ask you just a few questions, Mr. Charlton?

Mr. Charlton, what is your full name and address?

Mr. CHARLTON. William Charlton, Guaranty Trust Building, Atlantic City.

Mr. LANE. Am I correct in assuming that you are an attorney practicing in Atlantic City?

Mr. CHARLTON. Yes, sir.

Mr. LANE. And is Mr. Scheper one of your clients?

Mr. CHARLTON. Yes, sir, he is.

Mr. LANE. Is he only an occasional client or do you customarily represent him?

Mr. CHARLTON. I do not customarily represent him.

Mr. LANE. Is this the first appearance you have made on his behalf?

Mr. CHARLTON. That is right.

Mr. LANE. Are you personally acquainted with him?

Mr. CHARLTON. Well, I have known him. He is an old-timer around here. I would say I have known him maybe 8 or 10 years.

Mr. LANE. When you say that, you mean by reputation?

Mr. CHARLTON. By reputation and by sight, both.

Mr. LANE. Do you know what he was doing up until the time he was served with a subpoena to come before this committee?

Mr. CHARLTON. Only from what he told me.

Mr. LANE. When did he get in touch with you about the subpoena?

Mr. CHARLTON. About 6:30 last night.

Mr. LANE. Did he tell you then when it was that he had this course of X-ray treatment that is described in Dr. Latta's statement?

Mr. CHARLTON. He said he had been in a clinic in Boston where he had spent a considerable time, that he had this disease of the lymph glands and that any excitement caused them to swell.

I am told this morning—I did not talk with him—that the glands are markedly swollen. I did not see him this morning.

Mr. LANE. These are, as you indicate, the cervical glands, the glands in the neck?

Mr. CHARLTON. I indicate, from what was said to me, it is the region of the collar bone. That was what was vaguely given to me. I do not know.

Mr. LANE. Was he able to ask you about this subpoena and discuss it with you on the telephone?

Mr. CHARLTON. No, I saw him personally.

Mr. LANE. Was he able to talk freely with you at the time you saw him?

MR. CHARLTON. He was very hoarse. I had difficulty to understand him. I had to make him speak up. He complained, then, he was in pain.

MR. LANE. Do you know whether he has not been hoarse for weeks?

MR. CHARLTON. I do not know anything of that. As far as I know, there is no reason why he should not be here if he isn't ill, but I am told he has had this condition and been treated in Boston in some hospital with X-ray treatment.

MR. LANE. Mr. Charlton, I take it you are merely the bearer of Dr. Latta's medical opinion and not here to express any medical opinion of your own?

MR. CHARLTON. None whatever. I know nothing of medicine except vaguely.

MR. LANE. Will you then, if Senator Hunt directs, inform Dr. Latta that the committee requests him, Dr. Latta, to attend before us tomorrow morning with his client?

MR. CHARLTON. With his client? With his patient?

MR. LANE. With his patient.

MR. CHARLTON. I will convey that message to him.

MR. LANE. With Dr. Latta and in the presence of Mr. Scheper we will be better able to judge of his physical ability or inability to answer questions.

MR. CHARLTON. I shall, of course, convey your message. At what time do you want him?

Senator HUNT. Ten o'clock in the morning.

MR. CHARLTON. Certainly, sir.

MR. LANE. I take it, then, Senator Hunt, that you direct Mr. Scheper to attend, and you give him the privilege of bringing his doctor, if he is so minded?

Senator HUNT. Yes. I am requesting you as his attorney to advise him of the request that we are making.

MR. CHARLTON. I shall, Senator.

MR. LANE. Thank you very much.

MR. CHARLTON. I will probably come with him if he will permit.

MR. LANE. That is his privilege, if he wants you.

MR. CHARLTON. I do not know that the man is ill. I only know what the doctor told me and what he said. I will be glad to have Mr. Scheper here with Dr. Latta.

Senator HUNT. May I have your name, please?

MR. Woulfe. John C. Woulfe.

Senator HUNT. Mr. Woulfe, it is our custom to swear our witnesses. If you will raise your right hand?

Do you solemnly swear the testimony you are about to give this committee is to be the truth, the whole truth, and nothing but the truth, so help you God?

MR. Woulfe. I do.

TESTIMONY OF JOHN C. Woulfe, ATLANTIC CITY, N. J.

MR. LANE. What is your full name, Mr. Woulfe?

MR. Woulfe. John C. Woulfe.

MR. LANE. Where do you live?

MR. Woulfe. 3 South Plaza Place, Atlantic City.

MR. LANE. Are you a native of Atlantic City?

MR. Woulfe. A native for 24, 25 years.

Mr. LANE. Are you in business in Atlantic City?

Mr. Woulfe. Yes, sir.

Mr. LANE. How long have you been in business in Atlantic City?

Mr. Woulfe. Twenty-one years.

Mr. LANE. What has your business experience been?

Mr. Woulfe. Hotel and restaurant operation.

Mr. LANE. The whole time you were in this field?

Mr. Woulfe. Yes, sir.

Mr. LANE. Are you in that field now?

Mr. Woulfe. Yes, sir.

Mr. LANE. What is your present business?

Mr. Woulfe. The same one, the Columbus Hotel.

I have been in the Columbus Hotel 21 years. I own and operate it now.

Mr. LANE. Where is the Columbus Hotel?

Mr. Woulfe. St. James and Pacific Avenue.

Mr. LANE. What is the size of that hotel?

Mr. Woulfe. It has 111 rooms. We do a big restaurant business. We have a bar in addition to the restaurant.

Mr. LANE. During these 21 years that you have been operating the Columbus Hotel, have you taken any part in local politics?

Mr. Woulfe. The answer is "Yes." To this degree, hoping to be of benefit to the people of Atlantic City, I ran for assembly, State assembly, I think it was in 1939.

Mr. LANE. On what ticket?

Mr. Woulfe. The Democratic ticket. I am not sure of my year. I think it was 1939.

Mr. LANE. Was it before the war?

Mr. Woulfe. I do not think so. I think it was after the war.

Mr. LANE. Who was your opponent?

Mr. Woulfe. My opponent was Leon Leonard.

Mr. LANE. Who is now the county judge?

Mr. Woulfe. Yes. He got out of the race entirely. I sent word to him I was going to tell a couple of stories he himself told before a gathering of Beverage Association people, of which association I was president at the time.

Mr. LANE. And he withdrew?

Mr. Woulfe. He withdrew and Salisbury was substituted in his place.

Mr. LANE. And elected?

Mr. Woulfe. Yes.

Mr. LANE. Have you observed in Atlantic City the operation of bookmaking and number establishments?

Mr. Woulfe. Oh, yes. It is common knowledge.

Mr. LANE. Did you campaign for election to the assembly on a platform of good government?

Mr. Woulfe. Oh, yes.

Mr. LANE. And was the object of your attack the bookmaking and gambling establishments here?

Mr. Woulfe. That and there were several items involved. One was the rottenness of the police department.

Mr. LANE. Manifested in what way?

Mr. Woulfe. Manifested in the fact that you can criticize them for what they do not do rather than for what they do, because they

do not do about three-quarters of what they should do. Whose fault it is, I can only guess.

Mr. LANE. You have drawn conclusions as to whose fault it is?

Mr. Woulfe. Definitely.

Mr. LANE. Do you state that the police department operates with an air of indifference to the numbers racket and the bookmaking racket?

Mr. Woulfe. They operate with total disregard for law and order of any description in Atlantic City, whether it be the traffic, gambling, vice, or anything else. Seventy-five percent of it they do not pay attention to. I am thoroughly convinced it is not because we have a bad police department. I would say that 60 percent of them are very honest and efficient men if they were given a chance.

Mr. LANE. When you say that, you refer to a particular level of the force?

Mr. Woulfe. I do, the higher echelon.

Mr. LANE. You say the higher echelon is an honest group?

Mr. Woulfe. I would say they were most dishonest.

Mr. LANE. When you say 60 to 70 percent, I would assume you are talking about the patrolmen on the beat?

Mr. Woulfe. That is right.

Mr. LANE. You find no particular reason to criticize them?

Mr. Woulfe. That is right.

Mr. LANE. Your criticism is of the higher echelon?

Mr. Woulfe. Higher echelon.

Mr. LANE. In the higher echelon, to whom do you refer?

Mr. Woulfe. First of all, the director of public safety, Mr. Cuthbert.

Mr. LANE. William Cuthbert?

Mr. Woulfe. That is right.

Mr. LANE. He has been director of public safety for a good many years?

Mr. Woulfe. He has been around in the city hall for about 41 years. The man is senile. In addition to acting as a commissioner, he will take a city car and drive it from his place in the country to deliver eggs and sell them to the various stores around town. He will have a city fireman drive the car.

Mr. LANE. How long has he been doing that?

Mr. Woulfe. As long as I can remember.

Mr. LANE. Well, is he in there in any other capacity except simply as a figurehead?

Mr. Woulfe. I would say so; yes.

Mr. LANE. Then who performs the job which he is supposed to perform?

Mr. Woulfe. Within the last, I would say 3 years, they put another figurehead there as his assistant, Kerstetter. Kerstetter always has been a playboy.

Mr. LANE. How old a man is Kerstetter?

Mr. Woulfe. I would say about 54.

Mr. LANE. When you say Kerstetter was put in there as a figurehead, you indicate he is given orders by somebody. Could you name the person who gives orders to Kerstetter?

Mr. Woulfe. It is everybody's knowledge that our city commission does not function without the orders of our present State Senator "Hap" Farley.

MR. LANE. How about "Hap" Farley himself? Does he act on his own or does he also take orders?

MR. WOUFFE. "Hap" Farley, as far as I know, is dominated by Mr. "Stumpy" Orman. I have come to those conclusions because only a man who dominates another man will have the audacity to come into his private office and put his feet on his desk and say, "It is all right. I will wait for him here."

MR. LANE. What is the basis for your statement that that is the practice?

MR. WOUFFE. I have had a dozen different people tell me the story, people in diversified businesses. To give you their names now, I couldn't, but I heard the story on half a dozen different occasions from different kinds of people in diversified businesses, diversified walks of life. They are just surprised, but it is common knowledge that whatever is done is done at the instigation of Mr. Orman.

If a man wants a promotion in either the police or fire department, he takes himself to Mr. Orman. If he wants the appointment—that happened specifically in the case of a man named Berenato.

MR. LANE. I understood there was a man named Berenato who also uses the alias of Colby. Is that the man you speak of?

MR. WOUFFE. That is a relative of his. Berenato is a captain in the fire department. There is also an Al Volano, who felt he was entitled, after he came out of the Seabees, to the job. Al Volano himself told me that it was suggested to him that he was wasting his time talking to Farley and, if he gave "Stumpy" either \$2,500 or 3,500—I think it was \$3,500—"Stumpy" would see that he was taken care of.

MR. LANE. Is there any connection that you know—is there anybody that you know superior to "Stumpy" Orman in Atlantic County, anybody that gives "Stumpy" orders?

MR. WOUFFE. I cannot prove it.

MR. LANE. Who is it?

MR. WOUFFE. But the next man to "Stumpy" Orman is a man from Camden.

MR. LANE. Is that Reginelli?

MR. WOUFFE. Reginelli. Reginelli is boss over Orman. Reginelli's boss is Klosteman, and Klosteman's boss is Nig Rosen in Philadelphia.

MR. LANE. How do you spell Klosteman?

MR. WOUFFE. K-l-o-s-t-e-m-a-n.

MR. LANE. Where does he live?

MR. WOUFFE. Between Camden and Philadelphia. There is a liaison between Philadelphia and Camden, Nig Rosen and he. Nig Rosen comes down here and visits "Stumpy" when he does. He parks his car in the Park Garage. He has someone park it for him in the Park Garage. It is a Cadillac. It has bullet-proof glass in it, according to the information I have received on many occasions from people who should know. I wouldn't know the difference between bullet-proof glass and ordinary glass.

MR. LANE. I think nobody could. I do not know any reason why they should need that, when you consider the type of steel used on the Cadillac today, its thinness, and so forth.

You do not know of your own knowledge?

MR. WOUFFE. Not of my own volition, no.

MR. LANE. Would it be possible, in your opinion, for the numbers racket and the bookmaking activities to go on in Atlantic City without the law-enforcement agencies knowing about it?

Mr. Woulfe. No, they couldn't possibly exist.

Mr. Lane. You start at the political head in the county with Senator Farley? If Senator Farley were so minded, could he put an end to the gambling in Atlantic City?

Mr. Woulfe. Definitely yes.

Mr. Lane. The solicitor, Albert Shahadi, if so minded, could put an end to it. If County Prosecutor Scott were so minded, he could put an end to it.

Mr. Woulfe. Very easily. He is a weak sister.

Mr. Lane. Is he another of these men advanced in life who holds down the job, but who performs little, if any, of the functions of the office?

Mr. Woulfe. Correct.

Mr. Lane. If the county court judges would sentence these men to jail rather than putting them on probation, could they put a stop to the gambling in Atlantic City?

Mr. Woulfe. They definitely would, but they wouldn't be judges any longer. Warke is a glaring example of that. He put Scheper in jail and that was the end of his being a judge for the rest of his life.

Mr. Lane. Take the sheriff of Atlantic County, Gerard Gormley, does he do anything to stamp out the gambling in Atlantic County?

Mr. Woulfe. Nothing at all. As a matter of fact, he visits the places, for what purpose I do not know. I have been told that he gets paid off by many of the places he visits. It is reputed that Rickey's Hialeah is paying Gormley, Boyd, Nappen and this monkey who is out here, Fred Masucci.

Mr. Lane. You said, "It is reputed."

Mr. Woulfe. They get \$100 apiece.

Mr. Lane. Rickey's Hialeah is paying \$100 apiece?

Mr. Woulfe. To the four of them.

Mr. Lane. Who is the fourth?

Mr. Woulfe. Masucci.

Mr. Lane. Is that a hundred dollars a week or a hundred dollars a month, or what is it?

Mr. Woulfe. It is \$100 a week. They are supposed to have gotten an O. K. from "Stumpy" and "Hap" to run gambling in the back room. Rickey is supposed to be a front for "Stumpy" and some of the boys in town. Who they are, I do not know. The lawyer that set up the corporation is Stephen Volor.

Mr. Lane. How do you spell that?

Mr. Woulfe. V-o-l-o-r. Stephen Volor sometimes is very civic minded. Then all of a sudden he cools off and then he gets himself a couple of jobs somewhere and you never hear anything more from Stephen until Stephen thinks he will get on the other side again. He has done that on several occasions that I know of.

Mr. Lane. Coming down to the city organization, can this gambling—bookmaking and numbers racket—be going on without the knowledge of Chief of Police Saunders?

Mr. Woulfe. May I answer that in my own way?

Mr. Lane. Yes.

Mr. Woulfe. Judge Leonard every night went into Weiner's and played around in Weiner's when they were making bets and talking horses and playing numbers.

Mr. Lane. What period of time are you talking about now?

Mr. Woulfe. I am talking about just before he became judge. He lived right across the street. Mr. Cuthbert sells eggs in the store next door. He went in there, too, all the time. He knows what is going on in there.

Mr. Lane. What about Saunders?

Mr. Woulfe. Saunders doesn't give enough time to police work to know what is going on. He has an automobile business. It is surprising if you ever see him in uniform.

Mr. Lane. Well, what about the assistant, Tod Kerstetter?

Mr. Woulfe. Tod Kerstetter walks around like a stuffed peacock. That is that.

Mr. Lane. Is your answer, then, that the gambling could not go on without the knowledge of these men?

Mr. Woulfe. It could not. There is no way in God's world it could. The children in the street know where you can play numbers, where they gamble. They know what is going on in all these places. The town is wide open. Everybody knows.

Mr. Lane. What have you done as a citizen of the town to attempt to correct that? Anything?

Mr. Woulfe. In the last 14 years I have gotten myself thoroughly disliked, hated, threatened. I have spent a lot of money. I want nothing in politics. I want nothing from anybody.

Mr. Lane. What have you done, Mr. Woulfe?

Mr. Woulfe. I have attempted to expose things that came to my attention.

Mr. Lane. How?

Mr. Woulfe. In the public press.

Mr. Lane. You mean you have written letters to the press?

Mr. Woulfe. That is right.

Mr. Lane. Signed letters; not anonymous letters?

Mr. Woulfe. I never write anonymous letters.

Mr. Lane. Have those been published in the local press?

Mr. Woulfe. Yes.

Mr. Lane. Is the local press, by and large, in favor of what you have been attempting to do?

Mr. Woulfe. Up to the time the press changed, yes.

Mr. Lane. You say the press today is different than it was previously?

Mr. Woulfe. Very definitely. I would say they are out to make money and they are not interested in anything local.

Mr. Lane. Do they still publish your letters?

Mr. Woulfe. I haven't written any since the new regime came in. As a matter of fact, the only statement I made—I made two and both were published. One pertained to the suggestion made to make me jury commissioner. There wasn't a chance of that because I am obnoxious to Farley and doubly obnoxious to Governor Driscoll, because I sent him a telegram pertaining to the grand jury and the set-up on grand juries.

Mr. Lane. Sent whom?

Mr. Woulfe. Mr. Driscoll, when he was campaigning for reelection and when this grand jury commissioner thing came up and they had some story, cockeyed, in the papers, I attempted to correct it and suggested that they read my telegram to Driscoll of 3 years ago. Conditions were the same today as they were then, in my opinion, and

there was one other item that pertained to the high prices we were paying for meat. I suggested that the State Restaurant Association, of which I am vice president, go through the national association and ask Congress to suggest the lifting of the ban on meat from Argentina and that would cut very materially the price of meat here. I suggested that as a measure to reduce prices.

Mr. LANE. I do not want to stop you, Mr. Woulfe, but, as far as I know, we do not in this hearing have any interest in the high price of meat; not that it isn't an important subject. But we just cannot get into everything. I want you, if you will, to confine your answers to what you tried to do to put an end to the corruption about which you have spoken, and then I want you to tell us what reaction that had upon your own personal fortunes.

Mr. Woulfe. Pardon me for going into that meat situation. I was attempting to answer your question. There were two items. I wasn't very cooperative. I inferred that there were two items. One was meat, as far as myself personally was concerned.

Mr. LANE. When did you first start writing to the Press?

Mr. Woulfe. About 14 years ago.

Mr. LANE. And you have done it periodically since then until you say the regime changed?

Mr. Woulfe. That is right.

Mr. LANE. Would you indicate that change of the regime, when it took place?

Mr. Woulfe. It is within the last 2 months.

Mr. LANE. What do you mean by a "change of regime"?

Mr. Woulfe. The Press was sold. The people that owned the Press sold it.

Mr. LANE. There is more than one paper in town?

Mr. Woulfe. The new outfit bought the Tribune. That eliminated the only competition that the Press actually had. So there is only one paper in town now, and that is the Atlantic City Press.

Mr. LANE. Since that time, I don't suppose that you really had a chance to make a final decision and satisfy yourself as to what the character of the Press would be?

Mr. Woulfe. That is correct.

Mr. LANE. Have there been any reprisals taken for the attitude you publicly expressed?

Mr. Woulfe. Oh, yes; very definitely.

Mr. LANE. When did they happen and what were they?

Mr. Woulfe. They have happened by degrees, I would say, going back possibly 4 years ago. First, the little dinners. It is a small town and the people on committees that arrange for little dinners—we handled maybe hundreds of them—have called me and said, "I would like to bring the dinner there. We have always had it. But people on the committee have been afraid to because they have been told to keep away from you and keep away from your place."

That is one medium of reprisal.

Then there were city employees who definitely were suggesting to guests, "Well, that place has changed. Go around to the Jefferson. Go around to the Penn-Atlantic. Go around to the Madison."

That has definitely happened. Guests have told me so. Taxi drivers are the worst source of competitors I have, let me say.

Mr. LANE. You mean they are diverting traffic from your hotel?

Mr. Woulfe. Very definitely. In addition to that, if you are interested in that—and I do not have a lot of figures, so it is very short and very concise.

Mr. Lane. What is this memorandum you exhibited to us, Mr. Woulfe?

Mr. Woulfe. One is on the water rents. That is one of the things that is kicked around and used as a weapon. The other is taxes. If you will notice the one marked "Account 11-99," you will find that in 1939 the water bill for the Columbus Hotel was \$603.

Mr. Lane. Let me just see where that is on this list.

Mr. Woulfe. It is the first one on this. If you look at 1950, you will find the bill was \$1,231.

Mr. Lane. You see an erratic course that it has followed during that period, Mr. Woulfe.

Mr. Woulfe. That is correct.

Mr. Lane. An increase from 1939 to 1942 from \$603 to \$1,011.

Mr. Woulfe. That is right.

Mr. Lane. Then a drop to \$340 in 1944 and an increase to \$1,668 in 1945. Then 3 years under \$600, followed by \$1,000 in 1949 and \$1,231 in 1950. What is the basis of the assessment that would account for the change in amount?

Mr. Woulfe. The larger amounts in 1942 and 1943 and 1945 were during the time the Army occupied the building and there were some nights we had as many as 577 men in the hotel.

Mr. Lane. Is this metered water?

Mr. Woulfe. That is right. That was Army personnel that occupied it. You notice there are no numbers of people. I tried to bring that out on the side. I had the number of people who occupied the 111 rooms for the years in question, and if you notice, that big amount in 1945, \$1,668.81—

Mr. Lane. Nearly 60,000 people.

Mr. Woulfe. I do know that was the actual people because that was used as redistribution center and I had access to the count. In the other 2 years I did not have access to the count because it was basic training.

Mr. Lane. What is the significance of such a schedule as this, since it shows an increase in the amount billed with an increase in the number of persons using the schedule?

Mr. Woulfe. When you get to 1950 you will find there were 33,100 people in the hotel. They are the people that will use water and the bill was \$1,231.78. If I may transgress for a moment—

Mr. Lane. You might digress.

Mr. Woulfe. I have here a notification that for the 4 months in the wintertime I have used \$621 worth of water, three times, which would make it \$1,800 for this coming year. But the three summer months when we use most of our water enters into it, so they are setting me up now for over a \$2,000 bill for this year.

Mr. Lane. Mr. Woulfe, is there anything to indicate that the water meter is not accurately rated?

Mr. Woulfe. No. They put a new water meter in 2 years ago after I complained.

Mr. Lane. Is there anything to indicate that when the meter is read, the man who reads it changes the figures?

Mr. Woulfe. No; I do not think the man who reads it changes the figures. I think again the higher echelon—Mr. Shahadi of that department until he became county solicitor——

Mr. Lane. Are you suggesting, then, that the bill that they sent to you does not correspond to the metered reading?

Mr. Woulfe. I do.

Mr. Lane. Don't you have some way of checking that yourself?

Mr. Woulfe. No; not in God's world.

Mr. Lane. Isn't it so much per cubic gallon, or whatever it is?

Mr. Woulfe. That is right.

Mr. Lane. Why is it that you cannot keep track of it yourself?

Mr. Woulfe. That meter is out in the street. All they would need to have is me to go near that meter, and they would say I was monkeying with the meter.

Mr. Lane. You do not have access to it?

Mr. Woulfe. No.

Mr. Lane. Do you have any way of comparing the billing experience at your hotel with that at other hotels?

Mr. Woulfe. I could get those figures, but I would have to have some instrument of law to make them give them to me.

Mr. Lane. I understand at the moment you do not have the basis for comparison?

Mr. Woulfe. No.

Mr. Lane. You have shown us another schedule which shows assessments on land, building, and personal property in other hotels.

Mr. Woulfe. I have just picked a few. There are dozens and dozens. I have just picked these few to make the same comparison. I take the one that is closest to me, the Flanders Hotel, operated by Yon.

Mr. Lane. You mean closest to you geographically?

Mr. Woulfe. That is right.

Mr. Lane. Who is Yon?

Mr. Woulfe. Yon operates the Flanders Hotel. He is now on the grand jury. He was foreman of the grand jury last year, within 12 months. He was president of the hotel association. At the time of a request for a fiscal investigation of Atlantic City he wired the chief justice to make the petitioners post \$250,000 as against the expenses of the investigation. I happened to pay part of that expense.

Mr. Lane. Were you one of the petitioners?

Mr. Woulfe. I wasn't one of the petitioners, but I was one of that group that financed it, put up the money.

Mr. Lane. How does his hotel compare in size with yours?

Mr. Woulfe. Look under personal property and you will see that his personal property is valued at \$10,000——

Mr. Lane. And yours at \$15,000?

Mr. Woulfe. Mine is \$15,000, over and above the fact that he has 150 rooms to sell and I have 111.

Mr. Lane. Your hotel actually is bigger in cubic space, is it not?

Mr. Woulfe. Mine is 200 by 50, and his is 137 by 50. That must be incorrect.

Mr. Lane. That would simply indicate that you have larger rooms in your hotel?

Mr. Woulfe. Mine are smaller. That must be an error. It must be an erroneous figure, or his goes higher up in the air. The size of

the lot is 137 by 50, and mine is 200 by 50. His is a higher hotel, but he actually has 150 rooms to sell and I have 111.

Mr. LANE. His hotel is larger than yours?

Mr. WOLFE. Yes.

Mr. LANE. Is it older or younger than yours?

Mr. WOLFE. Part of it is about the same age as mine, part of it is an older building. His land is valued, if you will notice, at \$10,250. Mine is valued at \$25,000. He is closer to the boardwalk than I am, and the boardwalk is the important asset to any hotel operation. The closer to the boardwalk you are, the better off you are.

My rooms, with bath, rent for \$8. He was asking \$22 yesterday for his rooms. That is American plan.

Mr. LANE. His assessment is \$111,250 in 1948 for land, building, and personal property, and yours is \$179,000?

Mr. WOLFE. That is right. If you will notice, the Penn-Atlantic, at the bottom, also has 150 rooms. It is true the location is against it. It is the other side of Atlantic Avenue. The land is valued at \$13,500. Mine is \$25,000. But the furniture in his 150 rooms is valued at \$5,000 and mine, 111 rooms, at \$15,000.

Senator HUNT. I wonder if we cannot get at this a little more directly. It is now 10 minutes after 5. This can go into the record, and we can let him make a statement to us of what he thinks is the reason for these increases.

Mr. WOLFE. Definitely reprisals.

Senator HUNT. These two statements with reference to the Columbus Hotel, having to do with the yearly billing on water and the yearly tax assessments will be taken into the record at this point as exhibit K.

(The lists referred to were marked as "Exhibit K," and are on file with the special committee.)

Senator HUNT. Let's also receive that and include it with exhibit K. Also as part of exhibit K, there is the notice with reference to water readings on the home at 32 Plaza Place. This does not designate the year.

Mr. WOLFE. It is this year.

Senator HUNT. These are for quarters?

Mr. WOLFE. That is right.

Senator HUNT. Showing the various increases in water charges each 4-month period.

Mr. WINBERRY. Then it is not quarters. It would be a third, then.

Mr. WOLFE. That is the pattern all over town.

Mr. LANE. That is just what I wanted to get at. If it is a pattern all over town, would you say it is a means of bringing citizens like yourself into submission to the party machine?

Mr. WOLFE. That is correct.

Mr. LANE. Have you applied for any reduction in your taxes on the hotel?

Mr. WOLFE. No. I do not think I am entitled to any. I think the taxes on the hotel are perfectly fair.

Mr. LANE. But the tax on your competitors, you say, is not fair?

Mr. WOLFE. Absolutely not. I am going to take the case before the court this fall, after the summer. I intend to go to the courts with it. I do not know how far I will get.

MR. LANE. As a citizen's action to bring all assessments into line?

MR. WOULFE. That is correct. It is going to cost me money, but I will do it.

MR. LANE. Have you discussed these grievances with any of the people that we have named here, such as the county solicitor or the State senator or anybody at all?

MR. WOULFE. No. I would be wasting my time to talk to any one of them.

MR. LANE. Assuming that you would, for the sake of your own position in the matter, have you discussed it with anybody?

MR. WOULFE. I have discussed it with my lawyer.

MR. LANE. But not with anybody in office?

MR. WOULFE. Who has discussed it with the people in office. They say they have nothing against Jack. It is a damn shame somebody is doing it to him, but not they. So the five commissioners say, "Not me. I have nothing against Jack."

Hap Farley says, "I have nothing against Jack."

Shahadi says, "I have nothing against Jack."

But somebody is doing it to me. He says, "It is all wrong. They shouldn't do it."

It is the old story. Nobody knows who is responsible.

MR. LANE. Somebody is responsible. You must have formed some conclusion as to who is responsible.

MR. WOULFE. Yes.

MR. LANE. Who is responsible, in your opinion?

MR. WOULFE. In my opinion, it is a combination of Mr. Stumpy and Mr. Farley, but Farley cannot do very much if Stumpy decides that something is going to be done—it is usually done. That is the pattern in Atlantic City, whether Farley wants it or not.

MR. LANE. Is it fair to say that it is your opinion that they are making it tough for you because you are trying to make it tough for them?

MR. WOULFE. That is correct.

MR. LANE. Is there anything more in it than just that?

MR. WOULFE. I do not think so.

MR. LANE. They are trying to wear you down?

MR. WOULFE. That is right.

MR. LANE. That has been a process that has been going on at an accelerated rate—an accelerating pace—in recent years?

MR. WOULFE. That is right.

MR. LANE. Have you any certain knowledge of your own that the bookmaking and numbers establishments are contributing to the local political bodies?

MR. WOULFE. I never saw anybody make the contributions. I have heard them talk about it.

MR. LANE. Do you belong to any of the political clubs?

MR. WOULFE. I am a member of the Fourth Ward Democratic Club.

SENATOR HUNT. You are very well acquainted in the city, I presume; aren't you?

MR. WOULFE. Yes, sir.

SENATOR HUNT. Having lived here a great many years and in business.

MR. WOULFE. Yes, sir.

Senator HUNT. I take it from the testimony you have been giving us, you are quite well acquainted in the city?

Mr. Woulfe. Yes.

Senator HUNT. What would be your estimate of the number of places in the city where numbers tickets are sold, and what would be your estimate of the number of bookie outlets?

Mr. Woulfe. I am surely guessing.

Senator HUNT. I understand you need to guess on that.

Mr. Woulfe. I would say, as far as numbers are concerned, there must be 400 or 500 places, because every little joint takes numbers—number bets. Right around where the hotel is, going up one side of the streets there are one, two, three, four, within one block. The latest acquisition is Solitare. Solitare is a name that is well known in Atlantic City. They were in the rackets all their lives.

I would say a couple of hundred bookies.

Senator HUNT. Is it reasonable to think that these conditions can exist without the policeman on the beat knowing about it?

Mr. Woulfe. It is imposible.

Senator HUNT. You say that the policemen in the lower echelon are honest. They take an oath of office to enforce the law when they take that job. How do you square it with the fact that they do not do something about these places?

Mr. Woulfe. There are many of these men that did attempt to do something about these places and, when the cases came to court, the court either threw the cases out or did not have sufficient evidence to find them guilty or merely fine them \$5 or \$10. The cop found himself taken off the beat and put out in Venice Park.

Senator HUNT. In other words, the patrolman is intimidated by higher officials from carrying out his duties as a patrolman?

Mr. Woulfe. Yes, sir.

Senator HUNT. Now, have you any personal knowledge of any payments being made to these various higher officials by any of these gamblers for protection?

Mr. Woulfe. Direct knowledge, I have none. They watch me like a cat watches a mouse. They wouldn't do it in front of me.

Senator HUNT. That is all I have.

Mr. Woulfe. May I add something before I go, Senator?

Senator HUNT. Yes.

Mr. Woulfe. The boys that get liquor licenses—I also have one, but I have never been requested at any time to contribute anything to anybody for any purpose whatsoever, outside of the usual ads and stuff—the vast majority of men holding liquor licenses make payments to what I would say would be the higher echelon when they get their licenses, which is on the 1st of July or prior to that date a few days.

Senator HUNT. Could you tell us the name of any liquor dealer who made such a payment?

Mr. Woulfe. I will give you one specific instance that happened within the last week or 10 days. I did not see it. I was not there at the time, but on good authority I understand that Frank Perone offered his payment and, I think it was Murphy who looked at him and said, "What do you want? Somebody with a camera to take your picture giving me the money."

They wouldn't take the money from him. They sent after him and got it when they went out.

Mr. LANE. Who is Murphy?

Mr. WOULFE. Murphy is an employee of Director Betta, and it is his province to make the licenses out, have the licenses made out to see that the fees are paid, \$500 a year. That is the legitimate fee to the city for the license.

Mr. LANE. Is Betta the director of revenue?

Mr. WOULFE. That is right.

Senator HUNT. What payment was made in excess of the \$500 in that case?

Mr. WOULFE. It is voluntary. I understand some gave \$100, some gave \$200.

Senator HUNT. What disposition is made of that money eventually?

Mr. WOULFE. I do not know. It is supposed to be used for campaign purposes.

Mr. LANE. If we were to subpoena this man Perone, do you think he would testify?

Mr. WOULFE. I do. Perone is a past president of the Atlantic City Beverage Association. He succeeded me when I resigned. Perone got himself very thoroughly disliked because he attempted to do the right thing. Actually, I was helping him, but Frank did a lot of things that were all wrong as far as the powers that be were concerned.

In the operation of these saloons, they pay no attention to ABC regulations, the alcohol beverage control. Mr. Driscoll, our present Governor, was the alcoholic beverage commissioner of this State, and on several occasions I went with a committee to Mr. Driscoll, bringing to his attention very glaring violations of the ABC regulations, but I could have gone out in a boat in the ocean and gotten more satisfaction, because again, it interfered with Mr. Farley in Atlantic County.

Senator HUNT. Does the Governor appoint the ABC Board?

Mr. WOULFE. I cannot answer that. I do not know.

Mr. LANE. Thank you very much, Mr. Woulfe.

Senator HUNT. Your name is Mr. Orman?

Mr. ORMAN. That is right, sir.

Senator HUNT. Will you hold up your right hand? Do you solemnly swear the information you are about to give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ORMAN. I do.

TESTIMONY OF HERMAN ORMAN

Mr. LANE. Mr. Orman, do you have counsel with you?

Mr. ORMAN. No, sir.

Mr. LANE. Do you desire counsel?

Mr. ORMAN. No, sir.

Mr. LANE. Will you state your full name for the record?

Mr. ORMAN. Herman Orman.

Mr. LANE. Where do you reside, Mr. Orman?

Mr. ORMAN. 3850 Atlantic Avenue.

Mr. LANE. Are you married?

Mr. ORMAN. No, sir.

Mr. LANE. Have you been married?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long have you been single?

Mr. ORMAN. Since 1945.

Mr. LANE. Are you a native of Atlantic City, Mr. Orman?

Mr. ORMAN. No, sir.

Mr. LANE. When did you come to Atlantic City?

Mr. ORMAN. About 30 years ago—31 years ago.

Mr. LANE. Since that time, have you made Atlantic City your home?

Mr. ORMAN. Yes, sir.

Mr. LANE. How old are you?

Mr. ORMAN. Forty-four.

Mr. LANE. What was your education?

Mr. ORMAN. About sixth grade, seventh grade.

Mr. LANE. Where did you go to grade school?

Mr. ORMAN. Philadelphia.

Mr. LANE. Then did you come here with your family?

Mr. ORMAN. No. My family did not come here. I lived with Mrs. Hutchison at the time.

Mr. LANE. You came here at the age of 14?

Mr. ORMAN. Before that.

Mr. LANE. Ten or twelve years old, you mean?

Mr. ORMAN. Thirteen years old.

Mr. LANE. Did you have any further education in Atlantic City after you came to live with Mrs. Hutchison?

Mr. ORMAN. No, sir.

Mr. LANE. Was she a relative of yours?

Mr. ORMAN. No; she was a friend of the family.

Mr. LANE. Did you start in at the age of 12 or 13 to earn your own way in life?

Mr. ORMAN. Yes, sir.

Mr. LANE. What employment did you find?

Mr. ORMAN. As I went along in life?

Mr. LANE. Yes.

Mr. ORMAN. Well, I was in the radio business, worked at radio.

Mr. LANE. Not, I take it, at the age of 12?

Mr. ORMAN. No.

Mr. LANE. I am trying to find out what you began at.

Mr. ORMAN. Originally?

Mr. LANE. What did you do first to earn a living?

Mr. ORMAN. Well, I am just trying to think. I worked for somebody in the radio business. I do not remember what it was at that time.

Mr. LANE. How old were you by the time you had a job that paid you anything substantial?

Mr. ORMAN. About 16 years old.

Mr. LANE. What kind of job was that?

Mr. ORMAN. I worked in a garage on Virginia Avenue.

Mr. LANE. In what capacity?

Mr. ORMAN. Just helping around generally.

Mr. LANE. You mean as a mechanic or errand boy?

Mr. ORMAN. More of watchman, while the cars were coming in and out.

Mr. LANE. Checking cars in and out of the garage?

Mr. ORMAN. Yes.

Mr. LANE. What was the next job that you had?

Mr. ORMAN. I think I got into the real estate business.

Mr. LANE. Working for somebody in the real estate business?

Mr. ORMAN. No. I was a real estate broker. I think at that time I was about 17 or 18.

Mr. LANE. Did that require you to obtain a license?

Mr. ORMAN. Yes, sir.

Mr. LANE. Do you recall when you received your first license in the real estate business?

Mr. ORMAN. I think in 1922.

Mr. LANE. That would make you how old?

Mr. ORMAN. That would make me 18 years old. I was between 17 and 18 at the time.

Mr. LANE. Seventeen or eighteen? If you say you went into the real estate business, did you have office space somewhere in Atlantic City?

Mr. ORMAN. 1102 Atlantic Avenue.

Mr. LANE. You acted as a real estate broker?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long did you remain in that business?

Mr. ORMAN. Four or five years.

Mr. LANE. What was your income from that business in those years?

Mr. ORMAN. I do not remember.

Mr. LANE. Were you in a position to put money aside?

Mr. ORMAN. I was, at various times.

Mr. LANE. By the time you were 30 years old—that would be, say 14 years ago—what was your occupation?

Mr. ORMAN. Fourteen years ago?

Mr. LANE. Yes; say 1937.

Mr. ORMAN. I think I was interested in Pyramid Trading Co., New York.

Mr. LANE. Was that P-y-r-a-m-i-d?

Mr. ORMAN. Yes.

Mr. LANE. What kind of an enterprise was that?

Mr. ORMAN. An importation house for liquor—Scotch, champagne,

Mr. LANE. From abroad?

Mr. ORMAN. Yes.

Mr. LANE. Was that a corporation or a partnership?

Mr. ORMAN. Corporation.

Mr. LANE. Were you one of the stockholders?

Mr. ORMAN. No, sir. I was not.

Mr. LANE. You were employed by the company?

Mr. ORMAN. Yes.

Mr. LANE. Was it a closely held corporation?

Mr. ORMAN. Yes.

Mr. LANE. Who were the principal stockholders?

Mr. ORMAN. Well, a lawyer by the name of Lon Halley, since deceased.

Mr. LANE. An Atlantic City man?

Mr. ORMAN. No; New York. I think Pierre Levque.

Mr. LANE. How do you spell his name?

Mr. ORMAN. L-e-v-q-u-e, I think.

Mr. LANE. Where did he come from?

Mr. ORMAN. New York.

Mr. LANE. Who else?

Mr. ORMAN. I forget the other one.

Mr. LANE. Were you the Atlantic City agent for that company?

Mr. ORMAN. Well, at first. I was a salesman for a while. Then I went over there when it was on the verge of bankruptcy and liquidated most of it.

Mr. LANE. Now you are ahead of the game. You say you were on the verge of bankruptcy?

Mr. ORMAN. They were.

Mr. LANE. What brands did they carry?

Mr. ORMAN. Chivar's Regal and Chivar's Old Vat, Lanham Champagne, and Crosset Cognac.

Mr. LANE. How long were you their agent?

Mr. ORMAN. Possibly a year.

Mr. LANE. Did they fail?

Mr. ORMAN. Yes.

Mr. LANE. Did they owe you money when they failed?

Mr. ORMAN. No, sir; they did not.

Mr. LANE. Did you act for them on a salary or commission, or what?

Mr. ORMAN. I think it was on a commission. I do not recall.

Mr. LANE. Was that a full-time job?

Mr. ORMAN. No.

Mr. LANE. What other occupation did you have at the time?

Mr. ORMAN. I think I was interested in a tavern at the time. I do not know whether it was 1938 or 1937.

Mr. LANE. When you say you were interested, did you have a part ownership in a tavern?

Mr. ORMAN. Yes, sir.

Mr. LANE. Was that a partnership?

Mr. ORMAN. I think I was in partnership at that time.

Mr. LANE. What was the name and the location of the tavern?

Mr. ORMAN. Bankers' Tavern, 49 North Arkansas Avenue, Atlantic City. My partner at the time was Charles Moore.

Mr. LANE. What was your interest in the partnership? What percent?

Mr. ORMAN. I do not know whether I had 30 or 40 percent, something like that. I just forgot.

Mr. LANE. Did that run only for a short time?

Mr. ORMAN. It didn't run too long. It ran a couple of years or 3 years that I was interested in it.

Mr. LANE. Was that a successful operation from your point of view?

Mr. ORMAN. No; I do not think it was. I do not think I lost too much, but I do not think it was successful.

Mr. LANE. What was the termination? Did you liquidate or sell out, or what became of it?

Mr. ORMAN. If I remember right, I do not think there was anything to liquidate. I think the landlord wound up with what was left.

Mr. LANE. Did you go through bankruptcy?

Mr. ORMAN. No.

Mr. LANE. Did you end up ahead or behind?

Mr. ORMAN. I ended up behind. I just forgot to what extent. It wasn't too great.

Mr. LANE. Not substantially behind?

Mr. ORMAN. No.

Mr. LANE. At the same time, in 1938 or thereabouts, did you have any interest in any other enterprise?

Mr. ORMAN. No; I do not think I did.

Mr. LANE. I take it you were married at that time, Mr. Orman?

Mr. ORMAN. No, sir. I got married in 1944 and divorced in 1945.

Mr. LANE. After the agency for the Pyramid Co. terminated and the tavern was liquidated, to what did you turn your attention?

Mr. ORMAN. I do not know whether I went back to the Seashore Radio Corp., which had three or four stores at that time.

Mr. LANE. You mean you went back in their employment?

Mr. ORMAN. No; I had an interest.

Mr. LANE. When did you acquire an interest?

Mr. ORMAN. I am not sure of my dates at that time.

Mr. LANE. Was that a New Jersey corporation?

Mr. ORMAN. Yes. I am not sure whether that was before or after the tavern.

Mr. LANE. Was that a closely held corporation, only a few stockholders?

Mr. ORMAN. That is right.

Mr. LANE. Who were the other principal stockholders?

Mr. ORMAN. If I can. Sauers, S-a-u-e-r-s; I think he controlled all the stock at one time. Then he owed me some money and I came in through that. I think I got 50 percent of the stock for what he owed me, if I remember right.

Mr. LANE. Do you remember the amount of the debt?

Mr. ORMAN. I do not remember.

Mr. LANE. Was it \$5,000 or more?

Mr. ORMAN. It may have been around there. I do not remember.

Mr. LANE. Was it as much as \$10,000?

Mr. ORMAN. I do not think it was quite that much.

Mr. LANE. Would you estimate it was either above or below \$5,000?

Mr. ORMAN. I wouldn't want to state. I don't remember. It has been so long ago. I do not remember whether it was before or after the tavern. Maybe it was before.

Mr. LANE. What was the nature of that business?

Mr. ORMAN. Sold radio sets. I think they had Sparton radio, Majestic radio, and Philco. We had four stores off-shore, one in Pleasantville, one in Absecon, and one in Linwood, and one in Barnegat, not too far from Toms River.

Mr. LANE. What was the fate of that enterprise?

Mr. ORMAN. I think it went into the hands of receivers.

Mr. LANE. And would that be before 1940?

Mr. ORMAN. I think so.

Mr. LANE. In any event, your endeavor to liquidate the indebtedness out of it was not successful?

Mr. ORMAN. I didn't understand.

Mr. LANE. You weren't able to liquidate your indebtedness out of the stock interest in the corporation?

Mr. ORMAN. I do not think so.

Mr. LANE. I understand, Mr. Orman, you have had a pistol permit for a good many years; is that correct?

Mr. ORMAN. I think I may have had one on and off for 18 years or so. I just do not remember.

Mr. LANE. The reason I ask you that somewhat out of order is to find out if you had such a permit as far back as 1938.

Mr. ORMAN. I think I may have had maybe prior to that. I do today.

Mr. LANE. When you say you believe it may have been as far back as 18 years ago, that would take it back to your age 26, when you were, say, 26.

Mr. ORMAN. Well, of course, I am only guessing. I have no records.

Mr. LANE. I understand that.

Mr. ORMAN. It may have been 27 or 28.

Mr. LANE. Do you recall the occasion for your application for a pistol permit?

Mr. ORMAN. I used to buy and sell jewelry around that time, too, just knocking around as a side line.

Mr. LANE. Why was it you applied for a pistol permit?

Mr. ORMAN. Because I used to carry around quit a bit of jewelry and money.

Mr. LANE. Were you in the jewelry business as a regular side line?

Mr. ORMAN. Well, pretty actively on and off.

Mr. LANE. When were you first in the jewelry business?

Mr. ORMAN. Fifteen years ago, I guess, on and off—nothing steady about it.

Mr. LANE. Had you been at all in the jewelry business prior to that? You say 15 years ago. That would make it roughly 1936.

Mr. ORMAN. Yes; around there.

Mr. LANE. That you have been in the jewelry business, 15 years, but had you been in the jewelry business at all prior to that time?

Mr. ORMAN. I do not think so. I do not remember.

Mr. LANE. How did you locate it in 1936? How did you place the date?

Mr. ORMAN. I have no direct means of placing the date, no exact means of placing the date. I guess I am trying to guess.

Mr. LANE. That is your best guess?

Mr. ORMAN. That is my best recollection; yes.

Mr. LANE. Did you ever have anybody threaten to take jewelry away from you?

Mr. ORMAN. No; I do not think I have.

Mr. LANE. Did you ever have anybody make any threats to do physical violence to you at all?

Mr. ORMAN. Oh, yes; on several occasions.

Mr. LANE. When was the first occasion?

Mr. ORMAN. A good many years ago.

Mr. LANE. Was it 18 years ago?

Mr. ORMAN. Possibly.

Mr. LANE. Don't you recall?

Mr. ORMAN. No; not exactly.

Mr. LANE. Do you approximately recall?

Mr. ORMAN. No; I wouldn't minimize on it. I just do not remember.

Mr. LANE. What is your answer?

Mr. ORMAN. I couldn't pin myself down to an exact date, somewhere around there, I guess.

Mr. LANE. Had anyone made a threat of physical violence to you before you applied for a pistol permit?

Mr. ORMAN. I think so.

Mr. LANE. Who do you think it was?

Mr. ORMAN. I just forgot who it was. It was some years ago. Somebody out of New York. I just do not know who they were exactly.

Mr. LANE. If you say it was out of New York, it indicates to me you recollect some event.

Mr. ORMAN. Some event that was supposed to have taken place in a restaurant. Someone heard a conversation and they told me about it.

Mr. LANE. What was the nature of the conversation?

Mr. ORMAN. They heard that these fellows were going to lay around here and try to stick me up.

Mr. LANE. For what?

Mr. ORMAN. For whatever I may have had. I do not know.

Mr. LANE. Who was it that told you that?

Mr. ORMAN. I do not recall.

Mr. LANE. Can't you remember?

Mr. ORMAN. That was quite a few years ago.

Mr. LANE. Was that 18 years ago?

Mr. ORMAN. It could have been. It could have been 16, or something like that.

Mr. LANE. Was it before you applied for a pistol permit?

Mr. ORMAN. I think it was.

Mr. LANE. Was that one of the things, or was that the thing that motivated you in applying for a permit?

Mr. ORMAN. That was about the only thing that I recall. I never had any other use for it.

Mr. LANE. Did these people, said to be from New York, ever get identified to you?

Mr. ORMAN. No; they were not. We tried to find out.

Mr. LANE. Who tried to find out?

Mr. ORMAN. I did, and someone in the local police department.

Mr. LANE. Who was that?

Mr. ORMAN. I do not recall that.

Mr. LANE. I understand at one time you were indicted for having a part ownership in a gambling establishment.

Mr. ORMAN. I do not think that was true. I was indicted, but I do not think I was indicted as a part owner.

Mr. LANE. Were you in fact a part owner?

Mr. ORMAN. No, sir; I was not. I happened to be in the establishment at the time of the raid. I think it was at Sommer's Point, if I remember. I do not recall the year.

Mr. LANE. When was that?

Mr. ORMAN. 1939, 1938, 1940. I just do not remember.

Mr. LANE. You do not recall the time when that occurred, the year?

Mr. ORMAN. No; I do not.

Mr. LANE. Were you arraigned on some charge in connection with that?

Mr. ORMAN. I was. I just do not know what the specific charge was. I think I paid a fine.

Mr. LANE. How did you plead?

Mr. ORMAN. I think I pleaded guilty, whatever it was.

Mr. LANE. Do you remember the court where it was that you pleaded?

Mr. ORMAN. In May's Landing.

Mr. LANE. That is in the county court?

Mr. ORMAN. That is right, sir.

Mr. LANE. Do you remember who the judge was at that time?

Mr. ORMAN. I do not.

Mr. LANE. Do you remember whether you had any sentence in addition to the fine?

Mr. ORMAN. Oh, no; no sentence was ever imposed. I was never sentenced.

Mr. LANE. You were fined?

Mr. ORMAN. I was fined, I think. I am not sure.

Mr. LANE. Have you had any other arrests in your record?

Mr. ORMAN. Indicted.

Mr. LANE. What were you indicted for?

Mr. ORMAN. When Mayor Taggart was around here, he picked me up and charged me with dissemination of race horse news.

Mr. LANE. When was that?

Mr. ORMAN. That was before I went to the Army, 1942, 1941.

Mr. LANE. What became of that indictment?

Mr. ORMAN. It was nolle prossed.

Mr. LANE. You never pleaded to that indictment?

Mr. ORMAN. I think I may have pleaded.

Mr. LANE. Do you recall how you pleaded?

Mr. ORMAN. Not guilty.

Mr. LANE. It was eventually dropped?

Mr. ORMAN. Eventually dropped while I was in the Army, I think.

Mr. LANE. For this pistol permit, is that something which was subject to annual renewal?

Mr. ORMAN. Yes, sir.

Mr. LANE. It is only a license for a year at a time?

Mr. ORMAN. Year at a time.

Mr. LANE. You have to make personal application for a new license?

Mr. ORMAN. Yes, sir. There were quite a few years I didn't have it. I didn't have it for all the years right on through. Sometimes I never even bothered about it, never had it.

Mr. LANE. Did you, in those times when you never bothered about it, still carry a gun?

Mr. ORMAN. No. I do not carry one now.

Mr. LANE. How long has it been since you haven't carried one?

Mr. ORMAN. I haven't had one on me in years. I have one in my hotel or at home, I forgot which it is.

Mr. LANE. Every time you apply for a pistol permit, you have to have someone vouch for you by affidavit?

Mr. ORMAN. Yes.

MR. LANE. And do you have to make a statement as to whether or not you have been ever convicted of any crime?

MR. ORMAN. Yes.

MR. LANE. Do you not have to state in the application that you never were convicted of any crime?

MR. ORMAN. Of a type of crime; yes.

MR. LANE. Did you so state in your application?

MR. ORMAN. I have never been convicted of a misdemeanor.

MR. LANE. Isn't the question in the application not whether you have been convicted, but whether you have ever been charged with a crime?

MR. ORMAN. I do not recall how it is worded.

MR. LANE. Have you ever been charged with a crime?

MR. ORMAN. No, sir. When you say charged, charged with dissemination of race-horse news. That was what he charged me with, which was untrue. That was what he picked me up for when he was mayor.

MR. LANE. I show you what purports to be a copy of an application dated December 11, 1939, for permission to carry a revolver, and I ask you to look at the question relating to charged with a crime or criminal offense. Does that refresh your recollection, Mr. Orman, that in 1939 you made such an application and in the application you stated that you had never been charged with commission of a criminal offense?

MR. ORMAN. Yes. That is what my application says. That is what I did.

MR. LANE. With respect to your arrest at Sommer's Point, do you recollect having been questioned by Mayor Taggart, the late mayor, in January 1942, and having been asked the following questions and having given the following answers:

Question. Ever been arrested?

Answer. Yes, in Sommer's Point.

Question. What about?

Answer. Caught in a gambling room.

Question. Whose room?

Answer. I had an interest in it.

Question. How long ago was that?

Answer. Three years ago.

Do you recollect giving those answers?

MR. ORMAN. If I gave those answers, I did it, because the man who was living by the name of Tom Stretch, owned a license for the place adjoining where he dispensed alcoholic beverages. Although it may sound fantastic, it doesn't mean a thing one way or the other. I pleaded guilty to being the owner at the time and I think I was fined, if I recall, \$200.

MR. LANE. Then did you afterward testify in questions put to you by Mayor Taggart?

MR. ORMAN. I was liable to say anything in connection with Mayor Taggart.

MR. LANE. Did you testify in answers to questions put by him that you had an interest?

MR. ORMAN. I may have. I may have said anything. It was a fight between him and me.

MR. LANE. The question is not what you may have said. The question is did you say it.

Mr. ORMAN. I may have ; yes, sir.

Mr. LANE. Did you or did you not say it?

Mr. ORMAN. If you have it in the record, I said it.

Mr. LANE. Did you or did you not have a financial interest in that establishment?

Mr. ORMAN. No; I never did.

Mr. LANE. Do you recollect having been asked by Mayor Taggart at the same time the following?

Question. What else was there besides horses?

Answer. That is all.

Question. Craps there?

Answer. Yes, but it wasn't going at the time.

Do you recall being asked those questions?

Mr. ORMAN. I do not recall. If you have it there, it may be so.

Mr. LANE. Does it refresh your recollection that, in fact, craps games were played there?

Mr. ORMAN. They were played there at one time. I do not think it was very long. I do not think the place existed for 10 days, if I remember correctly.

Mr. LANE. Coming back to these pistol permits, I asked you whether or not they required the supporting affidavit of some third party.

Mr. ORMAN. They did, I think.

Mr. LANE. What parties acted for you in that regard?

Mr. ORMAN. Different ones at various times. On this one, it was Frank Farley, Dorothy Carlson, and Helen Cloherty.

Mr. LANE. How many supporting affidavits were there to your 1939 application? How many supporting certificates?

Mr. ORMAN. How many supporting certificates?

Mr. LANE. Yes. You look at the back of the paper you have in your hand. You say by Frank Farley. Is that the first one on the back of the page?

Mr. ORMAN. That is right, sir.

Mr. LANE. Is that a statement by Farley that he is well acquainted with you?

Mr. ORMAN. That is right, sir.

Mr. LANE. For how many years does he indicate that he has known you?

Mr. ORMAN. In 1936.

Mr. LANE. I have been referring to that as the 1939 application. Is it the 1936 application?

Mr. ORMAN. No. It says down here, I guess this is the expiration of the notary's commission, Edna Keller, notary, expires December 31, 1939. This application is December 20. Voucher, Frank Farley, jewelry salesman and manager of Bankers Tavern, it has here. This is in 1937.

Mr. LANE. Made in 1937?

Mr. ORMAN. Yes.

Mr. LANE. Who is Frank Farley?

Mr. ORMAN. He is Senator Farley, Senator from Atlantic County.

Mr. LANE. At that time?

Mr. ORMAN. At that time he was, I think, an assemblyman.

Mr. LANE. How long does he state in that affidavit he has known you?

Mr. ORMAN. I do not see where he says how long he did know me. Up here—for 14 years, right here.

Mr. LANE. That would—

Mr. ORMAN. That would make it his knowing me since 1925.

Mr. LANE. What is the date of that?

Mr. ORMAN. December 11, 1939.

Mr. LANE. Known you since 1925. What was the date of your birth?

Mr. ORMAN. December 7, 1907.

Mr. LANE. In 1925 you were 18 years old?

Mr. ORMAN. Yes.

Mr. LANE. Is that factually correct, that he had known you since you were 18 years old?

Mr. ORMAN. Definitely. The present girl he is married to worked in that office at that time as a secretary.

Mr. LANE. In what office?

Mr. ORMAN. In the office I had office space in, which was Benjamin R. Fox, at that time at 1102 Atlantic Avenue. His wife's name was Marie Fial. He was clerking in the office of Brown & McMullen.

Mr. LANE. That is a law firm?

Mr. ORMAN. Yes. I think he became a member of the bar right after that. I do not know whether it was 1926 or 1927 or thereabouts. Shortly after that he became married to the same girl that he is married to presently.

Mr. LANE. You were personally well acquainted with him as far back as 1925?

Mr. ORMAN. No question about it.

Mr. LANE. Socially well acquainted with him?

Mr. ORMAN. Well, fairly well; yes, sir.

Then I think he even came into Bankers Tavern when I had that going on many occasions.

Mr. LANE. Who else is on that application in 1939?

Mr. ORMAN. Well, I see Helen Cloherty.

Mr. LANE. Who is Helen Cloherty?

Mr. ORMAN. She was a secretary in the office of Brown & McMullen. I think she still is the secretary to Mr. McMullen.

Mr. LANE. Who is Mr. McMullen?

Mr. ORMAN. He is a lawyer.

Mr. LANE. Who else is on that?

Mr. ORMAN. Dorothy Carlson.

Mr. LANE. How long does she represent she has known you?

Mr. ORMAN. That isn't filled in here.

Mr. LANE. How long in fact have you known her?

Mr. ORMAN. I have known her from the first day she went to work in Senator Farley's office, which is 14 or 15 years ago, whenever he got out of Brown & McMullen's office, after he became a member of the bar. At that time he hired her as his own secretary and she has been with him ever since.

Mr. LANE. Still there today?

Mr. ORMAN. Yes.

Mr. LANE. Who is another certificate made out by? Is Julius Waldman on that?

Mr. ORMAN. No, sir. He isn't on this one. But I know Julius Waldman. He is a lawyer.

Mr. LANE. Who is the next one?

Mr. ORMAN. On this certificate you only have—

Mr. LANE. You spoke of Cloherty.

Mr. ORMAN. Helen D. Cloherty.

Mr. LANE. And Farley?

Mr. ORMAN. Farley and Carlson.

Mr. LANE. And Carlson. Is that the list?

Mr. ORMAN. That is the list from what I see here.

Mr. LANE. Does that data indicate that some member of the police department granted the application?

Mr. ORMAN. Chief of Police James C. McMenammin, who has since been deceased.

Mr. LANE. Was the permit approved by one of the judges of the court of common pleas?

Mr. ORMAN. It has to be, but I do not know which one at that time.

Mr. LANE. Will you look at the back of the paper?

Mr. ORMAN. It is on here, but I cannot make it out.

Mr. LANE. How well did you know McNamara?

Mr. ORMAN. The jeweler on North Carolina?

Mr. LANE. I assume he is Frank McNamara.

Mr. ORMAN. I have known him 25 years. Maybe he is still there today.

Mr. LANE. Did you buy and sell jewelry in transactions with McNamara?

Mr. ORMAN. I may have had a few small transactions with him years ago.

Mr. LANE. When you say "years ago," what do you mean by that?

Mr. ORMAN. Maybe 15, 16 years ago.

Mr. LANE. Do you have any recollection of having any transactions as far back as 1939?

Mr. ORMAN. I think so. I think it is possible.

Mr. LANE. Let me read to you from a statement by Frank McNamara made at the mayor's office on January 2, 1942, supposed to have been made in answer to questions by Mayor Taggart, as follows:

Do you know all the jewelry firms in Atlantic City?

Answer. Yes.

Question. Do you know of any firms Stumpy Orman works for?

Answer. No; I do not.

Question. Never heard it mentioned?

Answer. No.

Question. Never had any idea that he worked for a jewelry store in Atlantic City?

Answer. No.

Question. Did he ever tell you he worked for a jewelry store?

Answer. No.

Mr. ORMAN. I never said I worked for a jewelry store, either then, now, or any other time.

Mr. LANE. Have you in fact ever worked for a jewelry store?

Mr. ORMAN. Never in my life. I never said I did.

Mr. LANE. Just worked for yourself, buying and selling jewelry?

Mr. ORMAN. That is right.

Mr. LANE. Did you buy the jewelry at auctions on distress sales or where did you pick it up?

Mr. ORMAN. Sometimes around Samson Street, Philadelphia. A couple of individuals I used to buy most of it from were located there.

Mr. LANE. Was he in the jewelry business?

Mr. ORMAN. He was all his life.

Mr. LANE. Did he have a store?

Mr. ORMAN. No, sir. He went out every day and bought and sold.

Mr. LANE. What was his name?

Mr. ORMAN. I forget his name. I can get it, but I forget his name.

Mr. LANE. See if you can't remember it. Do you remember the street and place?

Mr. ORMAN. I do not remember.

Mr. LANE. Do you remember anybody else you bought and sold jewelry from?

Mr. ORMAN. Oh, some individuals here and there.

Mr. LANE. Where?

Mr. ORMAN. Around the town.

Mr. LANE. You mean by that, Atlantic City?

Mr. ORMAN. Yes, private individuals.

Mr. LANE. Can you give us their names?

Mr. ORMAN. I wouldn't recall them.

Mr. LANE. At stores?

Mr. ORMAN. No, not at stores.

Mr. LANE. Private individuals?

Mr. ORMAN. Yes.

Mr. LANE. Were those occasional purchasers, or were those purchases made with any regularity?

Mr. ORMAN. Oh, they were just occasional. If somebody had something I could buy and I thought it was cheap and I could sell it again, I bought it.

Mr. LANE. Where did you sell the jewelry?

Mr. ORMAN. Any individual who came along.

Mr. LANE. You say "any individual." Would you sell them to jewelry dealers?

Mr. ORMAN. I didn't make a practice of it, never had that much of it.

Mr. LANE. How much in value did you ever have in hand at one time?

Mr. ORMAN. I do not think I would have much more than a couple of thousand dollars.

Mr. LANE. Nothing you would call significant, then?

Mr. ORMAN. It was significant at that time.

Mr. LANE. In that it represented a considerable amount of your liquid cash at that time, you mean?

Mr. ORMAN. Possibly.

Mr. LANE. I do not want you to guess at it. I am not undertaking to guess either, but were you in a position in 1937 and 1938 and 1939 to invest more than a couple of thousand dollars in jewelry right at that time?

Mr. ORMAN. No. I do not think I was in too solid a position.

Mr. LANE. What would you say your turn-over was that year in jewelry?

Mr. ORMAN. Not very much.

Mr. LANE. Would \$2,000 cover it?

Mr. ORMAN. I do not know. Maybe.

Mr. LANE. Would it exceed \$5,000?

Mr. ORMAN. I do not think so.

Mr. LANE. Was there a substantial profit in the line you carried?

Mr. ORMAN. Not too much. It varied.

Mr. LANE. Did you run to any one thing, like watches, rings, or bracelets?

Mr. ORMAN. Anything.

Mr. LANE. Whatever came along?

Mr. ORMAN. That is right.

Mr. LANE. Before I get off the track, I am going to show you different applications for pistol permits. I have shown you one for 1939. I show you one for 1941, one for 1942, one for 1948, and one for 1949. Calling your attention to the fact that they are all simply conformed copy and asking you whether that will refresh your recollection, Mr. Orman, as to the years in which you applied and the years in which you did not apply for pistol permits, can you tell me those years?

Mr. ORMAN. Well, I probably applied in those years.

Mr. LANE. Do you have any independent recollection of when you did apply and when you did not?

Mr. ORMAN. Only what it states here. I do not have a copy or record to go by.

Mr. LANE. That is in substance what I am asking you. Without those copies, could you tell us in what years you filed an application?

Mr. ORMAN. I could not. I have to do the same thing you did, go to the city hall and get them out.

Mr. LANE. May I have those back again, please?

Mr. ORMAN. Yes.

Mr. LANE. Have you any recollection as to who vouched for you in your application for a police permit in 1945, 1937, 1938?

Mr. ORMAN. As I remember, I would not have too well a recollection without checking the applications themselves, but I would remember on several occasions McNamara, I had Carlson, I had Cloherty, I had Farley, and I had some detectives from time to time. I just do not know who and how; I have nothing to refer to.

Mr. LANE. If I tell you that our notes indicate that Frank Farley vouched for you on December 26, 1935——

Mr. ORMAN. I would believe you.

Mr. LANE. And again on January 8, 1937, and again on December 21, 1937, and again on December 14, 1938, would that jibe with your recollection?

Mr. ORMAN. Possibly not with my recollection, but I believe it, if you have it there in the record, and I do not deny it.

Mr. LANE. As you have already seen in the other copy, you were vouched for in 1939.

Mr. ORMAN. Yes. If they state that is so, then it is true.

Mr. LANE. You say that Helen Cloherty vouched for you. Was she the woman employed by Frank Farley or was it Carlson?

Mr. ORMAN. Miss Carlson.

Mr. LANE. Cloherty was who?

Mr. ORMAN. She worked for the offices, at that time, of Brown & McMullen, who since have separated, and now it is just Mr. McMullen, I think.

Mr. LANE. Do you recollect that Frank McNamara also vouched for you?

Mr. ORMAN. Yes, I do.

Mr. LANE. In 1939?

Mr. ORMAN. I do not know what year, but I know he has on several occasions.

Mr. LANE. And in 1941, do you recollect that?

Mr. ORMAN. If it is there, it is possible.

Mr. LANE. Yes, it is there.

Mr. ORMAN. Yes, it is possible.

Mr. LANE. Do you recollect that Julius Waldman—

Mr. ORMAN. I do not recall. If it is there, I do not doubt it. He may have on some occasions—1 year.

Mr. LANE. Does it seem reasonable to you that he vouched for you on January 29, 1941?

Mr. ORMAN. It is possible.

Mr. LANE. Who is Julius Waldman?

Mr. ORMAN. He is an attorney here in town.

Mr. LANE. How long had you known Waldman?

Mr. ORMAN. A good many years.

Mr. LANE. Is it your recollection that he also vouched for you on December 31, 1941?

Mr. ORMAN. I do not recall. If it is there, it is there.

Mr. LANE. Is he in any way connected with Farley?

Mr. ORMAN. No. They may have handled some cases together.

Mr. LANE. Does it refresh your recollection that Dorothy Carlson took his affidavit, both of those applications, one on January 14, 1941, and one in December 1941?

Mr. ORMAN. I do not recall. If it is there, it is so.

Mr. LANE. That doesn't mean to you that they were office associates?

Mr. ORMAN. No. They were not. I think he had an office down the hall, two doors away, which is still located there today.

Mr. LANE. In 1948 did Dorothy C. Berry vouch for you?

Mr. ORMAN. That is Miss Carlson, who since had been married. That is her married name, Berry.

Mr. LANE. That was the secretary in Senator Farley's office?

Mr. ORMAN. That is right, sir.

Mr. LANE. And Joseph Ross, Jr.?

Mr. ORMAN. Yes. He is the owner of the Yellow Cab Co.

Mr. LANE. How long have you known him?

Mr. ORMAN. Quite a number of years.

Mr. LANE. And Elva C. Schweidi?

Mr. ORMAN. She is the secretary to Mr. Ross.

Mr. LANE. How long have you known her?

Mr. ORMAN. About 10, 11, 12 years, a little longer.

Mr. LANE. Who is George A. Frye?

Mr. ORMAN. He is in the detective bureau.

Mr. LANE. On the city police force?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long have you known him?

Mr. ORMAN. Fifteen or twenty years.

Mr. LANE. Did he vouch for you in 1939?

Mr. ORMAN. I think so.

Mr. LANE. Do you know Oswald Divinnie?

Mr. ORMAN. Yes, sir.

Mr. LANE. Did those men vouch for you in 1939?

Mr. ORMAN. That is right.

Mr. LANE. Charles M. Virtue? Have you known him for many years?

Mr. ORMAN. Quite a few years.

Mr. LANE. How many?

Mr. ORMAN. Ten, twelve, thirteen.

Mr. LANE. Now, in 1948 and again in 1949 did James H. Farley vouch for you?

Mr. ORMAN. That is right, sir.

Mr. LANE. Who is James H. Farley?

Mr. ORMAN. He is in the detective bureau. He is a brother of Senator Farley.

Mr. LANE. Relative to James H. Farley, who vouched for you in 1948 and is the brother of Senator Farley, you said he was on the police force?

Mr. ORMAN. That is right.

Mr. LANE. Has he a responsible position on the police force?

Mr. ORMAN. I think he was acting captain of the detective bureau.

Mr. LANE. Would that mean he was the head of the plainclothesmen on the force?

Mr. ORMAN. He was one of the captains. I do not know. They had four or five or six of them.

Mr. LANE. Do they have more than one captain of detectives?

Mr. ORMAN. Yes, sir. That is what I am talking about. He was only one, in an acting capacity, for several years.

Mr. LANE. He was one of the ranking officers in the police department?

Mr. ORMAN. One of them, at that time.

Mr. LANE. And in 1948 did Tod Kerstetter also signify that he had investigated the statements and found them to be true?

Mr. ORMAN. Are you asking me, did he?

Mr. LANE. Yes.

Mr. ORMAN. If he signed it, he did.

Mr. LANE. Have you a recollection that he did?

Mr. ORMAN. I do not know what year he did, but he did on one or two occasions.

Mr. LANE. If it indicates that was in December 1948 on your copy, you believe that would be correct?

Mr. ORMAN. Yes, sir.

Mr. LANE. What was his position on the force at that time?

Mr. ORMAN. He was assistant director of public safety, which he presently holds.

Mr. LANE. Who is superior to him on the police force?

Mr. ORMAN. Director Cuthbert.

Mr. LANE. He is the only one superior in rank to him?

Mr. ORMAN. That is right.

Mr. LANE. How often, Mr. Orman, do you see men like this Capt. H. Farley and Assistant Director of Public Safety Meredith T. Kerstetter?

Mr. ORMAN. I sometimes may see them around the town a few times a week, and then again I may not see them in months. I have a public bar and sometimes Kerstetter may come in there. I do not know if Jim Farley has ever been in there. I do not think so. I have been there since 1945.

Mr. LANE. Did you know the late Norda Kunhle?

Mr. ORMAN. I do not remember him. I did not know him too well. He has been dead for many years.

Mr. LANE. He was the head of the Republican Party in Atlantic County, wasn't he?

Mr. ORMAN. That is a long way back.

Mr. LANE. Before your time?

Mr. ORMAN. I think it was. I do not think I was around then.

Mr. LANE. Who was the head of the Republican organization in Atlantic County in the early thirties?

Mr. ORMAN. Enoch L. Johnson.

Mr. LANE. Otherwise known as "Nockey" Johnson?

Mr. ORMAN. That is right, sir.

Mr. LANE. Did you know him?

Mr. ORMAN. Yes, sir.

Mr. LANE. Did you know him well?

Mr. ORMAN. Fairly well.

Mr. LANE. Did he do favors for you?

Mr. ORMAN. I do not know that I ever asked him to do favors for me.

Mr. LANE. Did you do favors for him?

Mr. ORMAN. I do not think I had reason to, but I would if I could.

Mr. LANE. Why?

Mr. ORMAN. Because he was a friend of mine.

Mr. LANE. What has he ever done for you, Mr. Orman?

Mr. ORMAN. Nothing.

Mr. LANE. How has he shown his friendship to you?

Mr. ORMAN. I have known him for a good many years around here.

Mr. LANE. Socially?

Mr. ORMAN. On occasions, not too often.

Mr. LANE. Can't you state anything he has done for you?

Mr. ORMAN. No. I do not think he has done anything for me.

Mr. LANE. What was it that made you indicate you would do favors for him?

Mr. ORMAN. There is nothing that motivates that. I have a feeling for the man, and out of respect I would do anything I could for him.

Mr. LANE. What is the basis of your respect for him?

Mr. ORMAN. I just like the man generally. I do not know how to describe it generally. I do not know that I have to have a specific reason. I do not know what he would ask me to do.

Mr. LANE. I do not know, either.

Mr. ORMAN. If it was within my realm of possibility, I would help him and do anything I could for him.

Mr. LANE. Out of a sense of loyalty to him?

Mr. ORMAN. I do not know I would put it that way. I do not know why I would have to be loyal to him.

Mr. LANE. He is a great deal older than you are.

Mr. ORMAN. Much older. He has gone into his seventies.

Mr. LANE. Aren't you actually in the category of a protégé of his?

Mr. ORMAN. Not nearly. I am a Republican. I am a little active in Republican politics here. I have been for a good many years.

Mr. LANE. Have you done favors for "Nockey" Johnson?

Mr. ORMAN. I haven't any reason to.

Mr. LANE. Did you get the vote out for him?

Mr. ORMAN. I did, to the best of my ability.

Mr. LANE. Did you collect campaign funds for him?

Mr. ORMAN. Never.

Mr. LANE. Did you do that for anybody else in the Republican Party?

Mr. ORMAN. No, sir.

Mr. LANE. Then, what have you done politically?

Mr. ORMAN. Just the general routine of things to help an organization, through friendship and votes, and getting them to go along, friends I know.

Mr. LANE. What is the routine?

Mr. ORMAN. Try to help where I can be of help.

Mr. LANE. Do you belong to any of the ward clubs?

Mr. ORMAN. I belong to the Fourth Ward Republican Club.

Mr. LANE. How long have you belonged to that?

Mr. ORMAN. I do not know. I do not think too many years. Maybe 7, 8, 9 years.

Mr. LANE. Did you belong to any club at that time that "Nockey" Johnson was the head of the Republican Party in this county?

Mr. ORMAN. No; I did not.

Mr. LANE. What political favors did you do for him?

Mr. ORMAN. I didn't do anything for him.

Mr. LANE. Was Senator Farley a protege of his?

Mr. ORMAN. I do not know how you want to term it. I think he was greatly responsible at the time for Farley getting into politics and running as an assemblyman from this district.

Mr. LANE. Did you do anything to assist Farley when he ran for assembly?

Mr. ORMAN. In my little way.

Mr. LANE. What did you do in your little way?

Mr. ORMAN. I tried to help him get votes wherever I possibly could.

Mr. LANE. I had been asking you for your means of livelihood and I think we were down to about 1939 when we went off on this tangent of the police permits.

Mr. ORMAN. Yes.

Mr. LANE. After the Bankers Tavern was liquidated and the radio stores were liquidated, what did you do to make a living?

Mr. ORMAN. Well, I do not know. I do not know right about then. But I think from 1941 on, between going to work for the Yellow Cab Co. and a few other companies, I managed to make a living and accumulated a little money.

Mr. LANE. To refresh your recollection, we are talking about the time war broke out in Europe. Does that assist you in placing events at that time? In 1939 and 1940? Can you, by associating the outbreak of the war with what you were doing yourself, tell us more accurately what business interests you had?

Mr. ORMAN. I do not think I had any right around then. I think it was right around 1941 that I can pin myself down, or 1940, with the Yellow Cab Co., as public relations for them, which I held for about 8 years.

Mr. LANE. Let's see about Yellow Cab Co. Is Yellow Cab Co. a corporation?

Mr. ORMAN. Yes, sir.

Mr. LANE. Is that a closely-held corporation?

Mr. ORMAN. I do not know. I do not own stock. I was not a part owner. I was just on a salary there.

Mr. LANE. Who are the principal owners?

Mr. ORMAN. Joseph Ross.

Mr. LANE. The same Joseph Ross who vouched for you here?

Mr. ORMAN. Yes.

Mr. LANE. And whose secretary vouched for you?

Mr. ORMAN. Yes; that is right.

Mr. LANE. Is there any record that you kept, Mr. Orman, of your income for the years as far back as 1940?

Mr. ORMAN. I had some records. I do not know whether I still have them.

Mr. LANE. Did any accountant make up your income-tax returns as far back as 1940?

Mr. ORMAN. I do not know whether I used to get them made up by an accountant or used to walk into the Internal Revenue Bureau and had it made up there. Since 1945 I have had my accountant do it. I have given him the figures and he inserts them.

Mr. LANE. Who is he?

Mr. ORMAN. O. J. Silverman. But he doesn't have books pertaining to my personal income. He represents me in the Cosmopolitan Hotel Co., which was a corporation until about 4 months ago when I purchased it, and I am sole owner of it now.

Mr. LANE. In 1945, was that the first time you had a public accountant make up your tax blank?

Mr. ORMAN. I think so.

Mr. LANE. Prior to 1945, did you always make up your own returns?

Mr. ORMAN. Yes, sir. I went into the Internal Revenue Bureau and had them make it up, if I remember right.

Mr. LANE. Can you obtain some records that would refresh your recollection as to when you first worked for Yellow Cab Co.?

Mr. ORMAN. It was 8 or 9 years ago, from then up to about 2 years ago.

Mr. LANE. That would make it about 1943, wouldn't it?

Mr. ORMAN. Let's say 1943, either in 1942 or 1943. I went into the Army in 1943 and I was on their payroll before I went into the Army.

Mr. LANE. When did you go into the Army?

Mr. ORMAN. 1943.

Mr. LANE. What time of 1943?

Mr. ORMAN. February of 1943.

Mr. LANE. How long do you think now you had been on the payroll of Yellow Cab Co. prior to February 1943?

Mr. ORMAN. A year or two.

Mr. LANE. A year or two would bring it back to 1941. That would mean you had been associated with Yellow Cab Co. for 10 years.

Mr. ORMAN. I said I was associated with them 7 or 8 or 9 years, up until 2 years ago; I haven't been on their payroll for the last 2 years.

Mr. LANE. You believe you were first associated with them in 1941?

Mr. ORMAN. I think so.

Mr. LANE. What were you doing in 1940?

Mr. ORMAN. I do not recall, really.

Mr. LANE. You were occupying your time some way?

Mr. ORMAN. I certainly was. I always must have hustled to make a living. I do not know how.

Mr. LANE. When you say you had to hustle to make a living, where were you living in 1940?

Mr. ORMAN. In Atlantic City.

Mr. LANE. In a hotel?

Mr. ORMAN. No. I think I was living at 2626 Pacific.

Mr. LANE. Did you have furnished rooms there?

Mr. ORMAN. Yes.

Mr. LANE. Living there by yourself?

Mr. ORMAN. Yes; with some friends of mine. They had the property. They had their home there. I may have been living at 37 South Iowa, which was the Biarritz Apartments.

Mr. LANE. In your endeavor to make a living, what did you do?

Mr. ORMAN. I did anything I could to make a living, within reason.

Mr. LANE. Did you make any book?

Mr. ORMAN. No. I bet. I am a pretty good bettor when I bet.

Mr. LANE. Were you in the numbers?

Mr. ORMAN. Never in my life.

Mr. LANE. Where did you place your bets?

Mr. ORMAN. When I bet, I bet with various individuals. I do not know who they were or where they are. Mostly at the track in the last number of years.

Mr. LANE. Is it on horses?

Mr. ORMAN. Yes.

Mr. LANE. What track?

Mr. ORMAN. I bet at the Atlantic City track or the Camden track.

Mr. LANE. Ever bet off the track?

Mr. ORMAN. I think I have on a couple of occasions.

Mr. LANE. What was the last?

Mr. ORMAN. Oh, I do not remember. I do not know whom.

Mr. LANE. Don't you know anybody with whom you habitually placed bets?

Mr. ORMAN. I did it only occasionally.

Mr. LANE. I thought you indicated that in hustling for a living one of the things you did was to gamble successfully.

Mr. ORMAN. When I gamble, I gamble pretty well. That was what I said.

Mr. LANE. In gambling pretty well, did you use one bookie more than another?

Mr. ORMAN. I used various bookies. I just do not know.

Mr. LANE. Do you use various bookies today?

Mr. ORMAN. I do not play. I do not think I did any gambling since I left Las Vegas last year.

Mr. LANE. Did you own an automobile?

Mr. ORMAN. Yes, sir.

Mr. LANE. Do you drive an automobile?

Mr. ORMAN. Cadillac.

Mr. LANE. How long have you driven a Cadillac?

Mr. ORMAN. Since 1942.

Mr. LANE. Was that the first car you ever owned?

Mr. ORMAN. No; I owned a lot of cars prior to that.

Mr. LANE. What kind of car did you own in 1940?

Mr. ORMAN, I may have had a Buick.

Mr. LANE. Do you make it a practice to buy a new car every year?

Mr. ORMAN. No; I do not make a practice to buy it. If I get a good deal, where it hardly costs me anything, I will, and I do.

Mr. LANE. What was your income in 1940?

Mr. ORMAN, I do not remember.

Mr. LANE. Approximately?

Mr. ORMAN. I wouldn't want to say. I do not know.

Mr. LANE. You must have some idea if you were driving a Buick automobile.

Mrs. ORMAN. I would have to try to refresh my memory by seeing if I could find any of my records.

Mr. LANE. Name me one source of income in 1940.

Mr. ORMAN. I do not know what I made in 1940.

Mr. LANE. Name me one enterprise that you were in in 1940.

Mr. ORMAN. I do not recall.

Mr. LANE. Can you recall none at all?

Mr. ORMAN. Possibly.

Mr. LANE. What did you do after the Bankers Tavern?

Mr. ORMAN. I just don't recall. I do not remember because I did not have any stable business of any kind.

Mr. LANE. You did something, Mr. Orman.

Mr. ORMAN. I may have done something. I do not know what it was.

Mr. LANE. You did not have substantial cash, from what you just said.

Mr. ORMAN. I didn't have a lot of cash.

Mr. LANE. You stated that the import business was unsuccessful. You have stated the tavern was unsuccessful. You have stated that the radio store was unsuccessful. You have stated that you never had any substantial turn-over in jewelry. What other source of income did you have?

Mr. ORMAN. I do not recall. I may be able to help you expedite this.

Mr. LANE. I wish you would.

Mr. ORMAN. If you tell me what you are trying to drive at. I have had a fairly good income for the last 9 or 10 years. I think I can show since 1940 or 1941 what I have had.

Mr. LANE. Will you?

Mr. ORMAN. I have accumulated quite a bit of money.

Mr. LANE. Where did you bank in 1940?

Mr. ORMAN. I think I banked in what is now the Boardwalk National Bank, at Arkansas Avenue. I do not know what went through the bank. I know what I have been paying taxes on since 1940 or 1941.

Mr. LANE. In how many banks did you have an account?

Mr. ORMAN. Only the one.

Mr. LANE. Did you have a safe deposit box in that bank?

Mr. ORMAN. I think so. I think I still have it there.

Mr. LANE. Still in the same bank?

Mr. ORMAN. Well, I moved it from that bank when they opened their branch in Margate.

Mr. LANE. When was that?

Mr. ORMAN. Maybe last year.

Mr. LANE. From 1940 to 1950 you had an account in that bank here?

Mr. ORMAN. Here.

Mr. LANE. And the safe deposit box?

Mr. ORMAN. Here. It is the same bank. They opened another branch.

Mr. LANE. Do you recall what your average balance was?

Mr. ORMAN. I do not recall.

Mr. LANE. Did you maintain a checking account?

Mr. ORMAN. Yes, sir.

Mr. LANE. Did you keep cash in the box?

Mr. ORMAN. Sometimes I kept cash in the box.

Mr. LANE. How much?

Mr. ORMAN. Not too much.

Mr. LANE. \$2,000?

Mr. ORMAN. Maybe more. I do not recall. I wouldn't want to say how much. I do not remember.

Mr. LANE. Give us an estimate as to how much you kept there.

Mr. ORMAN. I cannot swear to it.

Mr. LANE. What was the purpose of keeping the money in the safe deposit box?

Mr. ORMAN. No special reason, other than that I did not want it in a checking account when I had no need for it.

Mr. LANE. You had some reason for preferring your money in cash in the box rather than keeping it in your checking account where you could draw it out on a check at any time?

Mr. ORMAN. No special reason.

Mr. LANE. Was there some reason that made it seem preferable to you to go to the bank and put the money in the box, and go to the bank and physically take the money out of the box rather than keep it in a general checking account?

Mr. ORMAN. I kept several thousand dollars as a balance in my checking account. I thought that was enough.

Mr. LANE. You say several thousand dollars. I asked you about your average balance. Would you now be able to state what the average balance was?

Mr. ORMAN. Maybe \$2,000, \$3,000, \$4,000.

Mr. LANE. What is your net worth today?

Mr. ORMAN. I do not know exactly.

Mr. LANE. Approximately?

Mr. ORMAN. I do not know.

Mr. LANE. What is it represented by, Mr. Orman?

Mr. ORMAN. Well, it is represented by my hotel interest.

Mr. LANE. What is your hotel interest?

Mr. ORMAN. If I sell the hotel at what I am negotiating to sell it for, or what I entered into a formal agreement to sell it for, on which I will enter into a formal agreement next month, I will have quite an interest if the sale goes through.

Mr. LANE. Did I understand you to say you contracted to sell it?

Mr. ORMAN. I have a contemplated deal with an old-age home group where I may sell it to them, between now and October 1 of 1951, this year.

Mr. LANE. Does that mean they have taken an option on the hotel?

Mr. ORMAN. \$5,000 option.

Mr. LANE. To take it at what price?

Mr. ORMAN. At \$160,000.

Mr. LANE. Good until October 1, 1951?

Mr. ORMAN. That is right.

Mr. LANE. Is there any mortgage on that hotel?

Mr. ORMAN. \$50,000 mortgage.

Mr. LANE. So the equity of your own would be \$110,000.

Mr. ORMAN. If I get that, but I owe some other money besides that. I owe some thirty-thousand-odd dollars besides that.

Mr. LANE. On a second mortgage?

Mr. ORMAN. A note which represents \$27,500 and about \$10,000 in other bills. If I sell the hotel, I don't think—

Mr. LANE. Is that a debt you incurred in connection with the purchase of the hotel?

Mr. ORMAN. That is right, sir.

Mr. LANE. How do you owe that money? To whom do you owe it?

Mr. ORMAN. To Harry Schwartz, \$27,500.

Mr. LANE. Who is Harry Schwartz?

Mr. ORMAN. He was one of the original partners in the hotel? He had a third interest.

Mr. LANE. With you and somebody else?

Mr. ORMAN. That is right.

Mr. LANE. Who is the other individual?

Mr. ORMAN. Sid Hartfield.

Mr. LANE. Who is he?

Mr. ORMAN. He is a man in the restaurant business in Atlantic City.

Mr. LANE. How long have you known him?

Mr. ORMAN. A good many years.

Mr. LANE. What business has he been in here in Atlantic City?

Mr. ORMAN. Restaurant business.

Mr. LANE. Have you bought out Hartfield's interest?

Mr. ORMAN. I bought both their interests.

Mr. LANE. But you haven't paid for Schwartz's interest?

Mr. ORMAN. I haven't paid for it.

Mr. LANE. You paid Hartfield out?

Mr. ORMAN. I repaid it off when I refinanced all but \$5,000.

Mr. LANE. You owe him \$5,000?

Mr. ORMAN. That is right.

Mr. LANE. With the \$27,000, you owe about \$43,000. With the \$50,000 mortgage, you owe about \$90,000. So your equity would be \$70,000.

Mr. ORMAN. Yes. If it goes through on that price, I will have to pay about \$15,000 in taxes.

Mr. LANE. As a long-term capital gain?

Mr. ORMAN. That is right.

Mr. LANE. You said that that was a corporation until recently.

Mr. ORMAN. Yes, sir.

Mr. LANE. The corporation has been dissolved?

Mr. ORMAN. Yes, sir.

Mr. LANE. You are now the sole owner?

Mr. ORMAN. Yes, sir. There was a dissolution of the corporation since March.

Mr. LANE. What was the purpose of the liquidation of the corporation?

Mr. ORMAN. So I wouldn't pay two taxes.

Mr. LANE. When was that hotel bought by the corporation?

Mr. ORMAN. In May of 1945.

Mr. LANE. How much money did you put up at that time?

Mr. ORMAN. \$27,500.

Mr. LANE. How much money did the other two put up? The same amount?

Mr. ORMAN. \$27,500 each.

Mr. LANE. Where did you acquire \$27,500?

Mr. ORMAN. I had that from the accumulation of money that I saved out of my earnings for the previous years.

Mr. LANE. Did you save anything while you were in the Army?

Mr. ORMAN. Yes, sir.

Mr. LANE. What were your sources of income while you were in the Army?

Mr. ORMAN. I represented Yellow Cab. It is all in my income tax.

Mr. LANE. While you were in the Army?

Mr. ORMAN. I was still on the payroll.

Mr. LANE. What did you do for them?

Mr. ORMAN. Public relations work, when I could.

Mr. LANE. To what extent could you do any work while you were in the Army?

Mr. ORMAN. When I came home, whatever I did, they carried me on the same as they did previous to my going in the Army and up until 2 years ago.

Mr. LANE. Where were you in the Army?

Mr. ORMAN. Fort Monmouth.

Mr. LANE. The whole time?

Mr. ORMAN. Most of the time.

Mr. LANE. Where else were you?

Mr. ORMAN. Baltimore and then back here in Jersey again.

Mr. LANE. Never more than, say, a hundred and fifty miles from here?

Mr. ORMAN. I do not think so.

Mr. LANE. Did you get back here week ends?

Mr. ORMAN. As often as I had a pass, I did.

Mr. LANE. And was that frequently?

Mr. ORMAN. As frequently as anyone else.

Mr. LANE. I am trying to ascertain whether you were able——

Mr. ORMAN. I said as often as I had a pass, which might have been three times a month.

Mr. LANE. If you did come back here three times a month, what did you do for the Yellow Cab Co.?

Mr. ORMAN. Nothing, if there was nothing to do.

Mr. LANE. Was there anything to do?

Mr. ORMAN. On occasions.

Mr. LANE. What?

Mr. ORMAN. Try to get them an account.

Mr. LANE. What kind of account?

Mr. ORMAN. Restaurant account or hotel account, for cab stand.

Mr. LANE. Did you get them any accounts?

Mr. ORMAN. I got them some from time to time.

Mr. LANE. During the war?

Mr. ORMAN. There wasn't many to get during the war.

Mr. LANE. There were no accounts to get during the war?

Mr. ORMAN. They couldn't supply them very well. They got along with what they went with.

Mr. LANE. Did they have cabs in service during the war?

Mr. ORMAN. Very few. They were cut to a minimum.

Mr. LANE. Like what?

Mr. ORMAN. Thirty against seventy.

Mr. LANE. Most of the hotels during the war were occupied by troops?

Mr. ORMAN. That is right.

Mr. LANE. Were there any resort hotels open during the war here?

Mr. ORMAN. A lot of smaller ones were open. A few were opened. There wasn't too much to do.

Mr. LANE. How much did you get paid by Yellow?

Mr. ORMAN. Five thousand a year.

Mr. LANE. Can you today tell us anything that you did for the Yellow Cab Co. that returned something of benefit to the Yellow Cab Co. for that \$5,000?

Mr. ORMAN. Sure, I got them—

Mr. LANE. While you were in the Army?

Mr. ORMAN. Not exactly while I was in the Army. What I did prior and afterward. I didn't have too much to do while I was in the Army. They didn't take me off the payroll.

Mr. LANE. They kept you on the payroll as a courtesy while you were in the service?

Mr. ORMAN. That is possible.

Mr. LANE. Is it a fact?

Mr. ORMAN. I received my money.

Mr. LANE. Is it a fact that you were in a position where you couldn't do anything for them?

Mr. ORMAN. There may not have been too much to do. I would have done it if there was something to do. You are going to pin me down, did I specifically do anything?

Mr. LANE. Yes.

Mr. ORMAN. I do not remember. I may have done something for them during the 33 to 34 months, if you want it that way, while I was in the Army.

Mr. LANE. I am trying to ascertain the facts.

Mr. ORMAN. I got my money and I performed some services for them.

Mr. LANE. But you did not today recollect any service you performed for them.

Mr. ORMAN. I cannot.

Mr. LANE. What service did you perform for them in 1941?

Mr. ORMAN. I got them various accounts. I got them different cafes, different hotels, where I knew they were looking for somebody else's services.

Mr. LANE. It was February 1942 that you went into the Army?

Mr. ORMAN. 1943.

Mr. LANE. It was sometime in 1941 that you first worked for the Yellow Cab Co.?

Mr. ORMAN. I think it was 1941; yes.

Mr. LANE. Can you remember any accounts you got between that date and February 1943 for them?

Mr. ORMAN. Yes; I got them the 500 Club, the Babette Club, and quite a few clubs around town.

Mr. LANE. Name me some other clubs, Mr. Orman.

Mr. ORMAN. Nomad Club, International Club. Different hotels. A couple of little hotels.

Mr. LANE. Were those all the clubs you got for them?

Mr. ORMAN. There may have been some others.

Mr. LANE. Does that mean they had an exclusive right?

Mr. ORMAN. To put their stands there.

Mr. LANE. Cab stands?

Mr. ORMAN. Yes, sir. They had cab stands there.

Mr. LANE. How many comparable cab companies are there in the city here?

Mr. ORMAN. I do not know if there are any comparable to the Yellow Cab. They are about the largest. The next one is City Service Cab.

Mr. LANE. At the 500 Club, who owns that?

Mr. ORMAN. Who owns the 500 Club?

Mr. LANE. Who owned it at that time, in 1941 or 1942?

Mr. ORMAN. I think Phil Barr. He is since deceased.

Mr. LANE. How did you get them an account with the 500 Club?

Mr. ORMAN. I knew these various people and I asked them as a special favor to me because I was working for them wouldn't they let them have a cab stand there and use their cabs exclusively.

Mr. LANE. Then, at the International?

Mr. ORMAN. Same way.

Mr. LANE. Who owned the International?

Mr. ORMAN. I think it may have been Kravitz at that time.

Mr. LANE. Who owned Babette's?

Mr. ORMAN. Dan Stebbins.

Mr. LANE. Was it on the same basis that you got the stand for them at Babette's?

Mr. ORMAN. Yes.

Mr. LANE. What was one of the other clubs that you named?

Mr. ORMAN. The Nomad. I do not recall who owned it at that time.

Mr. LANE. You say that they did it because you were acquainted with the management?

Mr. ORMAN. Because I was friendly with them.

Mr. LANE. What was the basis of your friendship with the clubs that you have mentioned?

Mr. ORMAN. I knew them around here for a good many years. That is all I can say.

Mr. LANE. Did you patronize them?

Mr. ORMAN. Once in a while; not too often.

Mr. LANE. Did you do any more than patronize them once in a while?

Mr. ORMAN. No.

Mr. LANE. Did you do any favors for them?

Mr. ORMAN. No; not to my knowledge.

Mr. LANE. Why are they doing favors for you, Mr. Orman?

Mr. ORMAN. That I cannot say.

Mr. LANE. You must have some opinion on the matter.

Mr. ORMAN. That I cannot say.

- Mr. LANE. Did you pay them anything for the account?
- Mr. ORMAN. I think in some cases they used to pay some of them. I do not think they paid all the clubs. They paid most of the hotels.
- Mr. LANE. Yellow Cabs did?
- Mr. ORMAN. Yes, sir.
- Mr. LANE. What hotel accounts did you get for Yellow Cab?
- Mr. ORMAN. I do not recall. I talked to several people years ago.
- Mr. LANE. Do you mean by that that you haven't gotten any accounts for them in recent years?
- Mr. ORMAN. I haven't been with them for 2 years.
- Mr. LANE. Take yourself back to 1949. That is only 2 years ago. Did you get any accounts for them between 1945 and 1949?
- Mr. ORMAN. I got some. I do not know which ones they were.
- Mr. LANE. Is Yellow Cab still owned by the same group?
- Mr. ORMAN. Yes, sir; it is.
- Mr. LANE. And is it the group that has had it since the beginning?
- Mr. ORMAN. Since the beginning of my working for them.
- Mr. LANE. That included Joseph Ross?
- Mr. ORMAN. That is right.
- Mr. LANE. Who else?
- Mr. ORMAN. I think he is the principal one. I do not know of anyone else.
- Mr. LANE. Is he the principal officer?
- Mr. ORMAN. Yes, sir.
- Mr. LANE. Is he the only contact you had in the Yellow Cab Co.?
- Mr. ORMAN. Yes, sir. Seashore Cab Co., I think it is called, or Shore Cab Co., corporation.
- Mr. LANE. Did anyone else perform the same function for Yellow Cab that you did?
- Mr. ORMAN. Not to my knowledge.
- Mr. LANE. You have named a list of clubs that you retained back in 1941 and 1942 and you said there were several hotels. What hotels were there?
- Mr. ORMAN. I do not recall the hotels offhand. I know I spoke to a few of them.
- Mr. LANE. Come nearer to date. Take from 1945 to 1949. Did you get any clubs for them during that period?
- Mr. ORMAN. No, sir.
- Mr. LANE. Did you get any hotels for them?
- Mr. ORMAN. I think I spoke to somebody in the Ambassador one time for them.
- Mr. LANE. Did you get any accounts for them in the hotel field?
- Mr. ORMAN. I think the Ambassador at one time.
- Mr. LANE. Don't you know whether you got the Ambassador for them?
- Mr. ORMAN. I do not know exactly. I think I spoke to Tousley at one time.
- Mr. LANE. Who is he?
- Mr. ORMAN. Manager, at one time.
- Mr. LANE. Did they, in fact, get the Ambassador as a stand?
- Mr. ORMAN. I think they still have it.
- Mr. LANE. Did they get it through your efforts?
- Mr. ORMAN. I think maybe they did.
- Mr. LANE. You think maybe you talked to Tousley just once?
- Mr. ORMAN. I think so.

Mr. LANE. Did you get any restaurant accounts for them from 1945 to 1949?

Mr. ORMAN. I think I may have gotten Stanley Restaurant and others. I do not know which ones they were. They do not have too many cab stands. They would call when they needed a cab.

Mr. LANE. Who owns the Stanley Restaurant?

Mr. ORMAN. Now? A man by the name of Fred Hartfield owned it at that time.

Mr. LANE. Hartfield went in with you in the Cosmopolitan Hotel?

I meant to ask you originally, Mr. Orman: Do you appear before the committee under subpoena?

Mr. ORMAN. I do, sir.

Mr. LANE. Will you produce the subpoena?

Mr. ORMAN. Yes, sure.

(The witness produced the subpoena.)

Mr. LANE. May I have the subpoena marked?

Senator HUNT. The subpoena will be marked "Exhibit L." It is the subpoena which has been issued by the Congress of the United States on Herman Orman on Friday, July 6.

(The subpoena referred to was marked "Exhibit L" and is on file with the special committee.)

Mr. LANE. This subpoena is a subpoena duces tecum, Mr. Orman, which calls for the production of all your records, papers, statements, and documents concerning business, employment, and financial transactions, and a copy of your income-tax return, for the years 1947, 1948, 1949, and 1950. Have you brought those with you?

Mr. ORMAN. I brought my income-tax returns.

Mr. LANE. For those years?

Mr. ORMAN. Yes, sir.

Mr. LANE. Will you produce them?

Mr. ORMAN. Yes, sir.

(The afore-mentioned tax returns were produced by the witness.)

Mr. LANE. May I have those marked?

Senator HUNT. For the record, we have received income-tax returns of Herman Orman for the years 1950, 1949, 1948, 1947. They will be received in the record and designated as exhibit M.

(The afore-mentioned tax returns were marked "Exhibit M" and are on file with the special committee.)

Mr. LANE. I understood you to say, Mr. Orman, that the information appearing on those returns was given by you to the public accountant who made up the returns. Is that true? You gave him the figures and he filed the return? He filled in the items?

Mr. ORMAN. That is right, sir.

Mr. LANE. Have you brought with you the records in which you kept the account of those items?

Mr. ORMAN. No. I mislaid them. There is not much to keep. I can explain them. Ask me what you want to know.

Mr. LANE. Take the year 1950. Do you have records of your income in 1950?

Mr. ORMAN. I think it will state on there what my income was.

Mr. LANE. I am not asking you what appears on the exhibit, but I am asking you whether you have at your office or at your home records indicating all business transactions that you had in 1950.

Mr. ORMAN. No; I do not have them. I do not know what I did with them.

Mr. LANE. Do you keep any records, Mr. Orman?

Mr. ORMAN. I sort of keep a little diary of what I take in.

Mr. LANE. How long have you made it a practice to keep a diary?

Mr. ORMAN. I mean a book. When I get anything in, I record it. I used to keep it on one of those yellow pieces of paper, and I mislaid it after I filed my income return.

Mr. LANE. Now you keep it in a book?

Mr. ORMAN. Since 1951.

Mr. LANE. Beginning in January 1951.

Mr. ORMAN. Yes, sir.

Mr. LANE. Can you produce that book?

Mr. ORMAN. For 1951?

Mr. LANE. Yes.

Mr. ORMAN. Yes, sure.

Mr. LANE. We won't finish with you tonight. Will you produce that book tomorrow morning

Mr. ORMAN. Yes, sure.

Mr. LANE. Will you direct the witness to produce the book for 1951?

Senator HUNT. The acting chairman of the subcommittee directs the witness, Mr. Orman, to produce his book containing the records of his business transactions for the year 1951.

Mr. ORMAN. All right, sir.

Mr. LANE. Have you any records for the year 1950 relating to your business transactions?

Mr. ORMAN. No; only what is on there.

Mr. LANE. Have you any of the underlying records?

Mr. ORMAN. No.

Mr. LANE. Did you keep any records?

Mr. ORMAN. I had something. I mislaid it. I do not know what I did with it.

Mr. LANE. When did you see it last?

Mr. ORMAN. At the end of 1950 was the last time I remember seeing it.

Mr. LANE. In what form was it?

Mr. ORMAN. On a tablet like that, the yellow legal paper.

Mr. LANE. Was that a record which you made up yourself?

Mr. ORMAN. As I went along from January 1 until the end of the year, so I could get my figures straight.

Mr. LANE. We will go into that further at a later date. I want to ask you now, first, about your acquaintances, people in public office in this county. You are well acquainted, aren't you, with Frank S. Farley?

Mr. ORMAN. Yes, sir.

Mr. LANE. Socially?

Mr. ORMAN. Pretty well; yes.

Mr. LANE. Is he a close friend of yours?

Mr. ORMAN. I would say so.

Mr. LANE. Have you had any business dealings with him?

Mr. ORMAN. None.

Mr. LANE. Have you ever paid him any money?

Mr. ORMAN. Never.

Mr. LANE. Has he ever paid you any money?

Mr. ORMAN. Never.

Mr. LANE. Are you acquainted with County Solicitor Albert Shahadi?

Mr. ORMAN. Yes, sir.

Mr. LANE. Is he also a friend of yours?

Mr. ORMAN. Very good friend of mine.

Mr. LANE. How long has he been a friend of yours?

Mr. ORMAN. Oh, 12, 13, 14, years.

Mr. LANE. When you first knew him, what was his occupation?

Mr. ORMAN. Oh, he is a lawyer.

Mr. LANE. Was he a practicing lawyer when you first knew him?

Mr. ORMAN. I think so; yes, sir.

Mr. LANE. Ever represent you?

Mr. ORMAN. Not to my knowledge; no, sir.

Mr. LANE. Did you ever do any favors for him?

Mr. ORMAN. Only what you would consider a favor in a political sense when he ran for office.

Mr. LANE. What did you do for him then?

Mr. ORMAN. Tried to help get him the votes.

Mr. LANE. Did you ever pay him any money?

Mr. ORMAN. Never had any reason to.

Mr. LANE. Did you ever pay him any money?

Mr. ORMAN. No, sir; never had any reason to.

Mr. LANE. I am not asking you whether you had any reason to. I am asking you whether you did.

Mr. ORMAN. No, sir.

Mr. LANE. Did he ever pay you any money?

Mr. ORMAN. No, sir.

Mr. LANE. Do you know County Prosecutor Louie P. Scott?

Mr. ORMAN. Casually.

Mr. LANE. How long have you known him?

Mr. ORMAN. Maybe 7 or 8 years.

Mr. LANE. Do you know his assistants, David Brone and Emery Keiss?

Mr. ORMAN. Casually.

Mr. LANE. How long have you known them?

Mr. ORMAN. Ten, twelve, thirteen years.

Mr. LANE. Do you know Sheriff Gerard Gormley?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long have you known him?

Mr. ORMAN. Maybe 10 years.

Mr. LANE. Ever done any favors for him?

Mr. ORMAN. Only around election.

Mr. LANE. Has he ever done any favors for you?

Mr. ORMAN. Not yet.

Mr. LANE. Do you know the two sitting county judges, Leonard and Naomi?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long have you known Leonard?

Mr. ORMAN. Quite a few years.

Mr. LANE. Well?

Mr. ORMAN. Pretty well; yes, sir.

Mr. LANE. As well as you have known Farley?

Mr. ORMAN. Not as well as I have known Farley.

Mr. LANE. Do you know how long you have known Naami? Judge Naami?

Mr. ORMAN. Oh, when he was a practicing lawyer.

Mr. LANE. How long ago was that?

Mr. ORMAN. I guess I have known him 10 years, somewhere around there.

Mr. LANE. Do you know District Judge Richard Mischlich?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long have you known him?

Mr. ORMAN. When he first ran for assembly.

Mr. LANE. When was that?

Mr. ORMAN. I think it may have been 1945 or 1946.

Mr. LANE. Do you know James Boyd?

Mr. ORMAN. Yes, sir, very well.

Mr. LANE. And have you known him for a long time?

Mr. ORMAN. Quite a long time; yes, sir.

Mr. LANE. Twenty years?

Mr. ORMAN. No; I do not think that long.

Mr. LANE. Fifteen years?

Mr. ORMAN. Maybe that long, maybe longer.

Mr. LANE. He is the clerk to the board of freeholders.

Mr. ORMAN. That is right

Mr. LANE. Have you ever done him any political favors?

Mr. ORMAN. No.

Mr. LANE. Any financial favors?

Mr. ORMAN. No.

Mr. LANE. Has he ever had an interest with you in any enterprise?

Mr. ORMAN. No.

Mr. LANE. Ever received any money from him?

Mr. ORMAN. No.

Mr. LANE. Or paid any money to him?

Mr. ORMAN. No.

Mr. LANE. Do you know Probation Officer Vincent J. Lane?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long have you known Lane?

Mr. ORMAN. Fifteen years, not too well. I have known him. Maybe I have known him longer than that.

Mr. LANE. When did you last talk to him?

Mr. ORMAN. Today.

Mr. LANE. When did you last talk to Boyd?

Mr. ORMAN. Today.

Mr. LANE. When did you last talk to Frank S. Farley?

Mr. ORMAN. Not for a couple of weeks.

Mr. LANE. Where is he?

Mr. ORMAN. Where is he?

Mr. LANE. Yes.

Mr. ORMAN. I wouldn't know. He is either in town or in Trenton.

Mr. LANE. When did you last talk to him?

Mr. ORMAN. To whom?

Mr. LANE. Farley?

Mr. ORMAN. I think the last time I talked to him was at the preview opening of the Warwick, which is an apartment house that opened a week ago today, on a Friday or Thursday.

Mr. LANE. When did you last talk to Shahadi?

Mr. ORMAN. Probably the day before yesterday.

Mr. LANE. When did you last talk to Gormley?

Mr. ORMAN. I haven't seen Gormley for a couple of months. I guess 6 or 7 weeks.

Mr. LANE. Gormley is getting on in years?

Mr. ORMAN. No, sir.

Mr. LANE. How old is he?

Mr. ORMAN. Forty-six.

Mr. LANE. Oh, is that all?

Mr. ORMAN. Somewhere right around there.

Mr. LANE. Do you know the indictment clerk in the county prosecutor's office?

Mr. ORMAN. Edward Nappen?

Mr. LANE. Yes.

Mr. ORMAN. Yes.

Mr. LANE. Know him well?

Mr. ORMAN. Quite a few years.

Mr. LANE. He has been around here since 1920?

Mr. ORMAN. A good many years.

Mr. LANE. He was here when you came?

Mr. ORMAN. He may have been.

Mr. LANE. How long have you known him?

Mr. ORMAN. Twelve to fifteen years, somewhere around there.

Mr. LANE. Do you know him as well as you do Boyd?

Mr. ORMAN. I think so.

Mr. LANE. When did you last talk to Nappen?

Mr. ORMAN. Today.

Mr. LANE. Coming down to the city organization, you know the director of public safety, Mr. Cuthbert?

Mr. ORMAN. Casually. I never spoke to him too many times.

Mr. LANE. But he is an old man?

Mr. ORMAN. Very old.

Mr. LANE. And the job, I understand, he would do if he were a younger man, is carried on by Tod Kerstetter?

Mr. ORMAN. That is correct.

Mr. LANE. Do you know him pretty well?

Mr. ORMAN. Yes.

Mr. LANE. He vouched for you for the pistol permit?

Mr. ORMAN. Yes.

Mr. LANE. When did you last speak to him?

Mr. ORMAN. A couple of weeks ago.

Mr. LANE. Haven't you spoke to him since receiving a subpoena in this inquiry?

Mr. ORMAN. No.

Mr. LANE. What was the subject of your conversation with him 2 weeks ago?

Mr. ORMAN. I do not recall. Something of a casual nature. Nothing of importance.

Mr. LANE. Where did it take place?

Mr. ORMAN. I do not remember whether he came into my hotel or not, in the cocktail lounge.

Mr. LANE. Does he frequent your hotel?

Mr. ORMAN. Once in a while, not too often. Almost anyone comes into my hotel.

Mr. LANE. Didn't you say he was a man who used to drop into the Banker's Tavern?

Mr. ORMAN. No. I said that of Farley.

Mr. LANE. Frank Farley?

Mr. ORMAN. Yes, sir.

Mr. LANE. Was that true also of Jim Farley?

Mr. ORMAN. I do not think so. I do not know whether Jim Farley was ever in my place.

Mr. LANE. Are you acquainted with Judge Stephen Damico?

Mr. ORMAN. Yes.

Mr. LANE. Known him a long time?

Mr. ORMAN. A good many years.

Mr. LANE. Known him well also?

Mr. ORMAN. Pretty well.

Mr. LANE. When was the last time you talked to him?

Mr. ORMAN. I may have talked to him a couple of days ago.

Mr. LANE. About what?

Mr. ORMAN. Nothing in particular, everything in general.

Mr. LANE. Was this on the street or on the telephone?

Mr. ORMAN. On the street, around my place.

Mr. LANE. You do not remember the subject of the conversation?

Mr. ORMAN. Nothing of importance.

Mr. LANE. Nothing of importance that you would have remembered?

Mr. ORMAN. Nothing of importance, or I would have remembered.

Mr. LANE. Are you acquainted with the chief of police, Harry B. Saunders?

Mr. ORMAN. Casually. I have known him a good many years. Never knew him too well.

Mr. LANE. He is an old gentleman?

Mr. ORMAN. Yes. He is an old gentleman.

Mr. LANE. Isn't his job carried on by Lou Arnheim?

Mr. ORMAN. Yes.

Mr. LANE. For a couple of years?

Mr. ORMAN. No.

Mr. LANE. He has been here 6 months?

Mr. ORMAN. Not even 6 months.

Mr. LANE. How long have you known Louie Arnheim?

Mr. ORMAN. Fifteen, sixteen years, longer than that even.

Mr. LANE. Known him well?

Mr. ORMAN. Pretty well.

Mr. LANE. Chief Saunders has been there 15 to 20 years?

Mr. ORMAN. In the police department?

Mr. LANE. Yes.

Mr. ORMAN. Twenty-six years, I think.

Mr. LANE. Twenty-six years?

Mr. ORMAN. Yes.

Mr. LANE. Do you know Sgt. Frank Sullivan?

Mr. ORMAN. Yes, sir.

Mr. LANE. Do you know the position he occupied until recently in the police department of the city?

Mr. ORMAN. Yes.

Mr. LANE. What was it?

Mr. ORMAN. Vice squad.

Mr. LANE. Chief of the vice squad?

Mr. ORMAN. Yes, sir.

Mr. LANE. Do you know Mooney on the vice squad?

Mr. ORMAN. Yes, sir.

Mr. LANE. Do you know Hanesberry on the vice squad?

Mr. ORMAN. Yes, sir.

Mr. LANE. Do you know all those men well?

Mr. ORMAN. I know them not too well.

Mr. LANE. When was the last time you saw any of them?

Mr. ORMAN. Maybe this past week, maybe 2 weeks ago.

Mr. LANE. Do you recall having talked to any of them during the past 2 weeks?

Mr. ORMAN. I may have spoken to one of them. I do not remember which one. I see them on the street all the time. Or they come by the place. I do not have any particular reason for seeing them, if that is what you are driving at.

Mr. LANE. Does the Hotel Cosmopolitan have a liquor license?

Mr. ORMAN. Oh, yes, sir.

Mr. LANE. Is that in your name?

Mr. ORMAN. Now it is. Before it was in the corporate name.

Mr. LANE. It has just been in your name since the liquidation of the corporation?

Mr. ORMAN. That is right, sir.

Mr. LANE. Do you know "Cherry" Haggerty?

Mr. ORMAN. Yes, sir.

Mr. LANE. Known him a long time?

Mr. ORMAN. Just by hearing of him, not too well. Never had any business dealings with him, none whatsoever, if that is what you are driving at—none whatsoever.

Mr. LANE. You say you have never had any business dealings with Haggerty at all?

Mr. ORMAN. None whatever.

Mr. LANE. Who is Haggerty?

Mr. ORMAN. He is the bartenders' union head.

Mr. LANE. What is his business?

Mr. ORMAN. He is the business agent for the bartenders' union.

Mr. LANE. What else does he do?

Mr. ORMAN. I do not know.

Mr. LANE. Do you know Benjamin Rubenstein?

Mr. ORMAN. Yes, sir.

Mr. LANE. How long have you known Rubenstein?

Mr. ORMAN. Quite a few years, on and off.

Mr. LANE. Would that be 15 or 20 years?

Mr. ORMAN. Maybe 15 years, casually. I never had any business dealings with him outside of renting my music from him.

Mr. LANE. Do you know Jack Berenato?

Mr. ORMAN. Yes, sir.

Mr. LANE. What is his alias?

Mr. ORMAN. They call him Colby.

Mr. LANE. How long have you known him?

Mr. ORMAN. I guess I have known him 15—20 years.

Mr. LANE. Have you had any business with him at all?

Mr. ORMAN. No, sir.

Mr. LANE. When did you see Rubenstein last to talk to him?

Mr. ORMAN. I saw him today at lunchtime.

Mr. LANE. Did you have lunch with him today?

Mr. ORMAN. Yes. There were 8 or 10 of us at the same table.

Mr. LANE. Those were the people who are waiting to testify?

Mr. ORMAN. That is right. We were over at Hartfield's eating.

Mr. LANE. When did you see him last before that? When did you talk to him last?

Mr. ORMAN. I do not know. I may have talked to him a few days ago, but I talked to him about nothing of any importance.

Mr. LANE. You saw Berenato also today?

Mr. ORMAN. Yes, sir.

Mr. LANE. You had lunch with him, too?

Mr. ORMAN. No. I saw him up in the corridor.

Mr. LANE. When did you talk to him last before today?

Mr. ORMAN. Maybe a few days ago.

Mr. LANE. How about Fred Masucci?

Mr. ORMAN. I see him every day.

Mr. LANE. You see him every day?

Mr. ORMAN. He is in the hotel almost every day. He is a very good friend of mine.

Mr. LANE. How long has he been a good friend of yours, a very good friend of yours?

Mr. ORMAN. Possibly 15 years or more.

Mr. LANE. Has he been a close friend of yours for the 15 years?

Mr. ORMAN. I would say he is a pretty close friend, not for the whole 15 years, but he has been a pretty close friend for the past 7, 8, or 9 years.

Mr. LANE. Do you know Henry Cohen?

Mr. ORMAN. Casually. He comes into my place to eat, drink, once in a while.

Mr. LANE. What is Fred Masucci's business?

Mr. ORMAN. I do not know.

Mr. LANE. He has some business, hasn't he?

Mr. ORMAN. I do not know. I think he may be retired.

Mr. LANE. How old is he?

Mr. ORMAN. I think he would be about 53.

Mr. LANE. You see him practically every day?

Mr. ORMAN. Yes.

Mr. LANE. How long do you believe he has been retired?

Mr. ORMAN. He may have been retired a few years, as far as I know. I never see him going to do anything. I never see him do anything.

Mr. LANE. Have you ever had any business dealings with him?

Mr. ORMAN. Not outside of his helping me around the hotel. He helps me a great many favors.

Socially, and that way, he is a very good friend of mine.

Mr. LANE. What does he do for you?

Mr. ORMAN. Oh, I believe he helps me around the hotel. Goes to the bank for me. His brother worked for me ever since I had the place as a bartender.

Mr. LANE. Is he on a salary?

MR. ORMAN. His brother is, not Fred.

MR. LANE. Does Fred receive any compensation from you?

MR. ORMAN. None whatsoever.

MR. LANE. Has he ever received any compensation from you?

MR. ORMAN. None whatsoever.

MR. LANE. Has he ever had any part ownership in any enterprise of yours?

MR. ORMAN. None whatsoever.

MR. LANE. What is Ben Rubenstein's business?

MR. ORMAN. I think he is in the music business.

MR. LANE. What do you mean by that?

MR. ORMAN. Something on the order of Musak. That is conveyed to you by telephone. They have a studio. I have been renting that music for 3 or 4 years.

MR. LANE. Is he one of the principal owners of that business?

MR. ORMAN. I do not know that. I think so. Then he was interested in a haberdashery store on the Boardwalk for quite a few years.

MR. LANE. You know whether Masucci ever had an interest in an enterprise called the Atlantic Amusement Co.?

MR. ORMAN. I wouldn't know, sir.

MR. LANE. Did you ever hear of the Atlantic Amusement Co.?

MR. ORMAN. Never heard of it, sir.

MR. LANE. You say you talked to Masucci yesterday?

MR. ORMAN. Talked to him today. Drove me up from the house this morning, to the hotel.

MR. LANE. Did you talk to him yesterday?

MR. ORMAN. Yes, sir. We both received the subpoenas together when we came back from the barber shop. He was coming from the bank and picked me up at the barber shop, which was all by arrangement.

MR. LANE. Whose arrangement?

MR. ORMAN. I mean he drove me to the bank, and I went to the barber shop and we drove back and we received our subpoenas at the hotel.

MR. LANE. What did you discuss with him?

MR. ORMAN. Nothing in particular.

MR. LANE. Who was with you?

MR. ORMAN. Just Masucci and I.

MR. LANE. Whom did you have dinner with last night?

MR. ORMAN. Whom did I have dinner with last night?

MR. LANE. Yes.

MR. ORMAN. I had dinner alone last night.

MR. LANE. At the hotel?

MR. ORMAN. At home.

MR. LANE. Where is home?

MR. ORMAN. Home right now is 105 South Lancaster in the summer.

MR. LANE. You live by yourself?

MR. ORMAN. Yes.

MR. LANE. You had dinner alone?

MR. ORMAN. Yes.

MR. LANE. After you and Fred Masucci got your subpoenas yesterday and talked over between yourselves, did you discuss it with anyone else?

MR. ORMAN. Not to my knowledge. There is nothing I had to discuss with anyone else. There is nothing I am concerned about.

MR. LANE. Refresh your recollection; will you? Did you discuss it with anybody else?

MR. ORMAN. Not to my knowledge, unless it was in a casual manner with somebody who may have been in the hotel. I do not know.

MR. LANE. Did you discuss it with anybody outside the hotel?

MR. ORMAN. Not to my knowledge.

MR. LANE. Did you discuss it with anybody on the telephone?

MR. ORMAN. It is possible. I do not know.

Senator HUNT. You would know. Don't say that you wouldn't know. That is just yesterday.

MR. ORMAN. I didn't specifically call anyone, or I didn't intentionally have anyone come to have a conversation with him last night. There may have been 10 or 15 people around the hotel asking whether I was subpoenaed, all day yesterday. That was all you heard around this town all day yesterday, about people being subpoenaed. So, it got to be a big joke.

Senator HUNT. Did you discuss it over the phone with anybody last evening? You can say "Yes" or you can say "No."

MR. ORMAN. No. I do not think I did.

MR. LANE. Did you discuss it with anybody outside the bank yesterday?

MR. ORMAN. I wasn't outside the bank yesterday.

MR. LANE. On the sidewalk?

MR. ORMAN. I wasn't at the bank yesterday. I was at the barber shop. He went to get the car. I spoke to somebody at the corner of South Carolina and Atlantic. I do not remember what I spoke to him about. I spoke to someone at North Carolina and Atlantic. I do not remember what it was about. It was on my way to the car.

MR. LANE. Do you know Mr. Feinberg?

MR. ORMAN. Yes, very well.

MR. LANE. What is his first name?

MR. ORMAN. Ed.

MR. LANE. He is a lawyer?

MR. ORMAN. He is; yes, sir.

MR. LANE. Is he Miller's partner?

MR. ORMAN. No; he isn't. He works alone.

MR. LANE. Do you know Marco Reginelli?

MR. ORMAN. I met him on several occasions. He has been in my place quite a few times. He has stopped there on occasions.

MR. LANE. Spent the night?

MR. ORMAN. Spent the night a few nights there.

MR. LANE. Spent the night at your home?

MR. ORMAN. No; I do not think he was ever in my home.

MR. LANE. When was the last time you saw him?

MR. ORMAN. A good many months ago.

MR. LANE. Like what?

MR. ORMAN. Three or four months.

MR. LANE. Where did you see him then?

MR. ORMAN. Here in Atlantic City.

MR. LANE. What was the subject of your discussion with him?

MR. ORMAN. Nothing of any particular nature.

MR. LANE. What was he here for?

MR. ORMAN. I do not know.

MR. LANE. Who was with him?

Mr. ORMAN. He was alone, I think.

Mr. LANE. Does he drive himself?

Mr. ORMAN. Most of the time I have seen him, he drives himself.

Mr. LANE. Did you talk to Feinberg about this yesterday?

Mr. ORMAN. I may have told him. I may have said I had a subpoena because I think he represents someone who has a subpoena. He is out there now.

Mr. LANE. Did you see him out on the street?

Mr. ORMAN. I may have seen him.

Mr. LANE. You know whether you have seen him or not.

Mr. ORMAN. I do not want to be fresh. I want to be very cooperative. I am trying to answer your questions as intelligently as I think I can. These things are not of importance to me. I had no specific meeting with him or a meeting with anyone primarily for that purpose. I see 50 people on the street. I have seen 50 or 60 people in my hotel yesterday.

Senator HUNT. We are not going to have argument back and forth. To the best of your ability, answer the counsel's question.

Mr. ORMAN. I am trying to do that. I am trying to be as intelligent as I possibly can, as you can understand.

Mr. LANE. Let me ask you for the record: Did you or did you not have a conversation with Ed Feinberg yesterday?

Mr. ORMAN. I may have had; yes, sir.

Senator HUNT. The acting chairman directs that the witness answer the question "Yes" or "No."

Mr. ORMAN. I may have had a conversation; yes, but I do not know what it was about.

Senator HUNT. That is all that was asked. He said: Did you talk with him yesterday?

Mr. ORMAN. Through inference, you asked me whether I had a subpoena.

Senator HUNT. I will ask the question. Did you talk to Mr. Feinberg yesterday at any time?

Mr. ORMAN. I think I spoke to him yesterday sometime. I will put it that way.

Mr. LANE. What makes you think you spoke to him yesterday?

Mr. ORMAN. Because I think it was yesterday that I spoke to him.

Mr. LANE. Well, do you have some recollection of having spoken to him?

Mr. ORMAN. I have a faint recollection of having spoken to him, because I think I called him and asked him and then I talked to him in person about a lease that I negotiated with the American Oil Co., if I recall. It may have been that or it may have been not since then. I leased the lot. He represented me in that deal. He drew the lease for me.

Mr. LANE. He has been your lawyer currently?

Mr. ORMAN. On the lease.

Mr. LANE. On the lease?

Mr. ORMAN. Once in a while, not too often.

Mr. LANE. Was Masucci present when you talked to Feinberg?

Mr. ORMAN. He may have been; yes.

Mr. LANE. The telephone conversation?

Mr. ORMAN. No; I do not think it was the telephone conversation. It was in person.

Mr. LANE. Was it in his office?

Mr. ORMAN. I wasn't in his office.

Mr. LANE. Was it in your office?

Mr. ORMAN. It may have been in my hotel. That is possible.

Mr. LANE. On the street?

Mr. ORMAN. It may have been in my hotel or on the street.

Mr. LANE. Was it outside the bank?

Mr. ORMAN. I really do not know. It was one place or the other.

Mr. LANE. It was either outside the bank or at your office?

Mr. ORMAN. Or at my hotel; yes, sir.

Senator HUNT. We will want you again in the morning, Mr. Orman, about 9 o'clock.

Mr. ORMAN. All right, sir.

Mr. LANE. Will you try to remember to bring that book and any other records that you have that underlie 1947 through 1950 income tax?

Mr. ORMAN. All right, sir, if I find anything, I will.

Mr. LANE. Thank you.

(Recess.)

Senator HUNT. Your name, please?

Mr. SAUNDERS. Harry Saunders.

Senator HUNT. How do you spell your name?

Mr. SAUNDERS. S-a-u-n-d-e-r-s.

Senator HUNT. Will you stand and be sworn?

Do you solemnly swear the testimony you are about to give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SAUNDERS. I do.

TESTIMONY OF HARRY B. SAUNDERS, CHIEF OF POLICE, ATLANTIC CITY, N. J.

Mr. LANE. Where do you live?

Mr. SAUNDERS. 3801 Atlantic.

Mr. LANE. Are you a married man, Mr. Saunders?

Mr. SAUNDERS. Single. Live with my brother.

Mr. LANE. Have you been single all your life?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Are you a native of Atlantic City?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. How long have you worked for the city government?

Mr. SAUNDERS. 1916.

Mr. LANE. What positions have you held since 1916?

Mr. SAUNDERS. Patrolman, sergeant, captain, and chief.

Mr. LANE. During what period of time were you in those different categories?

Mr. SAUNDERS. Patrolman from 1916 to 1926.

Mr. LANE. Then you were a sergeant?

Mr. SAUNDERS. Made sergeant in 1926 and was sergeant until the latter part of 1937.

Mr. LANE. Then what were you?

Mr. SAUNDERS. Made chief in 1944.

Mr. LANE. Since 1944 have you been chief of police of Atlantic City?

Mr. SAUNDERS. September 16, 1944.

Mr. LANE. This is an inquiry, Mr. Saunders, into vice, if you want to call it, in Atlantic City. We may say that we expect your cooperation to tell us to what extent vice exists in Atlantic City, you being the officer charged—

Mr. SAUNDERS. We have a vice squad appointed to check on all vice in Atlantic City.

Mr. LANE. Does that squad report to you?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Is that squad called the vice squad?

Mr. SAUNDERS. That is right.

Mr. LANE. Who is in charge of the vice squad?

Mr. SAUNDERS. Sergeant Sullivan.

Mr. LANE. How many years has he been in charge of it?

Mr. SAUNDERS. Since the latter part of 1947.

Mr. LANE. Was there a vice squad before 1947?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Is there in existence in Atlantic City a bookmaking business?

Mr. SAUNDERS. We make arrests on bookmaking.

Mr. LANE. To what extent is bookmaking conducted in Atlantic City?

Mr. SAUNDERS. I couldn't say.

Mr. LANE. Could Sullivan say?

Mr. SAUNDERS. He is out there. He is the one on the job.

Mr. LANE. Is the numbers racket conducted in Atlantic City?

Mr. SAUNDERS. I do not know.

Mr. LANE. Do you know anything about the numbers racket in Atlantic City?

Mr. SAUNDERS. No, sir.

Mr. LANE. Do you know anything about the numbers racket anywhere?

Mr. SAUNDERS. No, sir.

Senator HUNT. Wait a minute, Mr. Saunders. Remember you are under oath.

Mr. SAUNDERS. Yes, sir.

Mr. LANE. When I speak of the numbers racket, what do you understand is comprised in that term?

Mr. SAUNDERS. I know we make arrests for numbers. I do not know anything else about it.

Mr. LANE. When you make arrests for numbers, is that an arrest for a gambling transaction?

Mr. SAUNDERS. They arrest him for aiding and abetting.

Mr. LANE. Does numbers mean gambling?

Mr. SAUNDERS. I will say this: They make arrests for possession of numbers slips and make arrests for aiding and abetting.

Mr. LANE. Do you know that numbers are written on slips?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Do you know how many copies of a slip with a number on it is made?

Mr. SAUNDERS. The ones we have seen, I think, there were three, if I am not mistaken.

Mr. LANE. You know the function of each of those three slips?

Mr. SAUNDERS. No, sir.

MR. LANE. Do you know any place in Atlantic City where, if you were so minded, you could get a bet laid on a number?

MR. SAUNDERS. No, sir.

MR. LANE. Did you ever hear of any place in Atlantic City where you could bet on a number?

MR. SAUNDERS. No, sir.

MR. LANE. Did you ever, when you were on the beat as a patrolman, see such a place?

MR. SAUNDERS. No, sir.

MR. LANE. Did you ever, before you became chief, see such a place?

MR. SAUNDERS. I do not recall any.

MR. LANE. Did you yourself make an arrest for participating in the numbers racket?

MR. SAUNDERS. No, sir.

MR. LANE. Do you know whether the numbers on which a person bets are two-digit or three-digit or five-digit numbers?

MR. SAUNDERS. I couldn't say.

MR. LANE. Do you know where the number is obtained, the number which constitutes the winning number for the day?

MR. SAUNDERS. No, sir.

MR. LANE. Do you know where you can place a bet on a horse in Atlantic City?

MR. SAUNDERS. No, sir.

MR. LANE. Do you know anybody who takes bets on horses in Atlantic City?

MR. SAUNDERS. No, sir. The vice squad makes the arrests. I do not go out on them.

MR. LANE. Does the vice squad make reports to you?

MR. SAUNDERS. Yes, sir.

MR. LANE. What do you do with those reports?

MR. SAUNDERS. We have them.

MR. LANE. Do you know personally a patrolman named Jack Portock?

MR. SAUNDERS. Yes, sir.

MR. LANE. Has Portock ever made reports to you with respect to the numbers racket or bookmaking?

MR. SAUNDERS. When he made an arrest, he submitted a report.

MR. LANE. Do you recall that he made requests to you to be assigned to special duty?

MR. SAUNDERS. Yes. A request came in if he could be assigned to the vice squad because he would like to work on a shift so he could be off.

MR. LANE. In other words, you have a recollection, do you, that Portock requested special assignment to plainclothes work to follow up leads that he had with respect to bookmaking?

MR. SAUNDERS. Never requested me. I was off. He asked Director Kerstetter.

MR. LANE. More than one request was made?

MR. SAUNDERS. The second request made was that, if we could not put him on that squad, he would like to go back on relief.

MR. LANE. Were any of his requests granted?

MR. SAUNDERS. Yes, sir.

MR. LANE. Was he assigned to plainclothes duty?

Mr. SAUNDERS. No; he was assigned to relief again. We had this vice squad.

Mr. LANE. Do you know that, in connection with an arrest made by Portock of two men named Solitare and Lewis, a long list of telephone numbers was obtained?

Mr. SAUNDERS. I was off at that time.

Mr. LANE. When you say you were "off," what time were you off?

Mr. SAUNDERS. At that time and the rest of the month.

Mr. LANE. How long were you off?

Mr. SAUNDERS. At the time the arrest was made I was on vacation.

Mr. LANE. How much of a vacation did you have at that time?

Mr. SAUNDERS. I think about 20 days, or something like that, which I took at that particular time. I was off.

Mr. LANE. Are you on duty now or off duty?

Mr. SAUNDERS. I am off now.

Mr. LANE. On vacation?

Mr. SAUNDERS. Yes, sir. If we do not take our vacation the second year, we lose it.

Mr. LANE. So, you are taking a vacation now and one in December 1950?

Mr. SAUNDERS. Yes. That was for the year before.

Mr. LANE. That was for the year 1950?

Mr. SAUNDERS. 1949.

Mr. LANE. Did you take another vacation in 1950 for the year 1950?

Mr. SAUNDERS. No, sir.

Mr. LANE. Are you taking that now?

Mr. SAUNDERS. I am taking part of my vacation for 1950 now.

Mr. LANE. When you came back from your vacation, was it called to your attention that there was a memorandum containing perhaps 120 telephone numbers picked up at Solitare and Lewis's place?

Mr. SAUNDERS. Director Kerstetter handled that.

Mr. LANE. You knew about it then?

Mr. SAUNDERS. I knew of the arrest.

Mr. LANE. Did you know about the list?

Mr. SAUNDERS. I didn't know about the list.

Mr. LANE. When you said Director Kerstetter handled it—

Mr. SAUNDERS. When that arrest was made, Director Kerstetter was in charge.

Mr. LANE. Did you hear about it?

Mr. SAUNDERS. Yes. When I came back it was turned over to Sergeant Sullivan, to check them. Director Kerstetter turned it over to him to check them.

Mr. LANE. The list was turned over to Sullivan?

Mr. SAUNDERS. That is right.

Mr. LANE. Did Sergeant Sullivan put on that list opposite the telephone numbers the names of the subscribers to the telephone numbers?

Mr. SAUNDERS. The sergeant is in a better position to answer that.

Mr. LANE. Did you see the list after Sergeant Sullivan got through with it?

Mr. SAUNDERS. Director Kerstetter turned it over to Sergeant Sullivan.

Mr. LANE. Did Director Kerstetter show it to you after Sergeant Sullivan got through with it?

Mr. SAUNDERS. I do not recall.

Mr. LANE. Did you ask for it?

Mr. SAUNDERS. He said he would check all those places.

Mr. LANE. Were you interested in the list?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Did that list contain a number of bookies who were operating at the telephone numbers that were shown on the list?

Mr. SAUNDERS. He checked them.

Mr. LANE. Was there on that list a list of bookies?

Mr. SAUNDERS. I just can't recall that.

Mr. LANE. Did you ever see the list?

Mr. SAUNDERS. I just do not remember it.

Mr. LANE. Let me show you a photostatic copy of that list which has been marked "Exhibit D." Show that to Chief Saunders.

Mr. SAUNDERS. I don't remember seeing this one.

Mr. LANE. You do remember?

Mr. SAUNDERS. No.

Mr. LANE. Look at the names on the right-hand column under the appellation "Bookmaker." Did you see any name on that list of any individual that is known to you?

Mr. SAUNDERS. I cannot make it out too well.

Mr. LANE. What was the answer that you made to that question? I didn't catch it, Mr. Saunders. Do you recognize anybody on that list?

Mr. SAUNDERS. I cannot see too well without my glasses.

Mr. LANE. Do you know "Mush" Goodelman?

Mr. SAUNDERS. I know he has been arrested.

Mr. LANE. Do you know him?

Mr. SAUNDERS. Goodelman has been arrested.

Mr. LANE. Are you personally acquainted with him?

Mr. SAUNDERS. No, sir.

Mr. LANE. Do you know what his occupation is?

Mr. SAUNDERS. The last time I knew he had a package place at Broad and Pacific.

Mr. LANE. When was he arrested?

Mr. SAUNDERS. He has been arrested—I cannot recall when.

Mr. LANE. Was it within recent months or year?

Mr. SAUNDERS. What was his address?

Mr. LANE. 4802 Ventnor Avenue.

Mr. SAUNDERS. I cannot recall.

Mr. LANE. Do you recall for what he was arrested?

Mr. SAUNDERS. I believe he has been arrested for book making. I think he has.

Mr. LANE. Do you know Morton Freund?

Mr. SAUNDERS. No, sir.

Mr. LANE. Do you know Sid Levy?

Mr. SAUNDERS. No, sir.

Mr. LANE. Do you know "Chuck" Audrey?

Mr. SAUNDERS. No, sir.

Mr. LANE. Do you know Lou Cooch?

Mr. SAUNDERS. No.

Mr. LANE. Do you know Joe Beck?

Mr. SAUNDERS. No, sir.

Mr. LANE. Bill Snyder?

Mr. SAUNDERS. I might know Beck by sight, but I do not know him.

Mr. LANE. Mr. Saunders, what do you know about houses of ill fame in Atlantic City?

Mr. SAUNDERS. I don't know of any.

Mr. LANE. Do you know of none at all?

Mr. SAUNDERS. No, sir.

Mr. LANE. Do you know anybody in Atlantic City who in recent times has been arrested for prostitution?

Mr. SAUNDERS. I can't say offhand.

Mr. LANE. Have there been any arrests within the last month or two for prostitution in Atlantic City?

Mr. SAUNDERS. I just cannot say offhand.

Mr. LANE. Have there been any arrests that you know of in Atlantic City within recent times for the use of narcotics?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. When was the last arrest for that?

Mr. SAUNDERS. They made an arrest on that last week.

Mr. LANE. Can you think of any other arrest for narcotics?

Mr. SAUNDERS. I cannot tell offhand. The only records are at the hall.

Mr. LANE. What time do you report for duty every day, Mr. Saunders?

Mr. SAUNDERS. Around 9:30, or quarter to 10.

Mr. LANE. What are your hours of duty?

Mr. SAUNDERS. I am through around 6.

Mr. LANE. Do you have any other business besides being chief of police?

Mr. SAUNDERS. No, sir.

Mr. LANE. How many hours a day do you work as chief of police?

Mr. SAUNDERS. I am there in my office until 4 o'clock, and then I take a ride in the city.

Mr. LANE. Is that at the office from 10 o'clock to noon and then go out to lunch?

Mr. SAUNDERS. Yes. I get out at 4 o'clock.

Mr. LANE. After you have had your lunch, what time do you get back to your office?

Mr. SAUNDERS. Maybe an hour or an hour and a half.

Mr. LANE. Then you leave at 4?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Then you are at your office maybe 4½ hours a day.

Mr. SAUNDERS. I am there from 9:30 to 12:30, sometimes 1. Sometimes I go out and come back in an hour. It varies.

Mr. LANE. You would be at the office from 4 to 5 hours a day?

Mr. SAUNDERS. Sometimes more than that, too.

Mr. LANE. What is your routine at the office? What do you attend to first when you arrive there?

Mr. SAUNDERS. At 9:30 or 10, my vice squad comes in.

Mr. LANE. Who would that be?

Mr. SAUNDERS. They report to me.

Mr. LANE. Who comes in? The whole squad?

Mr. SAUNDERS. That is right.

Mr. LANE. Has it been the practice for Sergeant Sullivan to come in with all his men in the morning?

Mr. SAUNDERS. Sergeant Sullivan has been there and had three besides himself. Two are working nighttime. Five would come in during the daytime.

Sergeant Sullivan and two, and on the north side we had a colored man.

Mr. LANE. Does he make an oral report to you?

Mr. SAUNDERS. Sergeant Sullivan? Yes, sir.

Mr. LANE. Does he make a written report?

Mr. SAUNDERS. Typewritten report.

Mr. LANE. What do you do with those typewritten reports?

Mr. SAUNDERS. What do we do?

Mr. LANE. Just file them?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Do you yourself read them?

Mr. SAUNDERS. I read them; yes, sir. They report to me verbally every morning when they come in, also.

Mr. LANE. Did they report to you today?

Mr. SAUNDERS. They come in and report what is going on in the street.

Mr. LANE. Did they report to you this morning?

Mr. SAUNDERS. I am off.

Mr. LANE. How long have you been off?

Mr. SAUNDERS. I have been off since about the 15th.

Mr. LANE. Do you remember a man named Smith who made a complaint to you in December 1950? Do you remember a man named Smith who made a complaint to you about being closed up on the Boardwalk just about 3 weeks ago?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Who is he?

Mr. SAUNDERS. All I know is he has a place on the Boardwalk.

Mr. LANE. What kind of place did he have?

Mr. SAUNDERS. A bumper game, or something like that. That was handled by Director Kerstetter. He sent out and closed him.

Mr. LANE. Kerstetter closed him?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Weren't you on duty at the time?

Mr. SAUNDERS. Yes.

Mr. LANE. Did Smith complain to you or Kerstetter?

Mr. SAUNDERS. To Kerstetter, and then he came to me.

Mr. LANE. What did you tell him?

Mr. SAUNDERS. I do not quite understand.

Mr. LANE. He came to you and said, "I have been closed up," didn't he?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. "And I do not like that." Did he say that?

Mr. SAUNDERS. He said he was closed up.

Mr. LANE. And he did not like that? Did he say that?

Mr. SAUNDERS. Yes, I think he did.

Mr. LANE. Did he tell you why he had been closed?

Mr. SAUNDERS. I cannot recall. I know he was closed.

Mr. LANE. Do you know Stumpy Orman?

Mr. SAUNDERS. Yes, I know him; yes, sir.

Mr. LANE. You have known him for years, haven't you?

Mr. SAUNDERS. I know him. He runs the Cosmopolitan.

Mr. LANE. You knew him before he owned the Cosmopolitan?

Mr. SAUNDERS. I know him just by sight, that is all.

Mr. LANE. Did Smith say anything to you about Stumpy Orman?

Mr. SAUNDERS. He said he had a run-in with him.

Mr. LANE. He said he had a run-in- with him?

Mr. SAUNDERS. I just can't recall.

Mr. LANE. This is just 3 weeks ago.

Mr. SAUNDERS. Better than that.

Mr. LANE. What sort of a run-in did he say he had with Orman?

Mr. SAUNDERS. He said he was threatened. We drove down and took him home.

Mr. LANE. He said that Orman had threatened him, Smith; is that right?

Mr. SAUNDERS. Something like that.

Mr. LANE. Do you know Babe Marcella?

Mr. SAUNDERS. Yes. I know him by sight; yes sir.

Mr. LANE. Didn't Smith talk to you at the same time about Marcella?

Mr. SAUNDERS. He said Marcella was around there.

Mr. LANE. Marcella had been sent by Orman?

Mr. SAUNDERS. That was what he said.

Mr. LANE. That was what Smith told you?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Did he say that Marcella had threatened him?

Mr. SAUNDERS. Yes, sir. I took him down to Larry Welsh, I think.

Mr. LANE. You took him in your car?

Mr. SAUNDERS. No. We tailed him—me and Harry Myers in my office.

Mr. LANE. Tailed Smith?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Do you know to where?

Mr. SAUNDERS. Down to Ventnor.

Mr. LANE. Down to Ventnor?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Was that to protect him because he was fearful of being physically abused?

Mr. SAUNDERS. He said he was afraid.

Mr. LANE. He was going to be beat up?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. For what?

Mr. SAUNDERS. I couldn't say.

Mr. LANE. Did Smith want to make a complaint against Marcella?

Mr. SAUNDERS. I told him to go up and make a complaint against him.

Mr. LANE. Did he want to make a complaint against Marcella?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Did you suggest that he make a complaint against Orman?

Mr. SAUNDERS. Yes, sir.

Mr. LANE. Did he tell you he didn't dare?

Mr. SAUNDERS. No, sir.

Mr. LANE. Didn't you tell him it would be better for him not to make such a complaint?

Mr. SAUNDERS. No, sir.

Senator HUNT. Mr. Saunders, we will excuse you now for this evening and you will remain under subpena. If you will come in at 9 o'clock in the morning again.

Mr. SAUNDERS. All right, sir. There is a fellow who was with me that particular time.

Mr. LANE. Who is that?

Mr. SAUNDERS. Harry Myers, who works in my office.

Mr. LANE. Yes.

Mr. SAUNDERS. He heard the whole conversation.

Mr. LANE. What is Myers' position?

Mr. SAUNDERS. He is assigned to my office.

Mr. LANE. Would you bring him in tomorrow?

Mr. SAUNDERS. Tomorrow morning?

Mr. LANE. Yes, sir.

Mr. SAUNDERS. Yes, I can bring him in.

Mr. LANE. Thank you very much.

(Discussion off the record.)

Senator HUNT. Gentlemen, Mr. Lane wants to make an announcement.

Mr. LANE. Will Lane, Boyd, Burdick, and Nappen come back at a quarter to nine? We will try to get through with you tonight.

Senator HUNT. That will save us inconveniencing you tomorrow.

Mr. LANE. Senator, will you ask the rest to come back tomorrow at 10 o'clock.

Senator HUNT. Those of you, except Mr. Lane, Mr. Burdick, Mr. Nappen and Mr. Boyd, will you be kind enough to come in the morning? We are sorry not to get to you until tomorrow.

I will make this statement: that I direct you to come back, please, at 10 o'clock tomorrow.

(Whereupon, at 8:15 o'clock p. m., the committee recessed to reconvene at 8:45 p. m., the same day.)

EVENING SESSION

Senator HUNT. Is your name Burdick?

Mr. BURDICK. That is right. This is Counsellor Miller.

Mr. MILLER. I appear for Mr. Burdick.

Senator HUNT. Are you counsel for Mr. Burdick?

Mr. MILLER. Yes, sir.

Senator HUNT. Mr. Burdick, will you be sworn?

Do you solemnly swear the testimony you are to give this committee, to tell the truth, the whole truth and nothing but the truth, so help you God?

Mr. BURDICK. I do.

Senator HUNT. Counsel, we are pleased to have you here with your client. In the questioning, unless by permission of the committee, you will merely advise with your client. That saves a lot of cross argument.

Mr. MILLER. I understand, sir.

TESTIMONY OF LESTER H. BURDICK, ATLANTIC CITY, N. J.,
ACCOMPANIED BY MR. MILLER, ATTORNEY

Mr. LANE. Mr. Burdick, will you please state your full name and your address, your residence address?

Mr. BURDICK. Lester H. Burdick, 12 North Osborn Avenue, Margate.

Mr. LANE. Are you a native of Atlantic City?

Mr. BURDICK. No. I was born in Newark, N. J.

Mr. LANE. When did you make your permanent home in Atlantic City?

Mr. BURDICK. Thirty years ago.

Mr. LANE. Have you resided here continuously ever since?

Mr. BURDICK. I have.

Mr. LANE. How old were you when you came to Atlantic City?

Mr. BURDICK. I was about 25.

Mr. LANE. Have you been self-supporting since that time?

Mr. BURDICK. Yes, sir.

Mr. LANE. What has been the nature of your occupation?

Mr. BURDICK. Since that time!

Mr. LANE. Yes.

Mr. BURDICK. Well, going back to 1925——

Mr. LANE. All right, just tell us briefly what your occupation has been since 1925.

Mr. BURDICK. I was with United States Senator Kean from 1927 to 1933.

Mr. LANE. In what capacity?

Mr. BURDICK. I was a field secretary to him. Hamilton Fish Kean. Prior to 1925 I think, if I am not mistaken, we had a gubernatorial election in the State and I was with the candidate at that time.

Mr. LANE. Let's find out how old you were in 1925.

Mr. BURDICK. I was born in 1896. I am 55 years of age.

Mr. LANE. So in 1925 you were 29 or 30, roughly?

Mr. BURDICK. That is right.

Mr. LANE. Have you been in politics in one capacity or another since 1925?

Mr. BURDICK. Before that; yes, sir.

Mr. LANE. When did you begin in politics?

Mr. BURDICK. I began in politics when I was 20 years old, with Congressman Edward Gray, the old Eighth Congressional District in Newark.

Mr. LANE. Since being in politics in Atlantic City, have you also been on the Republican side of the fence?

Mr. BURDICK. I have been a Republican; yes, sir. I am registered as a Republican in the Republican primaries. Is that what you want to know?

Mr. LANE. Yes.

Mr. BURDICK. Yes; I am a Republican.

Mr. LANE. After 1933, what was your occupation?

Mr. BURDICK. Well, after 1933?

Mr. LANE. Yes.

Mr. BURDICK. Well, after 1933 things were a little bad. The banks closed here and everything was closed up. I went up and did some work in Trenton. I knew all the reporters up there. During the

Lindbergh case, which was in 1934 and 1935, I was with the reporters around that vicinity.

Mr. LANE. You mean by that you were working for the newspapers?

Mr. BURDICK. No. I was with the reporters, going back and forth to Flemington to work on releases and stuff like that. That was in 1934 and 1935. I stopped at the Stacy-Trent Hotel. In 1936 I was taken ill and was at the St. Francis Hospital and I had a clerkship in the Senate that year.

Mr. LANE. In what capacity were you associated with the reporters at the time of the Lindbergh case?

Mr. BURDICK. Just on beats, that is all.

Mr. LANE. Who was paying your salary?

Mr. BURDICK. The reporters.

Mr. LANE. The reporters?

Mr. BURDICK. Yes. They would put it on their expense sheets.

Mr. LANE. Was there more than one reporter that had you on his expense sheet?

Mr. BURDICK. Two or three, we were working together. They all stopped at the Stacy-Trent Hotel in Trenton. Myers took it over that year. He is from Alabama. They all stopped there and they opened up that hotel.

Mr. LANE. Did you have any business outside of acting for those reporters at that time?

Mr. BURDICK. No, sir. Things were very bad.

Mr. LANE. Did you have any business from 1927 to 1933 except for working with Senator Kean?

Mr. BURDICK. I was——

Mr. LANE. You said you were field representative.

Mr. BURDICK. That is right. I was with the senator and I did a little missionary work for Johns-Mansville & Co. in New York.

Mr. LANE. I understand you are a married man, Mr. Burdick; is that right?

Mr. BURDICK. That is right.

Mr. LANE. Were you married at that time?

Mr. BURDICK. Yes, sir.

Mr. LANE. Then in 1936 what was your occupation?

Mr. BURDICK. In 1936 I came back to Atlantic City, was taken sick in Trenton and I came back to Atlantic City and went to work for the State treasurer, William Albright.

Mr. LANE. In what capacity?

Mr. BURDICK. The senate was getting very close in the State of New Jersey. It was during the Roosevelt administration. This was a legislative appointment, at that time a joint session appointment. That was the State treasurer. It was getting down to the counties where he had to control the senate, and I was doing county work for him, different counties like Salem County, which had an election up this year, or Mercer or Atlantic County or Cape May County. I was going into those counties to try to hold the senate, at that time Republican, to protect Albright.

Senator HUNT. You are talking about the State senate?

Mr. BURDICK. That is right.

Mr. LANE. You were in the capacity of a clerk to Albright at that time?

Mr. BURDICK. No. I was on the outside doing all field work. I was going around doing field work. It was a personal agreement between Albright and myself. He was State treasurer. He lived at the President Hotel. I moved into the President Hotel. I lived there until the war broke out and the Army took it over.

Mr. LANE. Were you on a salary at that time?

Mr. BURDICK. Yes, sir.

Mr. LANE. Who paid the salary?

Mr. BURDICK. Bill Albright. We used to call him senator because he was a former senator. He paid it out of his own pocket.

Mr. LANE. So far as you know?

Mr. BURDICK. I never filled out anything outside of expenses. He paid it out of his own pocket.

Mr. LANE. Did he pay your expenses also?

Mr. BURDICK. Like if I would stay in different counties overnight or a week or so, he used to pay it.

Mr. LANE. That is what I mean, traveling expenses, expenses on the road.

Mr. BURDICK. If I had to stay any length of time in a place, however, if it was just up there and back, I paid my own expenses.

Mr. LANE. Where was your family at that time? Here in Atlantic City?

Mr. BURDICK. Yes, sir.

Mr. LANE. How long were you employed by Albright?

Mr. BURDICK. From 1936 until the day he died.

Mr. LANE. Which was?

Mr. BURDICK. I think it was 1941. Senator Hendrickson, who is now the United States Senator, ran for governor in 1940, and he was defeated by Edison, Charles Edison, and Edison took office in 1941. I think it was February of 1941 that Albright died in the Stacy-Trent, in Trenton, with a heart attack.

Mr. LANE. Did your job die with him?

Mr. BURDICK. Yes, sir.

Mr. LANE. Did you have any other job on the side at the time you were with him?

Mr. BURDICK. I think I had a clerkship's job in the senate at that time.

Mr. LANE. For a nominal salary?

Mr. BURDICK. That is right—\$500.

Mr. LANE. \$500 a year?

Mr. BURDICK. I think so. You know what those session jobs are.

Mr. LANE. I understand.

Mr. BURDICK. \$500 a year.

Mr. LANE. What was your next employment?

Mr. BURDICK. That would be 1942, wouldn't it?

Mr. LANE. I do not know. You said he died in 1941.

Mr. BURDICK. 1941. The war broke out. I went with the General Outdoor people. I still lived at the Stacy-Trent Hotel. I sold war-bond posters, for which I had several citations from the Government for covering so much territory for them.

Mr. LANE. How long were you with the General Outdoor people?

Mr. BURDICK. I think about 3 years, if I am not mistaken.

Mr. LANE. Through 1945?

Mr. BURDICK. Yes, sir.

Mr. LANE. On a salary basis?

Mr. BURDICK. No, sir; commission basis.

Mr. LANE. What did that run you on a commission basis?

Mr. BURDICK. I got 15 percent. The boards sold for anywhere from \$15 to \$25. I got paid every 2 weeks. I used to make \$75 to \$80 a week. They got the withholding tax. Some weeks I would have a good week and some weeks would be bad, because the boards were gone.

Mr. LANE. Did they also pay your expenses?

Mr. BURDICK. No, sir. It was a flat rate.

Mr. LANE. Out of that you probably did not net too much?

Mr. BURDICK. That is right. But it was at least doing some good.

Mr. LANE. None of these jobs were big-paying jobs?

Mr. BURDICK. I never had a big-paying job.

Mr. LANE. After 1945 did you take some other employment?

Mr. BURDICK. 1945? I have to go back a little bit myself. I think I can tell you this. I sold some outdoor advertising and sold some radio advertising and in 1945 I think I represented the Osteopathic Society in Trenton. That wasn't much either. A thousand dollars a year. Maybe it wasn't that much at the start. Five hundred dollars or a thousand dollars.

Mr. LANE. Were you the lobbyist for that society?

Mr. BURDICK. They have it wrong. I was never a lobbyist in Trenton, for anybody in Trenton. I read the bills for them—the two outfits that I did some business for. They had their own legislative committee. I used to read the bills and call their attention to the bills, whether they were good or bad.

Mr. LANE. You said two outfits. What were the two?

Mr. BURDICK. Not at that time. Commercial Fishermen of New Jersey. I do a little work for them.

Mr. LANE. On a nominal basis?

Mr. BURDICK. I get a fee by the year.

Mr. LANE. Four or five hundred dollars?

Mr. BURDICK. I get \$2,000 from them. I get a thousand from the osteopaths.

Mr. LANE. Have you had a job as clerk of the senate in recent years?

Mr. BURDICK. Yes; I am executive clerk now.

Mr. LANE. How long have you been executive clerk?

Mr. BURDICK. I moved up a little, as I went along. I have been executive clerk 6 or 7 years, maybe 5 or 6 years.

Mr. LANE. How much does that pay a year?

Mr. BURDICK. The job calls for \$750 and we get 100 percent bonus generally. That is, \$1,500.

Mr. LANE. Have you appeared here under subpoena, Mr. Burdick?

Mr. BURDICK. I did; yes, sir.

Mr. LANE. Will you produce the subpoena, please?

(The witness produced the subpoena.)

Mr. LANE. Let the record indicate that Mr. Burdick produces a subpoena, which is a subpoena duces tecum, requiring among other things:

You are also hereby commanded to then and there produce all your records, papers, statements, and documents concerning business, employment, and financial transactions, and a copy of your income-tax returns for the years 1947, 1948, 1949, and 1950.

Senator HUNT. The subpoena will be received and taken into the record and designated exhibit N.

(The subpoena referred to was marked "Exhibit N" and is on file with the special committee.)

Mr. LANE. What are you going to produce in answer to that subpoena?

Mr. BURDICK. I have my income-tax records.

Mr. LANE. During the year 1950, have you any underlying papers to support the statement of your income and your various deductions?

Mr. BURDICK. This is a copy of my return that was mailed in to the collector of internal revenue in Camden. I have a duplicate here. This is my withholding from the State. That shows I got \$1,500 from the State. They withheld \$225. I also got a withholding from WOND, pioneer broadcasters. This station approximately opened a year ago. They went on the air July 10, 1950. This is \$192.90. There are two withholding taxes. I have a couple of shares of stock, which I sold. I think you have a copy of it, counselor.

Mr. LANE. Yes; we have seen the original. What was your total income in 1950 that you reported?

Mr. BURDICK. My total income in 1950, based on my copy, is \$5,839.25.

Mr. LANE. And your total deductions?

Mr. BURDICK. \$3,543.56.

Mr. LANE. I believe that \$3,543.56 represents your business expenses for the year?

Mr. BURDICK. That is all expenses; yes, sir.

Mr. LANE. Have you brought with you any records of any kind to substantiate that figure?

Mr. BURDICK. I showed here a schedule on the bottom. Do you have that, counselor?

Mr. LANE. I do not have it before me.

Mr. BURDICK. Do you care to look at it, or shall I read it?

Mr. LANE. I will look at it.

On schedule C, which you have shown me, Mr. Burdick, you have an item 12 which refers to rent on business property, \$1,222.86. Will you tell us what that property is?

Mr. BURDICK. There is a commission date on there. What does the top item say?

Mr. LANE. The top item on business deductions is: "Rent on business property, \$1,222.86."

Mr. BURDICK. No; I had to get the papers. I had the papers when I gave it to the gentleman who makes out my income tax.

Mr. LANE. Is this made out by an accountant for you?

Mr. BURDICK. Yes.

Mr. LANE. Do you furnish him with the figures?

Mr. BURDICK. Yes, sir. I keep track of everything and then give it to him, like I pay the interest to the bank and interest on the mortgages and the taxes.

Mr. LANE. What kind of records do you keep?

Mr. BURDICK. I keep it in a little book that I know every 5 cents that I spent, that is against the taxes.

Mr. LANE. Where is that little book?

Mr. BURDICK. I turned it over to him when I came there. I had it all written out on the sheet of paper and showed it to him.

Mr. LANE. Did you give him the sheet of paper and the book or only the sheet?

Mr. BURDICK. The sheet of paper. This is only a day book for all expenses. One item I recall was entertainment. I asked him if I could do it. I got a box at the race track. I never was in it myself. I used to give my friends the ticket to go up to see if I could get business.

Mr. LANE. Do you still have that book?

Mr. BURDICK. I have it home?

Mr. LANE. Have you kept such a book as a matter of custom over recent years?

Mr. BURDICK. No.

Mr. LANE. How long have you kept a book like that?

Mr. BURDICK. On the little dividends and things like I would put it on the back of this book and expenses that I had to lay out, then I would ask if they were deductible. If they were not deductible—like sickness—

Mr. LANE. How long have you kept a book of the kind you described?

Mr. BURDICK. Maybe a couple of years.

Mr. LANE. Have you saved that book?

Mr. BURDICK. I think I have.

Mr. LANE. Have you got it for 1950?

Mr. BURDICK. From 1950?

Mr. LANE. Yes.

Mr. BURDICK. I am pretty sure. If I have, I will be glad to look for it if I can.

Mr. LANE. Have you got it for 1949?

Mr. BURDICK. I think I have a book for 1949.

Mr. LANE. For 1948?

Mr. BURDICK. I do not know about that. I moved down there and my stuff was all jammed up in the house. But I found them.

Mr. LANE. When did you find them?

Mr. BURDICK. When I got the subpoena.

Mr. LANE. You mean the income-tax returns?

Mr. BURDICK. Yes.

Mr. LANE. Don't you keep your underlying records for the return?

Mr. BURDICK. No. When I keep them, this is what I keep, this copy of the return. I give them everything on black and white. There is nothing to hide.

Mr. LANE. Did you keep the copies of the returns or did he keep them?

Mr. BURDICK. That is what I got here.

Mr. LANE. You misunderstood me.

Mr. BURDICK. He gave me those.

Mr. LANE. You gave the figures to the accountant and the accountant made the returns out with an extra copy for you, which you kept?

Mr. BURDICK. That is right.

Mr. LANE. Did you put those away with your private papers?

Mr. BURDICK. Yes; I kept it in an envelope.

Mr. LANE. Did you keep them in the same envelope that you kept the black book in?

Mr. BURDICK. It is not a black book. It is one of the advertising books.

Mr. LANE. With your notebook where you kept the record of your expenses?

Mr. BURDICK. No. I had to go through a lot of papers at the top of the closet.

Mr. LANE. Who made up your return for 1950?

Mr. BURDICK. I think Willits.

Mr. LANE. What is his name? Where does he practice?

Mr. BURDICK. He is with the State.

Mr. LANE. Where?

Mr. BURDICK. State of New Jersey.

Mr. LANE. Where?

Mr. BURDICK. He is in the labor department, I think.

Mr. LANE. Is he an accountant?

Mr. BURDICK. Yes. He used to be with the Federal Government, as one of the Federal agents, I think.

Mr. LANE. I call your attention again to "rent on business property," and ask you what that business property was.

Mr. BURDICK. I will have to look it up.

Mr. LANE. Did you in 1950 have any business property?

Mr. BURDICK. I think there must be a mistake. I do not know what he put down as a business property.

Mr. LANE. I call your attention to the fact that he put down \$1,222.86 as item 12, I think it is.

Mr. BURDICK. I am uncertain on that item. Would you allow me to consult with my accountant before I answer the question?

Mr. LANE. I cannot prevent you from conferring with your counsel.

Mr. BURDICK. I mean the accountant.

Mr. LANE. I want to find out what your recollection is of the basis for that item. Do you have any recollection?

Mr. BURDICK. I cannot answer it. It might incriminate me.

Mr. LANE. When you say that, do you mean by that that it would incriminate you under some Federal statute? Is that what you have in mind?

Mr. BURDICK. Yes, sir. It might tend to incriminate me under a Federal statute.

Mr. LANE. Did you in 1950 pay any rent on business property?

Mr. BURDICK. That is the same kind of a question, isn't it?

Mr. LANE. I am asking you specifically, not whether you had rent on business property of \$1,222.86, but whether you had any rent on any business property.

Mr. BURDICK. I cannot answer it. It might incriminate me.

Senator HUNT. The proper answer is: "I decline to answer because of self-incrimination."

Mr. BURDICK. I decline to answer because of self-incrimination. I want to do everything I possibly can. There is some item that has slipped in, or maybe there is a mistake. Let me check on it.

Mr. LANE. Under business expenses you have \$2,320.70, which I assume is the total of the items shown in schedule C, the first of which is commissions, \$1,040. Have you any record here to substantiate the payment by you of commissions of \$1,040?

Mr. BURDICK. Yes. I paid that \$1,040 in commissions to McNamara. He works for me.

Mr. LANE. That is a commission on what?

Mr. BURDICK. Radio time.

Mr. LANE. Is that Frank McNamara?

Mr. BURDICK. Yes, sir.

Mr. LANE. Was he in the jewelry business?

Mr. BURDICK. He is a young fellow from Boston.

Mr. LANE. That is another Frank McNamara?

Mr. BURDICK. Yes, sir.

Mr. LANE. Is he the Frank McNamara connected with WOND?

Mr. BURDICK. That is right.

Mr. LANE. That commission is figured on what basis?

Mr. BURDICK. Forty dollars a week. I pay half his salary.

Mr. LANE. So when you say "commissions," you mean by that, salary to an employee of yours?

Mr. BURDICK. That is right.

Mr. LANE. Who pays the other half of his salary?

Mr. BURDICK. WOND.

Mr. LANE. Under that arrangement, then the salary is \$80?

Mr. BURDICK. The salary is about \$70. They pay the balance.

Mr. LANE. How many employees have you had during the year 1950?

Mr. BURDICK. 1950?

Mr. LANE. Yes.

Mr. BURDICK. I had one other employee, George Dickinson, a colored fellow.

Mr. LANE. In what capacity is he employed?

Mr. BURDICK. He works in the office for me and cleans up the office and takes care of the machines.

Mr. LANE. In what office?

Mr. BURDICK. WOND.

Mr. LANE. Are you one of the owners of WOND?

Mr. BURDICK. No, sir.

Mr. LANE. Are you burdened with part of the expenses of WOND?

Mr. BURDICK. Would you repeat the question, please.

Mr. LANE. I will let the stenographer do it.

(The reporter read the following question: "Are you burdened with part of the expenses of WOND?")

Mr. BURDICK. Just with these two men. I paid half of McNamara's salary and paid Dickinson for cleaning up the studio.

Mr. LANE. Who are the owners of WOND?

Mr. BURDICK. Is it a corporation.

Mr. LANE. Who organized the corporation?

Mr. BURDICK. Charles Rupp is president. He owns the Dorraine Cleaners. There is a gentleman by the name of Bennett, who is a Chevrolet dealer in Pleasantville, and also the mayor of Pleasantville. I do not know the other stockholders.

Mr. LANE. What is his name?

Mr. BURDICK. Scott Ireland.

Mr. LANE. Did you have anything to do with the organization of WOND?

Mr. BURDICK. No, sir.

Mr. LANE. Did you have anything to do with obtaining a license for the operation of the station?

Mr. BURDICK. No, sir.

Mr. LANE. When were you first connected with WOND?

Mr. BURDICK. A friend of mine made application for this license for WOND 3 years ago, I think, with the FCC.

Mr. LANE. Who was that?

Mr. BURDICK. Harry Zoog. I think he is a 15-percent stockholder, he or his wife.

Mr. LANE. How do you spell his name?

Mr. BURDICK. Z-o-o-g. You know how the FCC is. They hold a lot of hearings.

Mr. LANE. Did Harry Zoog ask for your assistance for getting the license from FCC?

Mr. BURDICK. None at all.

Mr. LANE. Evidently, in time he got the license?

Mr. BURDICK. Yes, sir. I do not know whether it was Seaside or Seashore that made application on the same frequency.

Mr. LANE. Frequency?

Mr. BURDICK. That is right. There was a hearing on it and that length of time was taken up in granting the license.

Mr. LANE. But you took some of the stock in that company?

Mr. BURDICK. No; I have no stock.

Mr. LANE. I thought you said you had a couple of shares?

Mr. BURDICK. No; I have no stock at all.

Mr. LANE. Are you paid a salary by the Pioneer Broadcasting Co.?

Mr. BURDICK. No, sir. I work strictly on commission.

Mr. LANE. In 1950 the commissions were \$1,846?

Mr. BURDICK. That is right.

Mr. LANE. Did you say that you paid, in turn, Frank McNamara, \$1,040?

Mr. BURDICK. That is right.

Mr. LANE. How much, in addition to that, did you pay to the colored man?

Mr. BURDICK. I paid him \$25 a week. There wasn't very much during that time.

Mr. LANE. So your net gain from that operation was very small?

Mr. BURDICK. Very small.

Mr. LANE. Probably around \$400?

Mr. BURDICK. Not very much. They owed me that money.

Mr. LANE. They did not pay you that money?

Mr. BURDICK. They were behind and I told them to keep it until 1951.

Mr. LANE. You put down in 1950 that you did receive it? You reported that you received it, although you expected to get it in 1951?

Mr. BURDICK. Yes, sir. I didn't get it in 1951.

Mr. LANE. Was that for your advantage or their advantage?

Mr. BURDICK. They withheld the tax on it, counselor. They withheld the tax on it, and I simply charged McNamara's salary against my commissions. I was busy. I paid the boy. I wasn't feeling so well. I was out trying to sell time.

Mr. LANE. Did you succeed in selling time?

Mr. BURDICK. Yes, sir.

Mr. LANE. For them?

Mr. BURDICK. Yes, sir. That is what the commission is.

Mr. LANE. And you got what percent as your take?

Mr. BURDICK. Twenty percent.

Mr. LANE. So you sold for them something between \$3,000 and \$4,000?

Mr. BURDICK. More than that. I got eighteen-hundred-some-odd dollars. So I sold close to \$8,000 or \$9,000, didn't I?

Mr. LANE. That is right, you did.

Does that station maintain a Western Union ticker to report race results?

Mr. BURDICK. The Associated Press, the Press Association. Then we have another sports wire in there. It is just one of the companies.

Senator HUNT. Continental Press?

Mr. BURDICK. No, not Continental Press.

Mr. LANE. Is that an A-8 ticker, a sports reporting ticker?

Mr. BURDICK. Yes, sir.

Mr. LANE. Does that ticker—

Mr. BURDICK. Transradio.

Mr. LANE. Does that ticker report racing results every day when the races are being run?

Mr. BURDICK. Yes, sir.

Mr. LANE. Does Station WOND broadcast the results of the races as soon as received?

Mr. BURDICK. It runs anywhere from 7 minutes to 30 minutes.

Mr. LANE. You mean it runs 7 to 30 minutes behind the results of the track?

Mr. BURDICK. That is correct.

Mr. LANE. But does it broadcast the results of the tracks regularly?

Mr. BURDICK. Oh, yes, every day. Five tracks, the tracks in the metropolitan areas, like New York.

Mr. LANE. What tracks does it broadcast?

Mr. BURDICK. New York. The general broadcast was on the Armstrong Sheet. They generally carry five. The Armstrong Scratch Sheet.

Mr. LANE. Won't you call them off for the record?

Mr. BURDICK. They change, counselor. They run 30 days here and 30 days there. But at the present time I will try to call them out. At the present time there is New York, Monmouth Park, New Jersey, Delaware, just closed. I do not know which one succeeded that one. Chicago. Detroit. Charles Town succeeded Delaware. That is the way they are running now. They are all in this vicinity with the exception of Arlington Park, Chicago.

Mr. LANE. Do they interrupt programs to give the racing results?

Mr. BURDICK. No, sir. In the 5-minute news broadcast every half-hour on the hour. Nothing is interrupted. If anybody has an announcement, bought time, it is at 6:45 or 6:50 or 6 o'clock, they are right on the dot and they never interrupt a program. We are not the only station in this vicinity giving race results, you know.

Mr. LANE. What other station?

Mr. BURDICK. WMID is every 15 minutes. The station you broadcasted on WFPG, gives racing results at 2 o'clock. That is worse than we give.

Mr. LANE. Did you work for WFPG?

Mr. BURDICK. Yes, sir; in 1945.

Mr. LANE. Did you sell time for them?

Mr. BURDICK. Yes, sir.

Mr. LANE. On a commission basis?

Mr. BURDICK. Yes, sir. I do not know whether it was 1947 or 1946, around in there sometime.

Mr. LANE. Do you have any idea what the revenue is of WOND monthly? Monthly revenue?

Mr. BURDICK. Monthly revenue today?

Mr. LANE. Their gross.

Mr. BURDICK. Their gross?

Mr. LANE. Yes.

Mr. BURDICK. I can give you, not the total, but approximately their weekly income at the present time.

Mr. LANE. All right.

Mr. BURDICK. Because there are three salesmen, and I know what they do.

Mr. LANE. Who are the three salesmen?

Mr. BURDICK. Dick Woodies, Harry Howell, and myself.

We have house accounts that come in from national advertisers. This week, here is what I am doing this week. Woodies and I run about the same. I did \$817.50 this week. He will do about that. Howell will do about \$400. The house accounts will run \$200 to \$300. Those are the approximate figures now. They vary. Next week it might be \$100 less. It might be \$100 more. It should be more this time of the year in Atlantic City.

Mr. LANE. Would you say it is running two to three thousand dollars a week?

Mr. BURDICK. Not two to three, two to twenty-four hundred, twenty-five hundred right now.

Mr. LANE. What are the sources of that revenue?

Mr. BURDICK. You want me to call these names out which I sold?

Mr. LANE. Yes, please.

Mr. BURDICK. The Allison's Speedway. It is 20 spots. They have it 2 days, at \$1.50 a spot.

Rando's, one spot at \$7.50.

Jefferson Hotel, 5-minute broadcast, \$30.

Personal Finance has an office here. That comes out of Newark. It is 5 days a week, \$40.

Boardwalk Parking Center, which is right in back of this hotel, on the side. Mr. Krevet, \$45.50.

Grainville Works, which is an air-conditioning outfit, \$50 a week.

Luigi's, two spot announcements, \$20.

Al's Garden Bar, \$24; Joseph Wagenheim, newscast, \$30; Cosmopolitan Hotel, \$15; Trenches' Neptune, \$35; Christiana Smoke Shop, \$10; Hialeah Supper Club, \$25; Nick and Buzz, \$50; Dennis Italian Restaurant, \$25; Gretz, \$250.

Public Service of Newark; that is the busses. They are running those to Monmouth Park from here. \$48.

Yacht Club, \$25; Jockey Club, \$25; Bath and Turp, \$25; President Hotel, \$50; Howell Speedway, \$30.

Mr. LANE. Of course, I cannot keep in mind the names you just read off.

Mr. BURDICK. Do you wish to look these over?

Mr. LANE. Not at the moment. On that list, one of the names you read was the Cosmopolitan Hotel.

Mr. BURDICK. Yes, sir.

Mr. LANE. Is that owned by Herman Orman?

Mr. BURDICK. Yes, sir.

Mr. LANE. Another was Luigi's Restaurant.

Mr. BURDICK. Yes, sir.

Mr. LANE. Is that owned by Jack Berenato?

Mr. BURDICK. I think he is manager there.

Mr. LANE. Another one was the Hialeah Dinner Club; is that right?

Mr. BURDICK. Supper Club.

Mr. LANE. Who owns that?

Mr. BURDICK. They call it Rickey's Hialeah.

Mr. LANE. Who owns it?

Mr. BURDICK. Rickey, I guess.

Mr. LANE. Are any of those places you have read places where book is made?

Mr. BURDICK. No, sir.

Mr. LANE. Are any of those places places where numbers are played?

Mr. BURDICK. No, sir.

Mr. LANE. Are any of the managers or owners or proprietors of those places that you know to have records in gambling cases?

Mr. BURDICK. You mean any of these people I sold or the three places you mentioned?

Mr. LANE. Any you sold?

Mr. BURDICK. The only one in there that I know that had a previous conviction of gambling was Berenato, and that was 3½ years ago.

Mr. LANE. And he is at Luigi's?

Mr. BURDICK. That is right.

Mr. LANE. You said one place was Rando's.

Mr. BURDICK. Yes. That is the little bakery over in Pleasantville.

Mr. LANE. That is no relation to the Rando in town?

Mr. BURDICK. This is Rando's Bakery. This is a little place, \$7.50 a week, for one morning spot.

Mr. LANE. Was the information broadcast with respect to racing results utilized in town here by books?

Mr. BURDICK. I couldn't say that. Anybody can get them. Anybody can dial 1400 on your dial.

Mr. LANE. Do the bookmakers contribute, so far as you know, to the expenses of that station WOND?

Mr. BURDICK. No, sir.

Mr. LANE. Did you ever collect any money?

Mr. BURDICK. No, sir. From whom?

Mr. LANE. From any bookmakers for that purpose?

Mr. BURDICK. No, sir.

Mr. LANE. Do you know any bookmakers in town?

Mr. BURDICK. My own personal knowledge on bookmakers is what I read about different raids in town and who was convicted.

Mr. LANE. Do you know anybody who makes collections from bookmakers for the account of WOND?

Mr. BURDICK. No, sir.

Mr. LANE. Nor for the account of anybody interested in WOND?

Mr. BURDICK. No, sir.

Mr. LANE. Are you personally acquainted with Benjamin Rubenstein?

Mr. BURDICK. I know Benjamin Rubenstein.

Mr. LANE. Is he a bookmaker?

Mr. BURDICK. Not that I know of.

Mr. LANE. Is he in the numbers racket?

Mr. BURDICK. Not that I know of.

Mr. LANE. How long have you known him?

Mr. BURDICK. Wait a minute. I didn't know him personally, but I knew Benjamin Rubenstein back in 1940 when there was an investigation in Atlantic City. I don't think it was numbers. It was tax evasion. I do not know whether it was tax evasion, or something. He was convicted of something.

Mr. LANE. How long do you know him?

Mr. BURDICK. Well, he has a store on the Boardwalk. It was a haberdashery store, I think. Now he is in the music business. I do not know him personally or anything like that.

I just know he is Ben Rubenstein.

Mr. LANE. Do you know Henry Cohen?

Mr. BURDICK. I do.

Mr. LANE. What is his business?

Mr. BURDICK. I know Henry Cohen—when I lived in Illinois, when he had a cigar store on Atlantic Avenue.

Mr. LANE. How long have you known him?

Mr. BURDICK. He had that store 15 years ago.

Mr. LANE. Is he in the numbers racket?

Mr. BURDICK. Not to my knowledge.

Mr. LANE. Do you know any place in town where you can go to bet on a number?

Mr. BURDICK. No, sir. I never bet on a number. I have never bet on a number in my life. I never lay a number. I don't know of a place where I could go in and play one.

Mr. LANE. Do you know every place in town where you can bet on the horses?

Mr. BURDICK. I don't play horses in town. I go to the track occasionally.

Mr. LANE. Do you know any bookmaker in town?

Mr. BURDICK. Only what the papers said were convicted after they were arrested and convicted as bookmakers. Perhaps I knew them. I have been here 30 years. I know a lot of people in town.

Mr. LANE. Do you know Jack Berenato?

Mr. BURDICK. I do.

Mr. LANE. What is his business?

Mr. BURDICK. He is manager of Luigi's Restaurant. I have eaten there.

Mr. LANE. Have you known him a long time?

Mr. BURDICK. Let me see. That restaurant has been there maybe 6 or 7 years.

Mr. LANE. Do you know Fred Masucci?

Mr. BURDICK. I do, very well.

Mr. LANE. What is his business?

Mr. BURDICK. I think he is retired, myself, personally.

Mr. LANE. What was his business before he retired?

Mr. BURDICK. If I am not mistaken, I think he had a place in Virginia. He had some kind of tax evasion conviction. He never went to jail.

Mr. LANE. Isn't he a close friend of Herman Orman?

Mr. BURDICK. I think he is very close.

Mr. LANE. Business associate of Orman?

Mr. BURDICK. I wouldn't say that.

Mr. LANE. Have you known Herman Orman?

Mr. BURDICK. Yes.

Mr. LANE. How long have you known Herman Orman?

Mr. BURDICK. Ten years.

Mr. LANE. Is he well known to you?

Mr. BURDICK. Very good friend of mine.

Mr. LANE. Has he been a good friend of yours for the last 10 years?

Mr. BURDICK. He and I are friends. He has a place. He went into the service. He has a place at the Cosmopolitan. I stop in there and have a cocktail. He has a beautiful cocktail lounge in there.

Mr. LANE. Are you also acquainted with Senator Farley?

Mr. BURDICK. Yes, sir.

Mr. LANE. Whom do you know better, Orman or Farley?

Mr. BURDICK. I would say Farley, up in the legislature. I knew Farley when he was studying law, and he has been in the legislature since 1937. He was in the assembly 3 years and then he was a senator 14 years. He was 3 years in the assembly, and then in 1940 he was elected to the senate and he has been in the senate 11 years. This is his eleventh year in the senate.

Mr. LANE. You say you knew him when he studied law? That was in 1926-27.

Mr. BURDICK. When he was a young lawyer in town. He had an office in Guarantee Trust Co., if I am not mistaken.

Mr. LANE. Have you known Herman Orman as long as that?

Mr. BURDICK. No.

Mr. LANE. When did you meet Herman Orman?

Mr. BURDICK. At first we became acquainted with Herman Orman at the start of the war, I think around 1941.

Mr. LANE. Hasn't Orman been a close friend of Farley's for the last 25 years?

Mr. BURDICK. I couldn't answer that question.

Mr. LANE. Do you know "Cherry" Haggerty?

Mr. BURDICK. I know Haggerty as head of the Bartenders' Union.

Mr. LANE. Do you know him personally?

Mr. BURDICK. I never had too much personal dealings with him.

Mr. LANE. Do you know what his dealings are besides the Bartenders' Union, if anything?

Mr. BURDICK. No, sir.

Mr. LANE. Do you know Ellis Lewis?

Mr. BURDICK. Ellis Lewis? I know he was owner of a store on the Boardwalk. I know Ellis Lewis. Ellis and his brother had a store on the Boardwalk, Dunsinger's Leather Shop.

Mr. LANE. Is he in business with anybody else?

Mr. BURDICK. No, sir.

Mr. LANE. Do you know Fred Solitare?

Mr. BURDICK. Those were the two that were arrested on the Boardwalk.

Mr. LANE. Do you know Fred Solitare?

Mr. BURDICK. I know him to say "hello" to. I knew his father. He was a former city detective. They were great athletes on the beach. They were all lifeguards, the whole Solitare family. I knew them when they were youngsters. They are much younger than I am.

Mr. LANE. What is Lewis' business?

Mr. BURDICK. Ellis Lewis' business, I couldn't tell you.

Mr. LANE. Do you know whether or not he is a bookmaker?

Mr. BURDICK. I do not. The last time I knew Ellis Lewis—I haven't seen very much of these fellows. Ellis Lewis was a partner of the cafe, I think, on New York Avenue.

Mr. LANE. What kind of a car do you drive, Mr. Burdick?

Mr. BURDICK. Cadillac.

Mr. LANE. When did you buy that?

Mr. BURDICK. I got a new one. I borrowed \$3,000 from the Guaranty Trust Co. on my life insurance.

Mr. LANE. Just recently?

Mr. BURDICK. 1951. Got it in February.

Mr. LANE. What kind of a car did you have before that?

Mr. BURDICK. I had a 1947 Cadillac.

Mr. LANE. How many cars do you own?

Mr. BURDICK. I am selling the red one. I got it for sale.

Mr. LANE. You mean the 1947?

Mr. BURDICK. Yes, sir.

Mr. LANE. I am going to call off to you a few names at random. Let me know if you know any of them.

A man named "Mush" Goodelman?

Mr. BURDICK. "Mush" Goodelman?

Mr. LANE. Yes.

Mr. BURDICK. Is that the Goodelman family that owned the Nomad Cafe at 4802 Ventnor Avenue? No.

Mr. LANE. Do you know Morton Freund?

Mr. BURDICK. Yes. I met him in one of the cafes some place.

Mr. LANE. What is his business?

Mr. BURDICK. I couldn't tell you.

Mr. LANE. When did you meet him?

Mr. BURDICK. I met him at a bar, maybe in Trenches' or in one of the other places.

Mr. LANE. Do you know Sid Levy?

Mr. BURDICK. Sid Levy?

Mr. LANE. Yes.

Mr. BURDICK. No.

Mr. LANE. Do you know Chuck Audrey?

Mr. BURDICK. No, sir.

Mr. LANE. Do you know Lou Cooch?

Mr. BURDICK. Lou Cooch? I know his father. He is a golfer, quite a golfer.

Mr. LANE. What is his business?

Mr. BURDICK. I couldn't tell you that.

Mr. LANE. Do you know Joe Beck?

Mr. BURDICK. No, sir.

Mr. LANE. Do you know Bill Snyder?

Mr. BURDICK. I know Bill Snyder.

Mr. LANE. What is Bill Snyder's business?

Mr. BURDICK. I couldn't tell you that now. I haven't seen Snyder in years.

Mr. LANE. Do you know Jimmy Dolan?

Mr. BURDICK. No, sir.

Mr. LANE. Do you know "Mush" Jacobs?

Mr. BURDICK. No, sir.

Mr. LANE. Frank Foster?

Mr. BURDICK. No, sir.

Mr. LANE. Nick Bloom?

Mr. BURDICK. No, sir.

Mr. LANE. Ed Doyle, Edward F. Doyle?

Mr. BURDICK. I know a Doyle. He is on the boardwalk. I don't know what he does, or anything.

Mr. LANE. Do you know Nick Bloom? Maybe I asked you that before.

Do you know Harry Gold?

Mr. BURDICK. No, sir.

Mr. LANE. Jim Mellon?

Mr. BURDICK. No, sir.

Mr. LANE. Tony Rich?

Mr. BURDICK. I know Tony Rich. He is in the plumbing business.

Mr. LANE. Is he in any other business beside that?

Mr. BURDICK. Not that I know of.

Mr. LANE. Do you know Bobby Wilson?

Mr. BURDICK. No.

Mr. LANE. Harry Stewart?

Mr. BURDICK. I know a lot of people by nicknames. I do not know them by those names.

Mr. LANE. Do you know a fellow named Kid Stewart?

Mr. BURDICK. No.

Mr. LANE. Do you know Vince Rando?

Mr. BURDICK. No, never met him.

Mr. LANE. Al Pepper?

Mr. BURDICK. No, sir.

Mr. LANE. Al Vendor?

Mr. BURDICK. No, sir.

Mr. LANE. Jack Colby is the same as Jack Berenato?

Mr. BURDICK. Jack Berenato?

Mr. LANE. Yes.

Mr. BURDICK. I know him by his nickname. Where they get the Colby, I do not know.

Mr. LANE. Do you know a fellow named Rickey?

Mr. BURDICK. Rickey?

Mr. LANE. Yes.

Mr. BURDICK. Is that the same gentleman who owns the Hialeah?

Mr. LANE. I am asking you.

Mr. BURDICK. I know a Rickey, if that is the same Rickey. That is the only place I know.

Mr. LANE. What do you know about Rickey? What is his full name?

Mr. BURDICK. His name is Rich.

Mr. LANE. What is his first name?

Mr. BURDICK. I couldn't tell you that.

Mr. LANE. How long has he been at the Hialeah?

Mr. BURDICK. He hasn't been at the Hialeah so long. He had the Torch Club. The Hialeah was vacant maybe a year or 2 years. He just recently acquired that property, or leased it. I do not know what he did. He had a place on Memorial Avenue. They called it

Rickey's Torch Club. I had three spots a day from the Torch Club. They transferred it from there to Rickey's Hialeah. I was never in Rickey's Hialeah or in the Torch Club.

MR. LANE. Was he the owner of the Torch Club?

MR. BURDICK. I am pretty sure he was.

MR. LANE. Did the place fail?

MR. BURDICK. He sold the Torch Club out when he moved to the Hialeah.

MR. LANE. Is he one of the owners at the Hialeah?

MR. BURDICK. I think he is. They call it Rickey's Hialeah.

MR. LANE. Do you know Dave Lewis?

MR. BURDICK. Dave Lewis? If it is the same one I am talking about, he owns Dunsinger's Leather Shop on the boardwalk.

MR. LANE. Does he have another occupation besides that?

MR. BURDICK. Not that I know of.

MR. LANE. Do you know "Nockey" Johnson?

MR. BURDICK. Yes, sir.

MR. LANE. When did you first meet him?

MR. BURDICK. 1916, when Walter Edge ran for governor.

MR. LANE. Were you in any sense of the word a protégé of Nockey Johnson.

MR. BURDICK. Oh, no.

MR. LANE. Did you ever do anything for him?

MR. BURDICK. No, sir.

MR. LANE. Did he ever do anything for you?

MR. BURDICK. No, sir. I never held any political position under Enoch Johnson.

MR. LANE. Is it true that you regularly call at Kappy's Cigar Store at 931 Atlantic Avenue?

MR. BURDICK. 931 Atlantic Avenue?

MR. LANE. That is right. Do you know a man named Kaplan there?

MR. BURDICK. I don't know him. I might have stepped in there for a pack of cigarettes. I am liable to stop anywhere for a pack of cigarettes.

MR. LANE. The question is: Did you stop there regularly?

MR. BURDICK. I did not. 931 Atlantic Avenue?

MR. LANE. That is right.

MR. BURDICK. I want to get my location right. No, sir, I did not stop there.

MR. LANE. Are there any places in Atlantic City, such as cigar stores or other business establishments, where you make regular calls?

MR. BURDICK. No, sir.

MR. LANE. Are there any places in Atlantic City where you make any collections of money?

MR. BURDICK. No, sir. Wait a minute. I stop at a couple of places and pick up this.

MR. LANE. You make collections for WOND?

MR. BURDICK. There are a few stops I stop in and pick up this.

MR. LANE. Weekly?

MR. BURDICK. Yes, sir.

MR. LANE. What are those places? Do you have some sort of memorandum for calls to make?

Mr. BURDICK. No. This is next week's bill that I keep in my pocket, that I collect.

Mr. LANE. All right.

Mr. BURDICK. The Bath and Turf Club. Jockey Club. 7 South North Carolina Avenue. Trenches' Neptune. Luigi's.

Mr. LANE. Are those weekly bills?

Mr. BURDICK. Yes, sir.

Mr. LANE. Are the bills rendered weekly?

Mr. BURDICK. Yes, sir. They wanted to pay weekly and they asked me to stop.

Mr. LANE. Are the bills picked up weekly?

Mr. BURDICK. Yes, sir.

Mr. LANE. How long has that been going on?

Mr. BURDICK. Ever since they have been on the air.

Mr. LANE. How long is that?

Mr. BURDICK. The contracts run 13 weeks and some renew them.

Mr. LANE. Are you paid in cash or by check?

Mr. BURDICK. Cash.

Mr. LANE. Is there any place where you picked a payment up in anything other than cash?

Mr. BURDICK. By check, you mean?

Mr. LANE. Yes.

Mr. BURDICK. You mean me personally?

Mr. LANE. You personally.

Mr. BURDICK. No. The rest are all mailed. I turn that in to the bookkeeper in the place. I receipt these bills.

Mr. LANE. For WOND?

Mr. BURDICK. I receipt that I received payment. Trenches' wanted to pay the bill every week and asked me to stop there.

Mr. LANE. Do you keep some information as to the total amount of your collections?

Mr. BURDICK. No. My collections don't amount to more than \$100 a week, or \$110.

Mr. LANE. You get a commission on that?

Mr. BURDICK. Yes. I get a commission on the whole thing. It makes no difference if they pay the bill this week, I still draw my commission. I like to keep my accounts up. They are good, solid accounts.

Mr. LANE. You said \$100 a week. Actually, how much will the collections be for next week?

Mr. BURDICK. This is this week's collection.

Mr. LANE. A hundred and something?

Mr. BURDICK. You mean how much the collections will be, total?

Mr. LANE. Yes. There are two aspects of it. I do not want the record confused. First of all, you called off a list of your accounts, and I think they were for the week just expired; is that right?

Mr. BURDICK. The week ending July 7, that is tomorrow, isn't it? That is this week.

Mr. LANE. That totals how much?

Mr. BURDICK. \$817.50.

Mr. LANE. Of that \$817.50 how much did you collect in cash or how much will you collect in cash?

Mr. BURDICK. Approximately \$100.

Mr. LANE. And is that other \$717-odd paid by check?

Mr. BURDICK. That is right, sir.

Mr. LANE. Would you just be specific on the record and state what you will collect in cash, and from whom, next week, out of these accounts for which you have bills in your pocket?

Mr. BURDICK. I will collect \$25 from Bath and Turf, \$25 from the Jockey Club. These bills expire this week. Then I will collect \$35 from 'Trenches' Neptune. I will collect \$20 from Luigi's, and \$15 from the Cosmopolitan Hotel.

Mr. LANE. Isn't it a fact that in each one of these places there is gambling of one kind or another?

Mr. BURDICK. There has never been any gambling in any of those places, that I know of. I don't go there at night. I see them in the daytime. I do not know anything about it. I cannot say there is gambling in any of them. Luigi's is a big restaurant.

Mr. LANE. Doesn't Luigi's have a set-up for gambling in the back of the restaurant?

Mr. BURDICK. I wouldn't say so. I never was back that far. Straight back is a big kitchen. I have eaten there.

Mr. LANE. So far as you know, there are no facilities for gambling there?

Mr. BURDICK. In Luigi's?

Mr. LANE. That is right.

Mr. BURDICK. That is right.

Mr. LANE. What about the Bath and Turf Club?

Mr. BURDICK. That is on Stenton Place and I have been down there for a Chinese dinner and the manager of the place, Joe Morse, is a very good friend of mine. He has been down there for 35 years.

Mr. LANE. What about the Jockey Club?

Mr. BURDICK. The Jockey Club is up in South North Carolina Avenue and that is only a night spot.

Mr. LANE. What clientele do they have?

Mr. BURDICK. I will tell you the truth. I have never been to the Jockey Club, any of their shows, at all. I have had a cocktail or a glass of beer at the bar.

Mr. LANE. What is their reputation, do you know?

Mr. BURDICK. All right. They draw a big crowd. It must be all right. One time the city authorities removed one entertainer, a little risqué.

Mr. LANE. Doesn't it have a reputation of attracting "queers"?

Mr. BURDICK. I have never been in there. I couldn't answer your question intelligently.

Mr. LANE. Who owns it?

Mr. BURDICK. Hyatt. They call him Jockey Hyatt.

Mr. LANE. Is he a friend of yours?

Mr. BURDICK. I know him.

Mr. LANE. How long have you known him?

Mr. BURDICK. Jockey? I guess I know him for 7 or 8 years.

I go to Hamity the Tailor.

Mr. LANE. Who is that?

Mr. BURDICK. Hamity the Tailor?

Mr. LANE. Is he a leading tailor in town?

Mr. BURDICK. He is a good tailor.

Mr. LANE. What does he charge?

Mr. BURDICK. \$125 up.

Mr. LANE. What do you pay?

Mr. BURDICK. Paid \$125. I haven't gotten many suits lately. He is a little higher now.

Mr. LANE. On a total net income of \$4,888.09, reported in 1950, would you care to explain to the committee how it is you can sport at one time two Cadillac cars and patronize Hamity's and support your family?

Mr. BURDICK. Counselor, let me correct you. I didn't get that car in 1950.

Mr. LANE. Do correct me. In 1950 you had one Cadillac car?

Mr. BURDICK. 1947 Cadillac.

Mr. LANE. Has your income increased in 1951?

Mr. BURDICK. I expect to have a good year with the radio station.

Mr. LANE. You bought that Cadillac, did you, in 1947 new?

Mr. BURDICK. Yes, sir.

Mr. LANE. When did you buy it?

Mr. BURDICK. In the early part of 1947.

Mr. LANE. Did you buy it for cash or did you buy it on time?

Mr. BURDICK. I borrowed a loan on my insurance policy and had a little cash. That was how I bought it.

Mr. LANE. Was that the same insurance on which you borrowed this time?

Mr. BURDICK. I got \$10,000 paid up, 30 years old, and that is good equity. I can borrow money at 3 percent.

Mr. LANE. Which is a lot cheaper than financing it through a finance company?

Mr. BURDICK. That is right.

Mr. LANE. Then during 1947, 1948, 1949, and 1950 you paid the loan off?

Mr. BURDICK. That is right.

Mr. LANE. How long did it take to pay the loan off?

Mr. BURDICK. Over a couple of years.

Mr. LANE. In 1946, the year before you bought that Cadillac, I believe you reported a total net income of \$2,986.

Mr. BURDICK. I wasn't doing very much. Counselor, in 1946 I was in the hospital. I was laid up. No, I am wrong. That was '44 and '45.

Mr. LANE. In 1947 you reported a total net income of \$2,376.

Mr. BURDICK. That is right.

Mr. LANE. You have the return, haven't you?

Mr. BURDICK. What do you say the total was in 1947?

Mr. LANE. \$2,376.

Mr. BURDICK. You have it wrong. You have the wrong return. You are talking about 1947?

Mr. LANE. I am talking about 1947, total net income \$2,376.70.

Mr. BURDICK, that is what you reported, isn't it?

Mr. BURDICK. That is right. This income has been checked and everything.

Mr. LANE. Where does your family live. Mr. Burdick?

Mr. BURDICK. There is only my wife and myself.

Mr. LANE. You live in the city here?

Mr. BURDICK. Not right now.

Mr. LANE. Where do you live now?

Mr. BURDICK. I live in Margate.

Mr. LANE. You own your house in Margate?

Mr. BURDICK. Yes; I bought a house there.

Mr. LANE. Does your wife have an occupation?

Mr. BURDICK. No.

Mr. LANE. When did you buy the house?

Mr. BURDICK. In 1948.

Mr. LANE. And what did you pay for the house?

Mr. BURDICK. \$20,000.

Mr. LANE. How much down?

Mr. BURDICK. Five thousand.

Mr. LANE. And to whom do you owe the balance?

Mr. BURDICK. Fifteen thousand mortgage, Prudential Insurance Co.

Mr. LANE. What is the interest on that?

Mr. BURDICK. Four percent.

Mr. LANE. Where did you get the \$5,000?

Mr. BURDICK. I owned a lot at Margate that I bought a long while ago for a thousand dollars, and I sold it for \$5,000. I think I paid \$1,500, \$1,600, for it, and sold it for \$5,000.

Mr. LANE. That was in 1948 you sold the lot?

Mr. BURDICK. I think so; yes, sir.

Mr. LANE. Was the lot in your name?

Mr. BURDICK. My wife's name.

Mr. LANE. Did she file a separate return in 1948?

Mr. BURDICK. No, sir.

Mr. LANE. Will you look at your return in 1948 and indicate the gain on the lot?

Mr. BURDICK. The gain on the lot?

Counselor, this looks like an incomplete copy, but, if I am not mistaken, I would like to have the opportunity to correct it, but I think this is the item right here.

Mr. LANE. To what item do you refer?

Mr. BURDICK. Three-thousand-one-hundred-some-odd dollars.

Mr. LANE. How is that listed?

Mr. BURDICK. Other income.

Mr. LANE. In the 1948 return?

Mr. BURDICK. Yes, sir.

Mr. LANE. I call your attention, Mr. Burdick, to the fact that the item you refer to on the 1948 return, \$3,031.55 is listed as item No. 5 on the first page under "Any other income," the details of which are to be set forth on page 2.

Mr. BURDICK. But he didn't write it in.

Mr. LANE. Then look at page 2. You see, net gain or loss from sale or change of capital assets, \$1,815.55. Income from partnership, estates, and trusts and other sources, \$1,200, listed as fees, or a total of \$3,031.55.

I will ask you whether that refreshes your recollection, if the \$3,031.55 was not attributable to a gain on real estate?

Mr. BURDICK. I cannot answer the question until I look further on further income tax returns, or it is liable to incriminate me.

Mr. LANE. Isn't it a fact that the \$1,831.55 represented a gain on a hundred shares of Chicago, Milwaukee & St. Paul stock?

Mr. BURDICK. No.

Mr. LANE. Did you ever own any Chicago, Milwaukee & St. Paul stock?

Mr. BURDICK. Yes, sir; I did, but the most I paid on those was a couple of hundred dollars. I bought it for 7 and sold it for 10. I remember that.

Senator HUNT. Mr. Burdick, I want to ask you one or two questions rather quickly. Do you have a safe-deposit box?

Mr. BURDICK. Yes, sir.

Senator HUNT. Do you have any cash in it?

Mr. BURDICK. I think I have about five hundred in it.

Senator HUNT. What would be your best estimate of that?

Mr. BURDICK. Five or six hundred dollars. I got a check from the States bonus and put it in there.

Senator HUNT. You own your own home? That is worth about \$20,000?

Mr. BURDICK. Yes, sir.

Senator HUNT. Do you have any stock in any companies like A. T. & T.?

Mr. BURDICK. I own a few.

Senator HUNT. General Electric? Or any stock at all? Do you own any stock?

Mr. BURDICK. I mean that are listed?

Senator HUNT. Yes.

Mr. BURDICK. Sure, I own a few shares of stock.

Senator HUNT. What is the value of all the stocks you own?

Mr. BURDICK. Of all the stocks I own? \$4,000.

Senator HUNT. What is the value of the two cars you have now?

Mr. BURDICK. Well, the '47, I will get about \$1,200 for it. The other is a new car.

Senator HUNT. Would it be as much as \$6,000?

Mr. BURDICK. No. I only pay \$3,655, and \$1,200, that would be about \$5,000, say, for the both cars.

Senator HUNT. Do you own any other lots?

Mr. BURDICK. No, sir.

Senator HUNT. Or any other property?

Mr. BURDICK. No, sir.

Senator HUNT. I understand this income is just your individual income? It isn't a joint income for yourself and your wife?

Mr. BURDICK. The house is in my wife's name.

Senator HUNT. But your income-tax report is designated as a joint return?

Mr. BURDICK. Yes, sir, the 1950. The last 2 or 3 years, since they had a new ruling.

Senator HUNT. Does your wife have any income from stocks and bonds?

Mr. BURDICK. No, sir.

Senator HUNT. That you haven't listed?

Mr. BURDICK. No, sir.

Senator HUNT. I believe you testified that you go around with your collections, that you do not collect from any bookies for services rendered by the broadcasting station on race results. That is right, sir, isn't it? Do you want to state that again, that you do not?

Mr. BURDICK. I do not.

Senator HUNT. You are certainly a man about town. I wouldn't know whom to approach who knows more about Atlantic City than

you do. We have had testimony today that there may be as many as 300 numbers games in the city and perhaps a like number of bookies. Yet you say you do not know where any of those are.

Mr. BURDICK. Bookmakers?

Senator HUNT. Yes.

Mr. BURDICK. No, sir. I think it is grossly exaggerated. I do not know where anyone is. I heard a newspaper give it out there and I had to laugh at them.

Senator HUNT. You speak some of going to the track. Did you win any bets?

Mr. BURDICK. I will tell you how I go to the tracks. I go when they are here at Atlantic City, maybe two or three times. The reason is that the basic sponsor is Gretz Beer and I go to see if they are using Gretz Beer. I am a small bettor. I am no gambler.

Senator HUNT. I want to give you an opportunity, if you want to change your testimony. I cannot understand a man of your intelligence, just 6 months ago having made your income tax and listed an item of \$1,222.86 for rent on a business property and you say you do not know what that item is. Do you want to change that testimony?

Mr. BURDICK. I would like to have a chance to be enlightened on it. I think it is liable to incriminate me. I do not know what the item is. I would like to see the accountant give me this paper.

Senator HUNT. Of course, I won't argue the point, but it would seem just the reverse, that you should tell the accountant what it is instead of his telling you.

Mr. BURDICK. I think he made a mistake.

Senator HUNT. I want to make this observation. It seems a little incongruous that with the income that you report last year, a total of \$5,370, for you to live the way you do, own the home you do, buy the clothes that you do, have the cars that you have, on such a small income.

There are no other questions this evening, Mr. Burdick, but we would like for you to remain under subpoena and make yourself available in the morning for a little additional questioning.

Mr. BURDICK. You want me to come back in the morning?

Senator HUNT. Yes.

Mr. LANE. That will give you an opportunity to bring in the other records to supplement what you said.

Mr. BURDICK. I don't know whether we will be able to look that up by that time.

Mr. MILLER. May I ask the time?

Senator HUNT. Let me suggest that there is no need to come at 9 o'clock and sit around a couple of hours. Let's make it 10 o'clock. Will that be agreeable?

Gentlemen, the committee would like to say to you that the examination of the other witness took a good deal longer than we expected. The hour now is 11 o'clock. So we are now going to close the hearing as of 11 o'clock and we will ask you gentlemen to come in in the morning. We will direct you to come in in the morning. Let me suggest, however, that you arrange it among yourselves that some come in at 9 and others at 9:30 and still others at 10, so you won't come in and sit all day and waste your time.

(Whereupon, at 11 p. m. the committee recessed to reconvene Saturday, July 7, 1951, at 9 a. m.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

SATURDAY, JULY 7, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Atlantic City, N. J.

EXECUTIVE SESSION

The subcommittee met, pursuant to adjournment, at 9 a. m., in rooms 325-326, Hotel Traymore, Atlantic City, N. J., Senator Lester C. Hunt of Wyoming presiding.

Present: Senator Hunt.

Also present: Samuel M. Lane, special counsel; Robert F. Morton, assistant counsel; and John J. Winberry, special consultant.

MR. LANE. May we resume?

SENATOR HUNT. I presume no opening statement is needed, counsel. If you will, proceed with the questioning.

FURTHER TESTIMONY OF HERMAN ORMAN, ATLANTIC CITY, N. J.

MR. ORMAN. Before you start, may I correct myself of one statement yesterday? I think you asked me if I had any other bank account, and I do have another bank account in the Guaranty Trust Co., which is under my personal name. It has been there in the last few months since the dissolution of the Cosmopolitan Hotel Corp.

MR. LANE. Is there another thing you want to tell us?

MR. ORMAN. Yes. You had me a bit perturbed. I tried to find out whom I spoke to yesterday. I spoke to Mr. Abadan and Mr. Feinberg, who happened to come out of the Guaranty Trust Co.

MR. LANE. You mean the day before?

MR. ORMAN. Thursday. Then I saw him again Thursday afterward, at my hotel.

MR. LANE. How long were you with him then?

MR. ORMAN. I don't know. That is unimportant. Maybe 10 minutes, maybe 20 minutes.

MR. LANE. What did you talk to him about, then?

MR. ORMAN. I talked to him about some lease then. It had nothing to do with this, whatever.

MR. LANE. Did you talk to him about this inquiry?

MR. ORMAN. Nothing to do with this whatsoever.

MR. LANE. You didn't ask him about advice in connection with this inquiry?

MR. ORMAN. No, I didn't think I needed it.

Mr. LANE. I see you produced a book which relates to the 1951 income?

Mr. ORMAN. You are taking that for granted.

Mr. LANE. You said you would bring that, and I see you have such a book.

Mr. ORMAN. I do.

Mr. LANE. Will you produce that?

Mr. ORMAN. Yes, sure.

(The witness produced the book.)

Mr. LANE. Can you tell us what your gross income was, roughly, for the first 6 months of 1951?

Mr. ORMAN. Can I tell you what it was, roughly?

Mr. LANE. Yes.

Mr. ORMAN. Not offhand, somewhere between \$15,000 to \$16,000.

Mr. LANE. Will this book indicate all of your income for 1951, to date?

Mr. ORMAN. As far as I know.

Mr. LANE. Can you, by running quickly through this book, indicate such an income as \$15,000 or \$16,000?

Mr. ORMAN. Yes. Let me have it. I am more familiar with it. I know my own figures.

Senator HUNT. At this time, I want to ask that there be taken into the record an open letter addressed to the United States Senate Crime Committee, Senator Kefauver, chairman. It is signed by the Jersey Times. That letter will be exhibit O.

(The letter referred to was marked "Exhibit O," and will be found in the files of the Special Committee.)

Mr. LANE. We do not want to deprive you of that book. Will you simply read into the record the financial records you have?

Mr. ORMAN. I will give you the gross amounts. I will read you the gross amounts.

Mr. LANE. We can do one of two things: We can either impound the book or we can give it back to you.

Mr. ORMAN. I do not want this to be made public. I think this is my own personal business. This record is going to be made public and a lot of statements will be made like in yesterday's paper. Some of them do not mean anything.

Mr. LANE. Will you let me have the book?

Mr. ORMAN. No. I do not think I will let you have the book unless I know my business is not going to be made public. I think I am entitled to that courtesy.

Mr. LANE. Will you call upon the witness, Senator, to show us the record that he had handed to us? I have looked at it very briefly. There are not many entries in it. To expedite the hearing, I have asked that he read those entries into the record. He refuses to do so. Will you direct him to do so?

Senator HUNT. The chairman of the subcommittee directs that you read to the committee the entries that you have in the book in your hand.

Mr. ORMAN. Mr. Chairman, they do not mean a thing, these entries in here. I think I am entitled to some rights. I have some rights.

Senator HUNT. There will be no argument at all. I direct you to do that. You can either state you will or will not.

Mr. ORMAN. I will not.

Senator HUNT. I am not threatening you. I might say, however, that you understand you are being placed in a position where you might be cited for contempt?

Mr. ORMAN. I understand that very well.

Senator HUNT. Will you turn that book over to the stenographer so he can give it an exhibit number?

Mr. ORMAN. With the provision that I get it back.

Senator HUNT. All right; with that provision.

It will be marked "Exhibit P."

(The book referred to was marked "Exhibit P," and was returned to the witness.)

Mr. LANE. I asked you yesterday about your income, Mr. Orman, for prior years, and you produced your tax returns. I note in the tax returns for 1950 that you have other income, \$12,100. Can you tell us the source of the \$12,100?

Mr. ORMAN. I just don't recall.

Mr. LANE. This is last year I am talking about.

Mr. ORMAN. No, I do not have any records for last year.

Mr. LANE. Give us any substantial item.

Mr. ORMAN. It may have been some item from the track last summer, between \$5,000 or \$6,000, which was done for me by another person.

Mr. LANE. By whom?

Mr. ORMAN. Joseph Friedman.

Mr. LANE. Is Joseph Friedman a bookmaker in town?

Mr. ORMAN. He is not a bookmaker. He used to go to the track every day.

Mr. LANE. Did he make a practice of betting for you?

Mr. ORMAN. He didn't make a practice of that. He is dead now. He used to do that every time in the summer when the tracks were open.

Mr. LANE. You were called upon yesterday to produce your records, papers, statements, and documents, concerning your business, employment, and financial transactions, and you have said this morning you do not have them with you.

Mr. ORMAN. I do not have anything other than what you have had before you.

Mr. LANE. Do you have them in some other place?

Mr. ORMAN. I do not.

Mr. LANE. Did you make a search for them last night?

Mr. ORMAN. I didn't have them. I didn't have to. When the Treasury was in to see me about my income tax in 1947 and 1948, as late as 5 or 6 weeks ago, I searched for that.

Mr. LANE. What other sums make up that income?

Mr. ORMAN. Other things—commissions for different people.

Mr. LANE. For whom?

Mr. ORMAN. I do not know. I cannot pin myself down just to what it was.

Mr. LANE. What sources of income did you have besides what you listed?

Mr. ORMAN. It is on there.

Mr. LANE. In the \$12,100 did you have any salaries in 1950?

Mr. ORMAN. No salaries.

Mr. LANE. Were you working for anybody on a commission?

Mr. ORMAN. Nothing; only what is listed.

Mr. LANE. What is Planetary Recreation, Inc.?

Mr. ORMAN. That is a corporation in the State of New Jersey, in the concession business—Mr. Ellis.

Mr. LANE. Who is Mr. Ellis?

Mr. ORMAN. Mr. Ellis is the president.

Mr. LANE. Are you a stockholder of it?

Mr. ORMAN. No; I am not a stockholder. I did some work for it.

Mr. LANE. Is that a fee?

Mr. ORMAN. That is a contractual fee.

Mr. LANE. Contract for what services?

Mr. ORMAN. For some services rendered to him?

Mr. LANE. What services?

Mr. ORMAN. I got him a concession.

Mr. LANE. Where?

Mr. ORMAN. Food.

Mr. LANE. Where?

Mr. ORMAN. Million-Dollar Pier.

Mr. LANE. Is that a flat fee that you were paid?

Mr. ORMAN. That is right.

Mr. LANE. Can you produce the contract?

Mr. ORMAN. No; I do not have a contract.

Mr. LANE. Was it a written contract?

Mr. ORMAN. No, sir.

Mr. LANE. Was it an agreement between you and Ellis as to how much it should be?

Mr. ORMAN. Yes.

Mr. LANE. Beforehand?

Mr. ORMAN. Yes.

Mr. LANE. With whom did you deal at the Steel Pier?

Mr. ORMAN. I didn't deal with anybody at the Steel Pier?

Mr. LANE. You say you got the concession there?

Mr. ORMAN. That is right.

Mr. LANE. With whom did you negotiate?

Mr. ORMAN. With Mr. Ellis.

Mr. LANE. Mr. Ellis of Planetary?

Mr. ORMAN. That is right.

Mr. ELLIS. With whom, in order to get the concession? You do not own the Steel Pier?

Mr. ORMAN. I didn't say the Steel Pier. I said the Million-Dollar pier.

Mr. LANE. I beg your pardon. With whom did you deal at the Million-Dollar pier?

Mr. ORMAN. It may have been Mr. Tubas. It may have been Mr. Harry Schwartz, or it may have been both.

Mr. LANE. Who was it, actually?

Mr. ORMAN. I do not know exactly which one.

Mr. LANE. What part of the year?

Mr. ORMAN. Sometime last year.

Mr. LANE. Was it in the first of the year or the last of the year?

Mr. ORMAN. I do not remember.

Mr. LANE. Was it in the spring or in the fall?

Mr. ORMAN. I do not remember. After all, I put it in my income tax. I paid on it. I don't know else I have to do about it.

Mr. LANE. You had some record?

MR. ORMAN. There is the record.

MR. LANE. Where is the underlying record?

MR. ORMAN. There isn't any. That is the way I keep my books.

MR. LANE. Was there \$2,000 paid to you by check or by cash?

MR. ORMAN. By cash.

MR. LANE. And deposited in your bank account?

MR. ORMAN. Yes.

MR. LANE. So, presumably, there is a record of the \$2,000 in your bank account?

MR. ORMAN. I presume they must have it.

MR. LANE. In 1949 you had miscellaneous income of \$14,480.

MR. ORMAN. Yes.

MR. LANE. What was the source of that income?

MR. ORMAN. It may have been an election bet that year and some winnings from horses.

MR. LANE. Was it an election bet?

MR. ORMAN. Part of it could have been.

MR. LANE. Part of it could have been anything. I am asking you whether it was.

MR. ORMAN. I am not sure, and I do not remember. I didn't keep any records. I do bet on elections, and I may have bet on an election that year in the city.

MR. LANE. What election were you betting on?

MR. ORMAN. It could have been——

MR. LANE. Don't tell me it could have been. Tell me whether it was or it wasn't.

MR. ORMAN. I do not remember.

MR. LANE. With whom do you place election bets in Atlantic City?

MR. ORMAN. I made it through a third party.

MR. LANE. Who was the third party?

MR. ORMAN. Mr. Friedman.

MR. LANE. What is his first name?

MR. ORMAN. Joseph.

MR. LANE. Where does he operate?

MR. ORMAN. He doesn't operate.

MR. LANE. He is the man who is dead?

MR. ORMAN. That is right.

MR. LANE. Where did he operate before he died?

MR. ORMAN. He didn't operate.

MR. LANE. What was his business?

MR. ORMAN. He had a restaurant on the Boardwalk, the last business I remember.

MR. LANE. What was the name of the restaurant?

MR. ORMAN. It is a little place. I do not know whether it had a name. It was at Florida and Milwaukee.

MR. LANE. In 1948 you had a miscellaneous income of \$10,650. What was the source of that income?

MR. ORMAN. Probably the same thing.

MR. LANE. Meaning what?

MR. ORMAN. Meaning horses and bets. One of those years I made a pretty good bet on the gubernatorial election. I do not know which one.

MR. LANE. Whom did you win the money from?

MR. ORMAN. I dealt through a third party.

Mr. LANE. Who was the third party?

Mr. ORMAN. Friedman.

Mr. LANE. Do you have any salaries or commissions in 1948?

Mr. ORMAN. Only what is in there.

Mr. LANE. Never mind what is in there. You tell me.

Mr. ORMAN. What is in there.

Mr. LANE. What business were you in in 1948?

Mr. ORMAN. What you see there, my hotel. 1948, maybe the City Service Cab.

Mr. LANE. You show me.

Mr. ORMAN. All right.

Mr. LANE. I show you exhibit M, income-tax return for 1948, and ask you if there is anything in there from the hotel.

Mr. ORMAN. One year there was something from the hotel. I do not know what year it was. Yellow Cab, \$5,000.

Mr. LANE. Anything from the Cosmopolitan Hotel?

Mr. ORMAN. No. There is one year where there was something from the Cosmopolitan, \$500.

Mr. LANE. That was in 1947, according to the return. Do you recall there was \$500 in 1947 and nothing in 1948?

Mr. ORMAN. That is right.

Mr. LANE. There being nothing from the hotel in 1948, where did the \$10,000 come from in 1948?

Mr. ORMAN. I don't know.

Mr. LANE. Was there any salary you received in 1948?

Mr. ORMAN. I don't remember.

Mr. LANE. Any business commissions received in 1948?

Mr. ORMAN. I don't remember.

Mr. LANE. Senator, I think you ought to caution the witness that the answer, "I don't remember," is one which will lay him open to the consequences of perjury when it can be demonstrated that he could not have forgotten and that he must remember. He doesn't remember the basic simple facts with regard to his income for 1947, 1948, 1949, and 1950, according to the testimony he has given.

Senator HUNT. I would admonish the witness, if he has any information, it will be better for him to give us the information, because there will be a follow-up, and the testimony we have will be very detrimental to him if he does not tell us just exactly all he knows.

Mr. Orman, it is inconceivable to my way of thinking that a man of your intelligence, of your mental capacity, should expect this committee to believe you when you say "I don't remember" about such important matters as this, which are only a year, 2 years, 3 or 4 years old.

We will start again with the questioning and you may proceed to say again that you do not remember or you may give us the information.

Mr. ORMAN. Right at the present time I do not remember. I do not have the information. I couldn't find it. I do not know what I did with it. As long as I paid my taxes, I thought I could destroy what I had, realizing all the time that the burden would be on me if the Government could produce anything of another nature other than inserted in my income tax. So, all these investigations that I have been going through, I have finished up and, as long as I paid, I felt I was doing the right thing.

Now we are coming into another investigation, a lot of letters and a lot of this, and it doesn't mean anything. I want to try to cooperate.

Mr. LANE. How long have you been under investigation?

Mr. ORMAN. The agents were in two or three times last year for my records and my income-tax returns.

Mr. LANE. When they came to look at your books, did you have underlying records?

Mr. ORMAN. No; I had what I had there.

Mr. LANE. When was the first time they came in?

Mr. ORMAN. I don't remember.

Mr. LANE. Prior to last year?

Mr. ORMAN. Oh, sure.

Mr. LANE. Have you been in the same situation in prior years, unable to explain for want of a record?

Mr. ORMAN. I do not know. I may be in the same situation.

Mr. LANE. Under those circumstances, didn't it seem important to you to keep a record?

Mr. ORMAN. I kept a record until the end of the year.

Mr. LANE. Has your 1950 return been audited?

Mr. ORMAN. By the Treasury?

Mr. LANE. Yes.

Mr. ORMAN. Not to my knowledge. I think my 1948 and 1947 returns were.

Mr. LANE. But your 1949 was not?

Mr. ORMAN. No.

Mr. LANE. Are you going to be prepared with records when it is audited?

Mr. ORMAN. I will only be prepared with what I have.

Mr. LANE. What was the source of the \$12,100 listed in the 1950 return?

Mr. ORMAN. I don't remember.

Mr. LANE. In 1949, "Miscellaneous income," you have listed \$14,480. What was the source of that?

Mr. ORMAN. I don't have the breakdown.

Mr. LANE. In 1948 you listed "Miscellaneous income, \$10,650." What is the source of that?

Mr. ORMAN. I do not have the breakdown.

Mr. LANE. Do you remember any part of it?

Mr. ORMAN. Not outside of some wagers I may have made on elections.

Mr. LANE. Did you have any legitimate income in 1947? I mean, by that, income that was not the result of wagers.

Mr. ORMAN. Only what I think may be there. Some bond interest every year from the Cosmopolitan Hotel in the amount of \$1,200, which I recorded.

Mr. LANE. Did you have a legitimate income in 1948 except the \$5,000 from Yellow Cab Co. of Atlantic City?

Mr. ORMAN. \$5,000 from Yellow Cab Co. and \$1,200 from the Cosmopolitan Hotel bond interest, and some dividends from some stock.

Mr. LANE. What is the value of the stock that you own today?

Mr. ORMAN. \$10,000, maybe \$10,100.

MR. LANE. Do you know Joe Adonis?

MR. ORMAN. I met him.

MR. LANE. How many times have you met him?

MR. ORMAN. A couple of times.

MR. LANE. When did you see him last?

MR. ORMAN. I do not remember. A year ago.

MR. LANE. When?

MR. ORMAN. Last year one day. I do not know what day it was.

MR. LANE. Where?

MR. ORMAN. Here in Atlantic City.

MR. LANE. When was the last time you talked to him on the telephone?

MR. ORMAN. I do not recall. I never spoke to him too many times on the telephone. Maybe spoke to him once or twice.

MR. LANE. What was the occasion to talk to him?

MR. ORMAN. I do not remember. To say hello.

MR. LANE. Did you call him from here to say hello?

MR. ORMAN. I didn't say I called him from here.

MR. LANE. Has he called you?

MR. ORMAN. He called me when he was stopping at the hotel here.

MR. LANE. What hotel?

MR. ORMAN. The Brighton. I am not sure.

MR. LANE. Was this within the last year or two?

MR. ORMAN. Last year, I think it was.

MR. LANE. Was it in the summer season or winter?

MR. ORMAN. Summer.

MR. LANE. Who was with him?

MR. ORMAN. I do not remember.

MR. LANE. Who was with you?

MR. ORMAN. No one.

MR. LANE. Did you go down to see him?

MR. ORMAN. No.

MR. LANE. You talked to him between your office on the telephone and the Brighton Hotel?

MR. ORMAN. I think so.

MR. LANE. What was the subject of your discussion?

MR. ORMAN. I do not remember.

MR. LANE. When was the last time you saw him in person?

MR. ORMAN. About a year ago.

MR. LANE. Who was with you at the time?

MR. ORMAN. I do not think there was anyone with me.

MR. LANE. Where was it?

MR. ORMAN. In Atlantic City, at my hotel, having dinner.

MR. LANE. Who was with Adonis?

MR. ORMAN. Some cousin of his.

MR. LANE. Man or woman.

MR. ORMAN. Man.

MR. LANE. Where was he staying at the time; what hotel?

MR. ORMAN. I don't know.

MR. LANE. Do you know Willie Moretti?

MR. ORMAN. Just heard of him. Don't know him personally.

MR. LANE. Ever talk to him?

MR. ORMAN. Not to my knowledge.

Mr. LANE. Do you know Solly Morretti, his brother?

Mr. ORMAN. No.

Mr. LANE. Do you know Fred Klosteman?

Mr. ORMAN. No; not personally.

Mr. LANE. Doesn't Fred Klosteman come to Atlantic City frequently?

Mr. ORMAN. As far as I know, he does, from what I heard. He owns the boathouse here.

Mr. LANE. Owns a yacht, doesn't he?

Mr. ORMAN. I don't know.

Mr. LANE. Have you ever met Fred Klosteman?

Mr. ORMAN. Sure, I met him. He was in my hotel to eat and drink. I don't know him.

Mr. LANE. When did you see him in your hotel?

Mr. ORMAN. Two years ago.

Mr. LANE. Was that the last time?

Mr. ORMAN. As far as I can recall.

Mr. LANE. Where did you see him since that?

Mr. ORMAN. Around the town.

Mr. LANE. Who was with him at the hotel?

Mr. ORMAN. I don't know.

Mr. LANE. You said you had no conversation with him?

Mr. ORMAN. I may have had. I may have talked with him. I do not know. I have no business dealings with the man.

Mr. LANE. Do you know Nig Rosen?

Mr. ORMAN. I know of him.

Mr. LANE. Does he come to Atlantic City off and on?

Mr. ORMAN. Used to.

Mr. LANE. When was the last time you saw him?

Mr. ORMAN. Last year.

Mr. LANE. Where?

Mr. ORMAN. In the hotel to eat.

Mr. LANE. Your hotel?

Mr. ORMAN. Yes.

Mr. LANE. Who was with him?

Mr. ORMAN. I don't know.

Mr. LANE. Was anybody with him?

Mr. ORMAN. I think so. I do not know who.

Mr. LANE. Did you speak to him?

Mr. ORMAN. Yes.

Mr. LANE. When was the last time you talked to him on the telephone?

Mr. ORMAN. I don't remember.

Mr. LANE. Where does he live in Philadelphia?

Mr. ORMAN. I do not know.

Mr. LANE. Have you ever called on him in Philadelphia?

Mr. ORMAN. No.

Mr. LANE. Do you know Abner "Longy" Zwillman?

Mr. ORMAN. No, I don't know him.

Mr. LANE. Have you ever talked with him?

Mr. ORMAN. Not to my knowledge. If I did, I didn't know who I was talking to.

Mr. LANE. Have you ever seen him?

Mr. ORMAN. He may have been pointed out to me one time. I think I saw him the first time I was ever at the Monmouth County Race Track, about 3 or 4 years ago.

Mr. LANE. Who pointed him out to you?

Mr. ORMAN. I don't know.

Mr. LANE. Do you know Cappy Hoffman?

Mr. ORMAN. Yes.

Mr. LANE. Does he come to Atlantic City?

Mr. ORMAN. He used to. I haven't seen him lately.

Mr. LANE. When was the last time you saw him?

Mr. ORMAN. A few weeks ago.

Mr. LANE. Where?

Mr. ORMAN. Down in front of my hotel.

Mr. LANE. Did he have dinner at the hotel?

Mr. ORMAN. Not that day.

Mr. LANE. Who was with him?

Mr. ORMAN. I don't remember.

Mr. LANE. Who was with you?

Mr. ORMAN. I don't remember. I was in front of my hotel.

Mr. LANE. The guy just walked by?

Mr. ORMAN. Maybe he drove by.

Mr. LANE. You know him?

Mr. ORMAN. I have known him for a good many years, maybe 20 years.

Mr. LANE. Isn't he at least an acquaintance of yours?

Mr. ORMAN. You can call him that, if you wish.

Mr. LANE. Would you call him a friend?

Mr. ORMAN. He is an acquaintance. I will put it that way. I have never had any business dealings with him.

Mr. LANE. Have you ever had any social dealings with him?

Mr. ORMAN. No. Social or business; no.

Mr. LANE. Did you know the late Ferdinand Moore?

Mr. ORMAN. Yes.

Mr. LANE. Well?

Mr. ORMAN. Fairly well.

Mr. LANE. Did you know him for years?

Mr. ORMAN. Quite a few years.

Mr. LANE. How long?

Mr. ORMAN. Fifteen to eighteen years.

Mr. LANE. How often did you see Moore?

Mr. ORMAN. I don't know. Maybe 3 or 4 times a year, maybe 10 times a year.

Mr. LANE. Did you see Moore with any regularity at all?

Mr. ORMAN. No. I had no business dealings with Moore to see him with any regularity.

Mr. LANE. Did you ever have any business dealings with Leon Weiner?

Mr. ORMAN. I didn't know him.

Mr. LANE. You didn't know him?

Mr. ORMAN. No, other than knowing he had a store after I read the papers.

Mr. LANE. Did you know Joe Botzo?

Mr. ORMAN. I heard the name. I don't know him personally.

MR. LANE. Don't you know where he comes from?

MR. ORMAN. No.

MR. LANE. Passaic County.

MR. ORMAN. I know he came from somewhere in North Jersey.

MR. LANE. What do you know about him?

MR. ORMAN. Nothing.

MR. LANE. Do you know the name?

MR. ORMAN. I have heard the name. I have never had any dealings with him, none whatsoever—socially or any other way.

MR. LANE. Do you recall a raid that was made on Cohen and Snyder's place in December 1950?

MR. ORMAN. No.

MR. LANE. Do you know where Cohen and Snyder's place was?

SENATOR HUNT. Is Cohen and Snyder's place in town?

MR. LANE. A place on the boardwalk operated by Cohen and Snyder.

MR. ORMAN. Not to my knowledge.

MR. LANE. Was there one in December?

MR. ORMAN. I don't know of any.

MR. LANE. Don't you recall a raid made by the members of the police force, John Mooney, Charles Hahn and Hanesberry, on the boardwalk on Cohen and Snyder?

MR. ORMAN. No. I don't pay attention to that. They attribute a lot of things to me. I don't know about these things. These 200 or 300 bookmaking establishments, which are paper quotes.

MR. LANE. Senator, we have other witnesses waiting outside, and I do not think it is fair to them to hold them up any longer.

SENATOR HUNT. Mr. Orman, you will be excused at this time. You will remain under subpoena subject to call of the committee at some future date.

MR. LANE. Will you instruct him to preserve that book?

SENATOR HUNT. If you will keep that book available, you may be requested to present it again.

MR. LANE. Will you ask him to reconsider it?

MR. ORMAN. With a stipulation.

SENATOR HUNT. The committee won't make any stipulation.

MR. ORMAN. I won't have my business exposed to everybody in Atlantic City.

SENATOR HUNT. Mr. Lane, would you mind standing and being sworn?

MR. JAMES VINCENT LANE. No.

SENATOR HUNT. Do you solemnly swear in the testimony you are about to give this committee to tell the truth, the whole truth, and nothing but the truth, so help you God?

MR. JAMES VINCENT LANE. I do.

TESTIMONY OF JAMES VINCENT LANE, ATLANTIC CITY, N. J.

MR. LANE. Mr. Lane, what is your home address?

MR. J. V. LANE. 1515 Pacific Avenue.

MR. LANE. Your full name is?

MR. J. V. LANE. James Vincent Lane.

MR. LANE. Are you a native of Atlantic City?

MR. J. V. LANE. I came here in 1902.

MR. LANE. How old are you?

Mr. J. V. LANE. Fifty-five.

Mr. LANE. You have lived practically your whole life here in Atlantic City?

Mr. J. V. LANE. That is right.

Mr. LANE. What was your education?

Mr. J. V. LANE. I graduated from parochial school here, eighth grade. I went to Mount St. Mary's College in Maryland until 1910 and then I went to Catholic University. I was there 18 months.

Mr. LANE. Then your formal education was completed when?

Mr. J. V. LANE. That is right.

Mr. LANE. What was the date?

Mr. J. V. LANE. Say about 1912.

Mr. LANE. You have been in politics for a substantial period of your adult life?

Mr. J. V. LANE. I would say about 20 years.

Mr. LANE. What was your occupation before you went into politics?

Mr. J. V. LANE. Well, I was in concrete construction for a number of years. My father had a concrete-construction company down here. I carried a card in the Bricklayers, Masons, and Plasterers International Union. I was a cement finisher. I worked as a salesman. I was a concrete inspector on the convention hall when it was built for a period of 18 months. I was a member of the Bartenders Union. I was a bartender. That is about it.

Mr. LANE. Did you ever work in any horse room?

Mr. J. V. LANE. Yes; I did.

Mr. LANE. When did you do that?

Mr. J. V. LANE. That is way back. I couldn't give you an exact date on it.

Mr. LANE. When was it approximately? Was it in the late twenties or early thirties.

Mr. J. V. LANE. Let's say it was in the twenties.

Mr. LANE. Where was it?

Mr. J. V. LANE. I worked at the Admiral and I worked in Cohen's. The Admiral is on South Kentucky Avenue and Cohen's was on Atlantic Avenue.

Mr. LANE. Is Cohen's still operating?

Mr. J. V. LANE. Not that I know of.

Mr. LANE. What Cohen was that?

Mr. J. V. LANE. Henry Cohen.

Mr. LANE. Is he still in Atlantic City?

Mr. J. V. LANE. Yes. He was up here yesterday.

Mr. LANE. Is he the man who was in business until last December, in any event, with a fellow named Snyder on the Boardwalk?

Mr. J. V. LANE. I cannot tell you.

Mr. LANE. Do you know Snyder's first name?

Mr. J. V. LANE. Yes. I know Bill Snyder.

Mr. LANE. Are Henry Cohen and Bill Snyder still in business?

Mr. J. V. LANE. I do not know whether they ever had any business. I couldn't tell you that.

Mr. LANE. Is Bill Snyder employed?

Mr. J. V. LANE. No, not that I know of.

Mr. LANE. Is Henry Cohen employed?

Mr. J. V. LANE. Not that I know of.

Mr. LANE. You cannot tell us when it was you worked for Cohen?

Mr. J. V. LANE. No, I couldn't. I am under oath. I wouldn't want to go that far. Let's say it was in the twenties I worked for him. I worked for him a couple of years. I was a board man in there.

Mr. LANE. How much did you get?

Mr. J. V. LANE. I think it was \$85 a week.

Mr. LANE. Then was it after you worked for Cohen that you worked for the Admiral?

Mr. J. V. LANE. Yes.

Mr. LANE. How long did you work for the Admiral?

Mr. J. V. LANE. Possibly a year.

Mr. LANE. Did you work on the board there?

Mr. J. V. LANE. That is right.

Mr. LANE. How large an establishment was that?

Mr. J. V. LANE. Well, a pretty big place. It was the whole ground floor of the Admiral.

Mr. LANE. Twenty employees?

Mr. J. V. LANE. You want me to give you the square feet?

Mr. LANE. No.

Mr. J. V. LANE. I don't think there were 20 employees, probably 10 employees.

Mr. LANE. Who owned that place?

Mr. J. V. LANE. Dewey Kaufman.

Mr. LANE. Is he still in Atlantic City?

Mr. J. V. LANE. No.

Mr. LANE. Where is he now?

Mr. J. V. LANE. In Philadelphia.

Mr. LANE. When did he leave Atlantic City?

Mr. J. V. LANE. He operates at Fort Pitt in the summertime, but he operates at the Crillon Hotel in Philadelphia, the bar in the Crillon Hotel.

Mr. LANE. Is he still in the bookmaking business, so far as you know?

Mr. J. V. LANE. Not to my knowledge.

Mr. LANE. Did you know "Nockey" Johnson?

Mr. J. V. LANE. Oh, yes.

Mr. LANE. Would you consider yourself a protégé of "Nockey" Johnson in any sense?

Mr. J. V. LANE. Well, I would say "Yes."

Mr. LANE. Did he do political favors for you?

Mr. J. V. LANE. Yes.

Mr. LANE. And you for him?

Mr. J. V. LANE. Yes.

Mr. LANE. Did you ever pay him any money?

Mr. J. V. LANE. No, sir.

Mr. LANE. Did he ever pay you any money?

Mr. J. V. LANE. No, sir.

Mr. LANE. Did you ever collect any money for him?

Mr. J. V. LANE. No, sir.

Mr. LANE. What point in your career was it that you began to take an active part in ward politics in the city?

Mr. J. V. LANE. Let me see. I was a precinct captain.

Mr. LANE. How many precincts are there in the third ward?

Mr. J. V. LANE. The precinct that I function in, there are three white precincts and then there are four split white and colored precincts, and there are 14 precincts in the ward. Of course, the colored side, I do not have anything to do with.

Mr. LANE. Have you always been in the third ward or lived in other parts of the city?

Mr. J. V. LANE. I have lived in the first ward and fourth ward and every ward in the city.

Mr. LANE. You are the leader of the third ward?

Mr. J. V. LANE. I am the executive secretary. That is my title.

Mr. LANE. Is that topman in the ward?

Mr. J. V. LANE. I am appointed at the pleasure of the president of the club yearly.

Mr. LANE. But, as a matter of fact, isn't the leader or, as you call it, the executive secretary, the important man, and the present president of the club a man who deals more with the social affairs at the club?

Mr. J. V. LANE. The third-ward organization is an organization that functions along modern lines. I cannot just step out and make decisions and carry them through. I have to sit down with the executive committee and we discuss these matters. If they do not like it, they do not go for it. And that is the end of it.

Mr. LANE. Aren't there both political and social aspects of these ward clubs?

Mr. J. V. LANE. There is.

Mr. LANE. Isn't the president of the club primarily charged with the social aspects of the club?

Mr. J. V. LANE. No; he is quite active. He is a member of the executive board.

Mr. LANE. How long have you had the position that you describe in the third-ward organization?

Mr. J. V. LANE. Well, I think I followed Jimmy Boyd. Jimmy Boyd went into the Army in the last war. That was when I stepped in. I was in an acting capacity. Boyd was appointed every year as the executive secretary.

Mr. LANE. And had been for a long time?

Mr. J. V. LANE. Who? Boyd?

Mr. LANE. Yes.

Mr. J. V. LANE. Boyd had been in there since Warrenstein, Ray Warrenstein.

Mr. LANE. That is the same Boyd who is waiting to testify and is now the leader in the fourth ward?

Mr. J. V. LANE. That is right.

Mr. LANE. Going back to the twenties, did you know Frank Farley at that time? "Hap" Farley?

Mr. J. V. LANE. Yes; I did.

Mr. LANE. Was he a young man getting a start at the time?

Mr. J. V. LANE. I didn't know too much about Farley then.

Mr. LANE. Not in those days?

Mr. J. V. LANE. I didn't know too much about him, so I couldn't tell you too much about him.

Mr. LANE. Did you know Herman Orman in those days?

Mr. J. V. LANE. No; I didn't.

Mr. LANE. You do know Herman Orman today?

Mr. J. V. LANE. Yes; I do.

Mr. LANE. Do you know him well?

Mr. J. V. LANE. I wouldn't say that.

Mr. LANE. How long have you known him?

Mr. J. V. LANE. Probably 10 years.

Mr. LANE. How well do you know him?

Mr. J. V. LANE. Well, I know him to say, "Hello, how are you," and talk to him.

Mr. LANE. Do you ever go down to his hotel, the Cosmopolitan, to eat?

Mr. J. V. LANE. No.

Mr. LANE. No?

Mr. J. V. LANE. Yes, I did. I had a steak sandwich there one night. I have been in meetings there on a couple of occasions. I don't go to the Cosmopolitan too much.

Mr. LANE. When was the last time you went there?

Mr. J. V. LANE. Not since last November. I had a meeting there.

Mr. LANE. What was the occasion for the meeting?

Mr. J. V. LANE. A political meeting.

Mr. LANE. Who was there?

Mr. J. V. LANE. About everybody in town.

Mr. LANE. Was Orman there?

Mr. J. V. LANE. I didn't see him that night. He could have been there.

Mr. LANE. Was Farley there?

Mr. J. V. LANE. Yes.

Mr. LANE. Do you know Harry Haggerty?

Mr. J. V. LANE. Yes, I do.

Mr. LANE. Isn't he one of the influential men in your ward?

Mr. J. V. LANE. Haggerty is business agent of the Bartenders' Union. I might say he is influential.

Mr. LANE. Would you say he is influential in your ward?

Mr. J. V. LANE. Yes, I would say that.

Mr. LANE. Does he take a part in the Fourth Ward Club?

Mr. J. V. LANE. In the Third Ward Club, you mean.

Mr. LANE. I beg your pardon. The Third Ward Club.

Mr. J. V. LANE. He is a member of the club.

Mr. LANE. Does he take a leading part?

Mr. J. V. LANE. No.

Mr. LANE. What is his business besides representing the Bartenders' Union?

Mr. J. V. LANE. That is all the business I know.

Mr. LANE. Is he a gambler?

Mr. J. V. LANE. He is on probation for bookmaking.

Mr. LANE. Is he a gambler?

Mr. J. V. LANE. Not to my knowledge now.

Mr. LANE. How long have you known Haggerty?

Mr. J. V. LANE. Twenty years.

Mr. LANE. How long has he been business representative of the Bartenders' Union?

Mr. J. V. LANE. I think he is in his second term, of 2 years.

Mr. LANE. Was he active in that union before that?

Mr. J. V. LANE. When he was placed on probation, shortly before he was placed on probation, about 3 years ago, he was elected business agent of the Bartenders' Union.

Mr. LANE. Was he ever a bartender himself?

Mr. J. V. LANE. I couldn't answer that. I do not know. He probably was.

Mr. LANE. You have known him about 20 years. Have you ever seen him tending bar?

Mr. J. V. LANE. I couldn't tell you. He spent a lot of winters out of town.

Mr. LANE. Did you ever see him tending a bar in town?

Mr. J. V. LANE. Yes, I did.

Mr. LANE. When was that?

Mr. J. V. LANE. On Arkansas Avenue.

Mr. LANE. Where?

Mr. J. V. LANE. On Arkansas Avenue.

Mr. LANE. When?

Mr. J. V. LANE. I am not sure. It was in the summertime.

Mr. LANE. How long was that—4 or 5 years ago?

Mr. J. V. LANE. About 4 years ago.

Mr. LANE. What other occupations has he had to your knowledge?

Mr. J. V. LANE. Well, he was a waiter. He was a bookmaker. He was a fighter, when he was young, but that was before I knew him.

Mr. LANE. You are assistant probation officer of Atlantic County; is that right?

Mr. J. V. LANE. That is right.

Mr. LANE. How long have you had that position?

Mr. J. V. LANE. I have been assistant chief, maybe 5 years.

Mr. LANE. Who is the chief?

Mr. J. V. LANE. Preston Crook.

Mr. LANE. How long have you been in the office? Just 5 years?

Mr. J. V. LANE. No. I have been there since 1937.

Mr. LANE. What was your office before you were assigned as assistant chief?

Mr. J. V. LANE. I went in there as an investigator.

Mr. LANE. When was that?

Mr. J. V. LANE. 1937.

Mr. LANE. That was in the probation office?

Mr. J. V. LANE. That is right.

Mr. LANE. What was your position before you were with the government of this area? Was that the first position?

Mr. J. V. LANE. No.

Mr. LANE. What was your first position with the government?

Mr. J. V. LANE. I told you I was an inspector when you asked me about my former employment. I was concrete inspector on the Convention Hall.

Mr. LANE. When was that?

Mr. J. V. LANE. 1929.

Mr. LANE. That was the first job you had?

Mr. J. V. LANE. Yes.

Mr. LANE. After that, what was the next job with the government?

Mr. J. V. LANE. I do not believe I had any.

Mr. LANE. Then from 1929 to 1937—

Mr. J. V. LANE. I think the Convention Hall ran out around 1930. I do not think I had any connection with them. I cannot remember. It might have been for a short time.

Mr. LANE. What did the office of inspector of concrete pay a year?

Mr. J. V. LANE. It paid \$14 a day.

Mr. LANE. Did you have any other employment besides that?

Mr. J. V. LANE. When? Then?

Mr. LANE. At that period?

Mr. J. V. LANE. No.

Mr. LANE. How did you earn your living from 1930 to 1937?

Mr. J. V. LANE. Various employments.

Mr. LANE. What were they?

Mr. J. V. LANE. You asked me once before. I told you.

Mr. LANE. Tell me again, will you?

Mr. J. V. LANE. I was a bartender, I was a salesman, I was in the concrete construction business, I worked in the G. M. plant, the construction of the General Motors plant at Flint, Mich. That is a little far back.

Mr. LANE. I can appreciate that.

Mr. J. V. LANE. I want to be as accurate as I can.

Mr. LANE. I appreciate those were hard times.

Mr. J. V. LANE. That is right.

Mr. LANE. Who got your job in the probation office?

Mr. J. V. LANE. It might have been Jimmy Boyd. I think I had help from several sources.

Mr. LANE. Did Johnson help you?

Mr. J. V. LANE. Yes, he did.

Mr. LANE. Did Farley help you?

Mr. J. V. LANE. No.

Mr. LANE. Farley was just arriving in those days?

Mr. J. V. LANE. That is right.

Mr. LANE. What were your qualifications for appointment to the probation office?

Mr. J. V. LANE. At that time?

Mr. LANE. Yes.

Mr. J. V. LANE. My formal education, my native ability, I guess. I do not know. Let me get you right.

Mr. LANE. Yes.

Mr. J. V. LANE. After 3 years as an investigator, there was a vacancy for probation officer due to the death of a man named Martin Herr and a civil-service examination was held. I think there were 19 or 20 people who took it, including several lawyers, and I made 88.6 and was appointed as probation officer.

Mr. LANE. What were you earning as an inspector?

Mr. J. V. LANE. What?

Mr. LANE. What were you earning as an inspector for those 3 years?

Mr. J. V. LANE. As an investigator?

Mr. LANE. Yes.

Mr. J. V. LANE. I went in at \$1,800. When I was made a probation officer I went to \$2,400.

Mr. LANE. And is that your compensation today?

Mr. J. V. LANE. My salary today is \$3,600, plus a \$400 cost-of-living bonus.

Mr. LANE. Mr. Lane, what are the principal duties of the assistant probation officer in Atlantic County?

Mr. J. V. LANE. Well, the first thing is since the new constitution we receive all complaints, make up the docket, serve subpoenas, serve all papers, carry out the functions of the juvenile court. We receive under supervision all persons placed on probation by the county courts, by the city courts. We supervise them. We collect fines and restitutions and turn these moneys over to the county treasurer.

I could go on for a long time.

Mr. LANE. In that regard, do you require weekly reports from those who are on probation?

Mr. J. V. LANE. You are quite right.

Mr. LANE. Do you require the probationers to make a legitimate living if they have the capacity for doing so, to support themselves?

Mr. J. V. LANE. That is right.

Mr. LANE. Do you ascertain whether or not they are making a legitimate income?

Mr. J. V. LANE. There is a point that needs a little clarification. I do not know, but we have well over 400 people on probation now. My staff in the probation department consists of a Mrs. Taylor, an elderly colored woman who does the investigation work for the colored. I have Joe Gormley, who is loaned by the juvenile court. He helps in the preparation of the juvenile court docket.

Mr. LANE. What is he to the sheriff, Gerard Gormley?

Mr. J. V. LANE. No relation. And I have a secretary.

Mr. LANE. You have a secretary?

Mr. J. V. LANE. That is right. The average case load of a probation officer is about 35 men to intelligently supervise and we are definitely overloaded. We are definitely understaffed. We do the best we can.

Mr. LANE. Do you, yourself, personally keep track of the activities of any of the probationers?

Mr. J. V. LANE. Under those conditions, to the best of my ability.

Mr. LANE. Do you allocate the probationers among the members of your staff?

Mr. J. V. LANE. You mean, split them up?

Mr. LANE. Yes. Do you make one member or another responsible for certain probationers?

Mr. J. V. LANE. No. Everybody does everything.

Mr. LANE. No system of rotation among the people on your staff?

Mr. J. V. LANE. My secretary takes the reports, accepts money, gives receipts, writes it in the book, goes over the correspondence, does stenographic work.

Mr. LANE. She doesn't sign letters in your own name, does she?

Mr. J. V. LANE. No.

Mr. LANE. She simply acts as your secretary?

Mr. J. V. LANE. That is right.

Mr. LANE. Is Haggerty one of those probationers?

Mr. J. V. LANE. Yes, he is.

Mr. LANE. Does he make weekly reports to you?

Mr. J. V. LANE. No, he doesn't.

Mr. LANE. To your office?

Mr. J. V. LANE. Monthly reports.

MR. LANE. In any case, are weekly reports made?

MR. J. V. LANE. That is right.

MR. LANE. Why is some person making monthly reports and some weekly reports?

MR. J. V. LANE. Because the judge stipulated that in his commitment.

MR. LANE. Do you make recommendations to the judge?

MR. J. V. LANE. At times.

MR. LANE. Don't you, as a matter of routine, act in a consultative capacity to the judge? Doesn't the judge consult you?

MR. J. V. LANE. That is right.

MR. LANE. Don't you make an investigation before sentence is passed in order to inform the judge?

MR. J. V. LANE. No. Chief Crook does that.

MR. LANE. But your office does that?

MR. J. V. LANE. That is right.

MR. LANE. Who does it for Mr. Crook?

MR. J. V. LANE. He does it himself.

MR. LANE. He goes out on the street and looks up the information?

MR. J. V. LANE. That is right, or has the man in to the office. That is the usual procedure.

MR. LANE. And examines him?

MR. J. V. LANE. Yes.

MR. LANE. Did you never perform that function?

MR. J. V. LANE. At times.

MR. LANE. How many times?

MR. J. V. LANE. When Mr. Crook was sick.

MR. LANE. Don't you do it frequently?

MR. J. V. LANE. Not too frequently. I have a full-time job supervising probations. You should realize that.

MR. LANE. I am trying to find out the extent of your supervision, Mr. Lane. Do you, for instance, supervise Haggerty?

MR. J. V. LANE. Yes. I told you I supervise Haggerty.

MR. LANE. What does Haggerty do?

MR. J. V. LANE. He is business agent of the Bartenders' Union?

MR. LANE. What is his earnings from that?

MR. J. V. LANE. When I interviewed him, he said he had \$50 a week salary and \$75 a week expenses and the union furnishes him with a car.

MR. LANE. What is the car they furnish him with?

MR. J. V. LANE. Cadillac.

MR. LANE. And they pay for his gas, too?

MR. J. V. LANE. I imagine they do. I never went into the details.

MR. LANE. What does Haggerty's family consist of?

MR. J. V. LANE. Right now he lives with his mother.

MR. LANE. By himself?

MR. J. V. LANE. He lives with his mother.

MR. LANE. Has he been married?

MR. J. V. LANE. Yes.

MR. LANE. Is he not living with his wife, or did she die?

MR. J. V. LANE. They are divorced.

MR. LANE. Does he support her?

MR. J. V. LANE. I think there is an order against him for support.

Mr. LANE. Don't you know whether he has an obligation to support his wife?

Mr. J. V. LANE. Everybody has an obligation to support his wife. I know there was an order for \$30 or \$40.

Mr. LANE. Do you seriously believe he is supporting his wife and driving a Cadillac car on \$50 a week?

Mr. J. V. LANE. Well, I have to believe it.

Mr. LANE. No, you don't have to believe it, Mr. Lane.

Mr. J. V. LANE. I will say I believe it.

Mr. LANE. Have you made an investigation to ascertain the correctness of that?

Mr. J. V. LANE. I see the man two or three times every day. I walk right by his place of business.

Mr. LANE. Isn't he one of your friends?

Mr. J. V. LANE. That is right.

Mr. LANE. Don't you know how he is occupied?

Mr. J. V. LANE. I told you.

Mr. LANE. Isn't he occupied in bookmaking?

Mr. J. V. LANE. He is not occupied in bookmaking. If I thought he was occupied in bookmaking, I would lock him up for violation. You have had Portock in here and you have had the "Four Horsemen." If Haggerty were making book, believe me, he would be locked up.

Senator HUNT. You are a witness here. You are here to answer questions. The committee will not stand for any lecturing. Our counsel will treat you very courteously. Just try to answer the questions in the best way you can.

Mr. J. V. LANE. All right, Senator.

Mr. LANE. Do you have any idea what Haggerty reported as gross income in 1950, Federal income tax?

Mr. J. V. LANE. No, I don't.

Mr. LANE. Don't you have the right, as probation officer of the county, to have such information?

Mr. J. V. LANE. I have nearly 500 probationers. I cannot go into details like that. I am only one man.

Mr. LANE. Do you have the right?

Mr. J. V. LANE. I do not know.

Mr. LANE. Have you ever asked any one of your probationers—

Mr. J. V. LANE. I have not.

Mr. LANE. Have you ever asked a probationer to exhibit to you his income tax return?

Mr. J. V. LANE. No.

Mr. LANE. Have you ever asked a probationer to exhibit to you his bank statements?

Mr. J. V. LANE. No.

Mr. LANE. Do you know whether Haggerty has a bank account?

Mr. J. V. LANE. I couldn't say.

Mr. LANE. Did you ever ask him?

Mr. J. V. LANE. No.

Mr. LANE. Does he appear to you to be a man living at the rate of \$50 a week?

Mr. J. V. LANE. Well, he gets \$125 a week. He gets expenses.

Mr. LANE. Is that what he reported to you?

Mr. J. V. LANE. That is what he reported to me. \$75 for expenses and \$50 for salary.

Mr. LANE. What kind of information do you consider pertinent to a worthwhile probation report?

Mr. J. V. LANE. What do you mean, exactly?

Mr. LANE. What do you consider the function of a probation officer who is supervising a man released from jail under probation—

Mr. J. V. LANE. Well, with the staff we have and the number of probations we have.

Mr. LANE. Let's forget the staff.

Mr. J. V. LANE. We cannot discuss it without considering the staff.

Mr. LANE. We will discuss this academically, if you like. A probation office adequately staffed should perform a certain function.

Mr. J. V. LANE. That is right.

Mr. LANE. What function do you think that office should perform?

Mr. J. V. LANE. They should see the probationer reports as directed by the court, that he is gainfully employed, and they should make home visitations once a month, possibly.

Mr. LANE. Should they see he is not engaged in any illegal undertaking?

Mr. J. V. LANE. That is right.

Mr. LANE. And if he has been convicted of bookmaking, should they see to it particularly that he has not gone back to bookmaking?

Mr. J. V. LANE. That is right.

Mr. LANE. The same is true if he is in any other racket?

Mr. J. V. LANE. That is right.

Mr. LANE. Using Haggerty as an example, has any investigation been made at all to ascertain what he does with his time?

Mr. J. V. LANE. Yes. I think the first time he was on investigation, Mr. Skull was the investigator.

Mr. LANE. Mister who?

Mr. J. V. LANE. Mr. Skull. He is another probation officer. He is in domestic relations now, and one time he was helping out with probations.

Mr. LANE. Have you assigned anybody to investigate Haggerty's activities?

Mr. J. V. LANE. No. I have nobody to assign.

Mr. LANE. There are other persons who have been here to testify who are on probation, isn't that so?

Mr. J. V. LANE. I don't know.

Mr. LANE. What about Harold Scheper? Hasn't he been here?

Mr. J. V. LANE. He is on probation.

Mr. LANE. Does he report to you?

Mr. J. V. LANE. Yes, he does.

Mr. LANE. Weekly or monthly?

Mr. J. V. LANE. I believe—I do not know whether it is every 2 weeks or monthly. I couldn't say. I do not know.

Mr. LANE. Does he personally come to your office?

Mr. J. V. LANE. Yes, he does.

Mr. LANE. Does he see you or somebody else?

Mr. J. V. LANE. He sees me or my secretary or Mr. Gormley if I am not there.

Mr. LANE. When was the last time he saw you?

MR. J. V. LANE. I would say the last time I talked to him was a couple of months ago when he came in to get permission to go to Boston to a clinic about his neck.

MR. LANE. Have you see him since?

MR. J. V. LANE. I don't think I have.

MR. LANE. Have you seen him on the street? Do you know what he has been doing since he came back from Boston?

MR. J. V. LANE. I don't know. I haven't seen the man.

MR. LANE. Do you know what his activities have been since he went on probation?

MR. J. V. LANE. What do you mean "his activities"?

MR. LANE. What he has been doing.

MR. J. V. LANE. I don't know what he has been doing.

MR. LANE. Do you have knowledge as to what the extent of his gross income is as reported to the United States Government?

MR. J. V. LANE. No, I haven't.

MR. LANE. From what you know about him in the probation office, would you be able to give me an estimate of what that income should be?

MR. J. V. LANE. I don't know.

MR. LANE. Can you give me any approximation?

MR. J. V. LANE. I know that when he was arrested, I think they found \$18,000 in his safe. That is about all I know of his finances.

MR. LANE. I am asking you to express an opinion as to his income since his arrest.

MR. J. V. LANE. I couldn't.

MR. LANE. How does he support himself?

MR. J. V. LANE. I don't know.

MR. LANE. How does he tell the probation officer he supports himself?

MR. J. V. LANE. He says he has money.

MR. LANE. How much does he say he has?

MR. J. V. LANE. He didn't say.

MR. LANE. Did you ask him?

MR. J. V. LANE. No, I didn't.

MR. LANE. Isn't it part of your function to ascertain that?

MR. J. V. LANE. I thought the man had means. He didn't have to work. That is my understanding.

MR. LANE. Shouldn't he either be gainfully employed or demonstrate ability to live without employment?

MR. J. V. LANE. I think the fact that he had the money which was returned to him or to his wife, is such an indication.

MR. LANE. Are you expressing the opinion that he has been living on \$18,000 accumulated savings since he was put on probation?

MR. J. V. LANE. You are asking about means. I would say that.

MR. LANE. That is your belief?

MR. J. V. LANE. Yes. He has been a sick man for quite a while.

MR. LANE. How many times has the probation officer sent an investigator out to look into cases such as Haggerty and Scheper and others?

MR. J. V. LANE. The way we are constituted up there now, if a man doesn't report over a period of time, he doesn't answer our notices to report, then Mr. Gromley goes out.

Mr. LANE. Is he the only man in your staff who is sent out on that sort of a job?

Mr. J. V. LANE. Mrs. Taylor, the colored woman, makes investigations at times.

Mr. LANE. Has Mrs. Taylor made an investigation of Scheper's means of support?

Mr. J. V. LANE. No, she hasn't.

Mr. LANE. I may be quite wrong, Mr. Lane, but it seems to me you are saying, in substance, your office is so understaffed that it is impossible to follow up the number of probationers you have.

Mr. J. V. LANE. That is just exactly it. You have said it.

Mr. LANE. Have you made any effort to obtain any additional help.

Mr. J. V. LANE. Yes, we have.

Mr. LANE. To whom have you applied?

Mr. J. V. LANE. To the board of freeholders and the judges.

Mr. LANE. When?

Mr. J. V. LANE. They have allowed us another probation officer.

Mr. LANE. When did you make that application?

Mr. J. V. LANE. Over a year ago.

Mr. LANE. How long has this situation existed in your office?

Mr. J. V. LANE. I would say ever since I have been there. We should have five, six more probation officers.

Mr. LANE. With respect to that \$18,000 that was seized, was that returned to Scheper or was it kept by the county?

Mr. J. V. LANE. I think it was turned over to him. I couldn't say. I know there was litigation and I think it was turned over to him.

Mr. LANE. Do you know the outcome of the litigation?

Mr. J. V. LANE. I think it was turned back to him.

Mr. LANE. Do you have a standard form to be filled out by a probationer giving statistics in which you are interested, the facts with respect to his dependents and his earnings and his bank account?

Mr. J. V. LANE. That is right.

Mr. LANE. Did Scheper fill out such a form as that?

Mr. J. V. LANE. Yes.

Mr. LANE. Do you know what assets were revealed on that form?

Mr. J. V. LANE. We don't go into assets on that. We usually ask the man if he is employed. If he is employed, we ask him by whom.

Mr. LANE. Isn't there any question on that form—

Mr. J. V. LANE. We have a form on investigation as to rent and who lives in the house, what kind of house it is, and so on and so forth, but we are understaffed and way behind on home investigations.

Mr. LANE. Isn't there a question on that form about securities owned by probationers?

Mr. J. V. LANE. There is a question about real estate, but not securities.

Mr. LANE. Do you ask about bank accounts?

Mr. J. V. LANE. No.

Mr. LANE. Do you ask about cash?

Mr. J. V. LANE. No. We ask how much rent he pays, what kind of house he has, whether it is lighted with gas or electric, what kind of heat, how many in the family, how many are working, whether he is employed.

MR. LANE. Is Scheper married?

MR. J. V. LANE. Yes.

MR. LANE. Lives with his wife?

MR. J. V. LANE. I believe so.

MR. LANE. You don't know?

MR. J. V. LANE. She operates a restaurant on Kentucky Avenue, I understand.

MR. LANE. Is that the person he lives with, who operates the restaurant?

MR. J. V. LANE. I couldn't say.

MR. LANE. Do you know whether he lives with his wife or some other woman?

MR. J. V. LANE. I understand he might have a girl friend. Lots of them have girl friends.

MR. LANE. Where did you get such an understanding as that?

MR. J. V. LANE. That was more or less hearsay.

MR. LANE. Was any effort made on the part of the probation officer to ascertain the facts with respect to that?

MR. J. V. LANE. No. The wife made no complaint. If he didn't take care of her, she would have had a complaint in the Domestic Relations branch.

MR. LANE. You know the Chelsea Hotel?

MR. J. V. LANE. Yes.

MR. LANE. Who owns the Chelsea Hotel?

MR. J. V. LANE. I couldn't tell you now.

MR. LANE. What do you know about the Chelsea Hotel?

MR. J. V. LANE. I don't know anything about it other than it is the Chelsea Hotel.

MR. LANE. Do you know about any relation between the Chelsea Hotel and the Bath and Turf Club?

MR. J. V. LANE. No, I don't.

MR. LANE. Isn't it a fact, Mr. Lane, that gambling goes on at the Chelsea Hotel?

MR. J. V. LANE. You can believe that or not, but I never knew of any gambling going on in the Chelsea Hotel.

MR. LANE. Did you, yourself, operate a bingo game?

MR. J. V. LANE. Yes, we do.

MR. LANE. When you say, "Yes, we do," who does it with you?

MR. J. V. LANE. The Third Ward United Republican Club. One night a week, Thursday night, we have a bingo game.

MR. LANE. Do you participate in the operation of the bingo game?

MR. J. V. LANE. Not directly. It is handled by the entertainment committee and welfare committee.

MR. LANE. Do you manage it?

MR. J. V. LANE. No, I don't manage it.

MR. LANE. Doesn't the committee run it under your supervision?

MR. J. V. LANE. No, the committee runs it.

MR. LANE. What are the proceeds of that thing?

MR. J. V. LANE. We didn't do too good all winter.

MR. LANE. What is the average take of that operation?

MR. J. V. LANE. In the wintertime, anywheres from \$30 to \$50.

MR. LANE. Once a week?

MR. J. V. LANE. Yes. In the summertime, it might run a little better.

MR. LANE. Do you sell tickets to that bingo game?

MR. J. V. LANE. Yes, we do.

MR. LANE. What do the tickets cost?

MR. J. V. LANE. Fifty cents.

MR. LANE. Where are those tickets sold?

MR. J. V. LANE. The members of the committee take them out.

MR. LANE. Are they sold throughout the third ward?

MR. J. V. LANE. That is right.

MR. LANE. Don't all cigar store owners and what-not buy those tickets?

MR. J. V. LANE. I guess cigar store owners buy them.

MR. LANE. Don't guess. Don't you know whether they do?

MR. J. V. LANE. I guess they do. I never sold them.

MR. LANE. Do you have a list of the mercantile people in the third ward?

MR. J. V. LANE. What kind of a list?

MR. LANE. A list that would indicate those who do and those who do not buy bingo tickets?

MR. J. V. LANE. No, sir.

MR. LANE. Do you know Leon Lewin?

MR. J. V. LANE. Yes, I do.

MR. LANE. What does he do in connection with the bingo game?

MR. J. V. LANE. He is on the committee.

MR. LANE. What does he do with respect to the operation of the game?

MR. J. V. LANE. He helps in the early phases of the game. I think he sells the books of cards.

MR. LANE. How much does a book of cards cost?

MR. J. V. LANE. A dollar.

MR. LANE. Do you know George McCallum?

MR. J. V. LANE. Yes.

MR. LANE. What do you know about McCallum?

MR. J. V. LANE. He is on probation. He is under my supervision now.

MR. LANE. Is he in the third ward?

MR. J. V. LANE. Yes. No; he doesn't live in the third ward now. He lives in the fourth ward.

MR. LANE. Do you know whether Preston Crook has any connection with the Chelsea Hotel?

MR. J. V. LANE. I think an ad in the paper where they ran a "Gay Nineties" down there had his picture in it.

MR. LANE. Is that all you know about his connection with the Chelsea?

MR. J. V. LANE. They used to run a "Gay Nineties" at the Ritz and when the Ritz was sold they recently moved it to the Chelsea Hotel.

MR. LANE. Was he associated with the "Gay Nineties" at the Ritz?

MR. J. V. LANE. That is right.

MR. LANE. How many nights was that put on at the Ritz?

MR. J. V. LANE. One night.

MR. LANE. At the Chelsea Hotel, do you understand that is put on at least one night a week?

MR. J. V. LANE. They just started there. It might be one night a week.

Mr. LANE. Do you have any information as to whether or not Preston Crook works at the Chelsea Hotel?

Mr. J. V. LANE. No, I haven't.

Mr. LANE. When you say you believe he is connected with the "Gay Nineties," what do you mean by that?

Mr. J. V. LANE. I saw his picture in the paper. I never discussed it with the man.

Mr. LANE. What does he do with the "Gay Nineties"?

Mr. J. V. LANE. He is sort of master of ceremonies.

Mr. LANE. Doesn't he get paid?

Mr. J. V. LANE. I don't know. I imagine he does.

Mr. LANE. Don't you ever discuss it with him?

Mr. J. V. LANE. No; he is the boss.

Mr. LANE. Do you know how much of his time is devoted to that kind of activity?

Mr. J. V. LANE. That is in the evening. Office closes at 4 o'clock.

Mr. LANE. I show you a card and ask you whether that would indicate to you the extent of Preston Crook's activities at the Chelsea Hotel or refresh your recollection as to the extent of his activities?

Mr. J. V. LANE. This is June 29.

Mr. LANE. Do you see that Preston Crook is listed on that advertisement as one of the hosts?

Mr. J. V. LANE. I saw a picture in the paper with him and someone else.

Mr. LANE. Is he, to your knowledge, one of the hosts at the Chelsea Hotel?

Mr. J. V. LANE. He could be.

Mr. LANE. Is it your information that he is?

Mr. J. V. LANE. It is not my information. I told you that I knew he was host at the "Gay Nineties" in the Ritz, but I do not know for a fact, only what I see here and in the papers. I have never discussed it with the man, believe me.

Mr. LANE. What was it that you saw in the paper about Crook?

Mr. J. V. LANE. It was a picture and said, "Gay Nineties to open at the Chelsea Hotel," or something like that.

Mr. LANE. And a picture of Mr. Crook?

Mr. J. V. LANE. And other people.

Mr. LANE. Who?

Mr. J. V. LANE. Possibly this Jackson.

Mr. LANE. In other words, it was a picture of people who were to operate the Gay Nineties at the Hotel Chelsea?

Mr. J. V. LANE. That is right.

Mr. LANE. Including Preston Crook and others?

Mr. J. V. LANE. That is right.

Mr. LANE. You say the office closes at four. What time does the office open?

Mr. J. V. LANE. Nine.

Mr. LANE. You take an hour out for lunch?

Mr. J. V. LANE. That is right.

Mr. LANE. Nine to twelve, 3 hours, and 1 to 4, 3 hours—6 hours a day?

Mr. J. V. LANE. That is right.

Mr. LANE. Are those hours followed by all the members of the staff?

Mr. J. V. LANE. That is the county employees' hours.

Mr. LANE. Thank you very much.

Senator HUNT. We will excuse you, but you will remain under subpena, subject to the call of the committee.

Good morning, Dr. Latta. Would you have a chair, Doctor.

Mr. CHARLTON. This is Dr. David J. Latta, gentlemen.

Mr. LANE. May the record indicate that Mr. Charlton appears again as counsel for Harold Scheper, who is under subpena, and that he brings with him, at our suggestion, David J. Latta, M. D., of 49 East Verona Avenue, Pleasantville, N. J.

Senator HUNT. Doctor, you are not under subpena, so we are not going to swear you in.

Dr. LATTA. All right, sir.

STATEMENT OF DR. DAVID J. LATTA, ACCOMPANIED BY WILLIAM CHARLTON, COUNSEL FOR HAROLD SCHEPER

Senator HUNT. You have given us a letter saying that one of the gentlemen we have under subpena under the name of Scheper has Hodgkin's disease and is not in a condition to testify. It so happens that one of our staff interviewed Scheper just the day before yesterday and did not notice any swelling to speak of in the submaxillary glands and he seemed to talk and converse quite fluently with a member of our staff. So we wanted to ask you a few questions about your determination that he wasn't able to testify.

Did he have any temperature when you saw him?

Dr. LATTA. With this condition you do not necessarily run temperature.

Senator HUNT. Did you take his temperature?

Dr. LATTA. I did. I think it was .2 above normal.

Senator HUNT. Did you take his pulse, Doctor?

Dr. LATTA. Yes, I did.

Senator HUNT. That was normal?

Dr. LATTA. No.

Senator HUNT. What was his pulse rate?

Dr. LATTA. When I issued that certificate on the 5th, his pulse rate then was 94.

Senator HUNT. Was he in any pain?

Dr. LATTA. Not pain, but anxiety due to inability to breathe properly, due to the pressure of these glands. They puffed up suddenly, which they do very frequently.

Senator HUNT. This enlargement occurred between the time our interrogator saw him and the time he saw you?

Dr. LATTA. Evidently. I saw him on the 2d and he was doing very well then. There was no swelling at all. The edema that was in the throat was going down, for which I was watching. He had returned from the Leahy Clinic when he came to me. The edema was considerable when I saw him the 1st of June. It had receded considerably. He was doing very well up until I saw him on the 2d. That was when I gave him his last injection of blood stimulant. Then on the evening of the 5th, all this broke loose.

Senator HUNT. Doctor, did you see him in the office or at his home?

Dr. LATTA. I saw him at the office and at his home.

Senator HUNT. Both places?

Dr. LATTA. Yes, sir.

Senator HUNT. This probably is hard for you to determine. How soon do you think he could be available for questioning?

Dr. LATTA. I think he will be available. I do not want you to get the wrong idea from my certificate. He will be available for questioning. I am fairly sure of that. The reason I base my opinion is on my my findings and having talked with Dr. Hugh F. Hare at the Leahy Clinic yesterday.

May I deviate a little bit?

Senator HUNT. Go right ahead.

Dr. LATTA. In Hodgkin's disease, it is a condition resembling cancer of the glands. It involves the lymphatic glands. It affects, through pressure, vital areas of your body, your trachea, your breathing apparatus, your swallowing, your speech, and the functions of the vital organs. I had not X-rayed Mr. Scheper until July 5 because I did not see any reason for that, but when I fluoroscoped him the 5th, I was astounded at the amount of this Hodgkin's disease which he has. His entire chest is just full, both lungs, and down the center area, where your vital passages go, is considerably involved. It quite astounded me. Following my findings, I called Dr. Hare to get his advice on what should be done, regardless of this meeting, because, after what I saw, I knew the man was not going to live very long. I didn't want to be responsible for something I wasn't fully cognizant of.

When I gave Dr. Hare the full findings, he advised me to put him in absolute rest, hospitalize him if necessary, under heavy sedatives, and start the aureomycin to see if we couldn't get the glands down to relieve some pressure, to which he has responded, and recommended that we send him up to the clinic on Tuesday for some more X-ray treatment, more of the nitrogen mustard or more of the aureomycin.

Shortly after that, he will be available. I do not think it will be permanent.

Senator HUNT. If our committee keeps in touch with you, assuming we will return to complete these hearings, I know, of course, we will have your full cooperation in allowing your patient to testify?

Dr. LATTA. Yes, sir. You can send any doctor you want to examine him. You have my permission.

Senator HUNT. There is no reason in the world why we should question your position in this matter. Since a member of our staff had seen your patient just a couple of days before the date you wrote this letter, we could not quite understand, except as you now explain it, what happened in the meantime.

Dr. LATTA. I have treated quite a few of these cases. That is how the clinic referred this case to me.

Senator HUNT. Have you seen the patient this morning?

Dr. LATTA. I saw him late last night. I was worried about the spitting of blood. He didn't have any more up to last night. That shows liver congestion and the circulation at the lower end of the esophagus is directly connected with the liver circulation and any plug-up there will affect the blood vessels at the bottom of the esophagus. If straining, vomiting, or coughing take place, it will spit up bright red blood, which he has been doing.

Mr. LANE. What time was it on July 5 that you saw him, Dr. Latta?

Dr. Latta. I would say it was about 11:30, or a quarter to 12. I was getting ready to retire for the evening when the call came in. He was having this difficulty with his breathing and he was in an anxious state. They asked me if I would look at him, knowing what can happen in his condition. I found he was able to be brought to my office. I figured he was. If I had known, then, what I found out later, I would have gone to his home immediately and not allowed him to come out.

Mr. Lane. Was it 11:30 at night?

Dr. Latta. Yes, sir. I wrote that certificate after making a complete examination.

Mr. Lane. That is all. Thank you very much.

Mr. Charlton. Then the committee will be in touch with Dr. Latta?

Senator Hunt. Yes. Your client will remain under subpoena and we will attempt to interview him when we return.

Mr. Charlton. May he go to Boston for his X-ray treatment?

Senator Hunt. Certainly.

FURTHER TESTIMONY OF LESTER BURDICK, ATLANTIC CITY, N. J., ACCOMPANIED BY MR. MILLER, ATTORNEY

Mr. Lane. Mr. Burdick, have you made an effort during the recess to ascertain the answers to the questions on the income-tax returns which you were unable to answer before?

Mr. Burdick. I was in touch with the accountant this morning. That is the 1950 you are talking about; is that right?

Mr. Lane. I was talking, for one thing, about a return on rent on business property in 1950.

Mr. Burdick. Yes, sir.

Mr. Lane. Twelve-hundred-odd dollars.

Mr. Burdick. What confused me there——

Mr. Lane. Have you brought again the return with you, the copies?

Mr. Burdick. Yes, sir.

Mr. Lane. May I see them?

(The witness produced the tax returns referred to.)

Mr. Lane. You have handed me the schedule C from your 1950 return.

Mr. Burdick. That is what you wanted, wasn't it?

Mr. Lane. Yes. That shows as item 12 rent on business property \$1,222.98, an item which you refused to answer yesterday. Can you answer it today?

Mr. Burdick. Yes, sir. I don't know what the business property was. I got hold of the accountant. That is the \$50 a week, or \$200 a month, with a slight installation charge somewhere. I get the other 5 percent from WOND on the machines.

Mr. Lane. I think you can explain that more simply than you have done.

That has reference to the cost of installing a machine?

Mr. Burdick. Two machines.

Mr. Lane. At WOND?

Mr. Burdick. That is right.

Mr. Lane. For installing that machine you paid rent to WOND?

Mr. Burdick. Yes, sir.

- Mr. LANE. And you pay rent to the Western Union Co.?
- Mr. BURDICK. No, sir.
- Mr. LANE. To whom do you pay it?
- Mr. BURDICK. WOND.
- Mr. LANE. WOND pays rents to the Western Union Co.?
- Mr. BURDICK. It is not Western Union. We have no Western Union.
- Mr. LANE. Whose wire is it?
- Mr. BURDICK. AT and Transradio.
- Mr. LANE. Those are the two machines you refer to?
- Mr. BURDICK. Yes, sir.
- Mr. LANE. Is the whole of the rent paid by WOND?
- Mr. BURDICK. Yes, sir.
- Mr. LANE. Is the whole of the rent, then, assessed against you?
- Mr. BURDICK. No; part of it.
- Mr. LANE. What part of the rent is assessed against you?
- Mr. BURDICK. \$200 a month.
- Mr. LANE. What part is assessed to someone else?
- Mr. BURDICK. To WOND, the balance.
- Mr. LANE. What is the rent of those two machines?
- Mr. BURDICK. Each machine is : 50 a week.
- Mr. LANE. You pay approximately half?
- Mr. BURDICK. That is right.
- Mr. LANE. Do you also pay a prorated part of the cost of running WOND?
- Mr. BURDICK. No, sir.
- Mr. LANE. Is this \$1,222.86 just your proportion of the rent on the machines?
- Mr. BURDICK. Is that my portion?
- Mr. LANE. Yes.
- Mr. BURDICK. You ask me about that item?
- Mr. LANE. Yes.
- Mr. BURDICK. Yes, sir.
- Mr. LANE. There is nothing in there for the prorated part of real estate and operating expenses of WOND?
- Mr. BURDICK. No, sir.
- Mr. LANE. Then, as I understand it, in 1950, you received from WOND a gross of \$1,800. In other words, \$1,800 was credited to you on the books in 1950?
- Mr. BURDICK. That is right.
- Mr. LANE. You say it was not actually paid?
- Mr. BURDICK. No, sir.
- Mr. LANE. Then, in 1950 you paid out to Frank McNamara \$1,040 for commissions on advertising taken by WOND?
- Mr. BURDICK. Yes, sir.
- Mr. LANE. Then, in addition to that, you paid \$25 a week to some colored man for services for WOND?
- Mr. BURDICK. That is right.
- Mr. LANE. Who was he?
- Mr. BURDICK. George Dickerson.
- Mr. LANE. So that you paid Dickerson roughly, \$1,300?
- Mr. BURDICK. No. Counselor let me get you straight.
- Mr. LANE. This is a new station?
- Mr. BURDICK. This is a new station. The new station was only opened 6 months.

Mr. LANE. You paid him \$25 for 25 weeks?

Mr. BURDICK. That is right.

Mr. LANE. Roughly, about \$650?

Mr. BURDICK. \$625.

Mr. LANE. Dickerson was paid \$625 and McNamara \$1,040?

Mr. BURDICK. Yes, sir.

Mr. LANE. Then you paid \$1,222.86 as the cost of your share of the two machines at WOND; is that right?

Mr. BURDICK. That is right.

Mr. LANE. The total expenses of that operation was \$2,887.86 and your total income was \$1,850, according to your tax return—\$1,800 according to your tax return; is that right? How do you seek to compensate yourself for having undertaken such financial responsibilities?

Mr. BURDICK. This is not a financial responsibility. A friend of mine opened a station and asked me to go in there and put on the program. I didn't expect to make money on this program. I expect to have a big year this year with this program.

Mr. LANE. Did you have the same sort of arrangement with WFPG before?

Mr. BURDICK. No.

Mr. LANE. Is there no sponsor on this station?

Mr. BURDICK. Gretz is the basic sponsor.

Mr. LANE. Did you make the arrangements with Gretz?

Mr. BURDICK. I made it with Seberhagen. That is the agency in Philadelphia. All those big advertisers come through big agencies.

Mr. LANE. Have you also made an effort to ascertain how or where you reported the profit of some \$4,000 on the lot you sold?

Mr. BURDICK. Yes, sir.

Mr. LANE. Where does that appear?

Mr. BURDICK. That was what? 1948, wasn't it?

Mr. LANE. I think you were unable to tell us.

Mr. BURDICK. That was what I checked this morning. It was sold in 1948. That was what I told you last night. Expenses and commissions were \$450 and you return half of it, which is \$1,628.25. That was what the accountant gave me this morning. It comes out with my income and everything else, \$3,236.50.

Mr. LANE. Will you show me the return on which it is reported? (The witness handed the return to Mr. Lane.)

Mr. BURDICK. He said you only report half of the \$5,500. There was \$450 expenses and commission and at that time, under the law, the accountant who knows the Federal law, only reported half of it.

Mr. LANE. You obtained these figures from the accountant. The lot was sold in 1948 for \$5,500. It cost originally \$1,813.50. The expenses were \$450, that brings the deductions to \$2,263.50, or a net gain to you of \$3,236.50, and, reporting half of that as a long-term gain, it would come to \$1,618.25. Of that, you have also added a profit of \$213.50 long-term gain on the sale of Chicago, Milwaukee, and St. Paul bonds, bringing the total to \$1,831.55, which is the item reported in your 1948 income-tax return.

Mr. BURDICK. Yes, sir.

Mr. LANE. All of that was stated by me correctly?

Mr. BURDICK. It is all stated in the return.

Senator HUNT. Mr. Burdick, that will be all the questions this morning. Counsel, your client will remain under subpoena and we will probably be back at some future time and we will ask Mr. Burdick to come in again.

Mr. MILLER. All right, thank you.

Senator HUNT. Thank you, very much.

Mr. Nappen, last evening, we did not have the opportunity to swear you. Would you stand, please?

Do you solemnly swear the testimony that you will give this committee, will be the whole truth, and nothing but the truth, so help you God?

Mr. Nappen. I do.

TESTIMONY OF EDWARD NAPPEN, ATLANTIC CITY, N. J.

Mr. LANE. Mr. Nappen, will you state your full name and address, please?

Mr. NAPPEN. Edward Nappen, 15 South Florida Avenue, Atlantic City, N. J.

Mr. LANE. How old are you?

Mr. NAPPEN. I will be 56 the 28th of December.

Mr. LANE. How long have you lived in Atlantic City?

Mr. NAPPEN. Since 1923. I think it was the latter part or early part of 1924.

Mr. LANE. You came here in 1924?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Where were you living before that?

Mr. NAPPEN. In Philadelphia.

Mr. LANE. Brought up and educated in Philadelphia?

Mr. NAPPEN. No, sir. Woodbine, N. J., a little country town.

Mr. LANE. What was the extent of your education?

Mr. NAPPEN. Eighth grade.

Mr. LANE. When you came here to Atlantic City, what employment did you have?

Mr. NAPPEN. I had a little grocery and rooming house at 14 South Florida Avenue.

Mr. LANE. When did you go into politics?

Mr. NAPPEN. I was elected for magistrate in 1928 and that was when I first started in politics.

Mr. LANE. Did you have to be a member of the bar?

Mr. NAPPEN. No, sir; I didn't.

Mr. LANE. Isn't it a fact that prior to that time, Mr. Nappen, you pleaded non vult to a charge of receiving stolen goods?

Mr. NAPPEN. I did.

Mr. LANE. Where was that?

Mr. NAPPEN. Philadelphia.

Mr. LANE. Is that the technical name for a plea that a man makes if he doesn't wish to plead guilty or not guilty in the Philadelphia courts? In other words, he throws himself on the mercy of the court?

Mr. NAPPEN. Yes, sir. Under the circumstances of what happened to me, that was why.

Mr. LANE. Did you receive a fine at that time?

Mr. NAPPEN. No, sir.

Mr. LANE. Did you receive a suspended sentence?

Mr. NAPPEN. Yes, sir.

Mr. LANE. What was the year?

Mr. NAPPEN. What year was that in?

Mr. LANE. Yes.

Mr. NAPPEN. I believe 1922. I am not positive.

Mr. LANE. Would you say, 2 years before you came to Atlantic City?

Mr. NAPPEN. That is right.

Mr. LANE. What was the jurisdiction of the magistrate's court?

Mr. NAPPEN. To hear cases and determine whether there was a prima facie case and hold it for the grand jury.

Mr. LANE. Was that the equivalent of the present magistrate of municipal court?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Did you, in that court, hear pleas to charges of possessing lottery tickets?

Mr. NAPPEN. Yes, sir. I did on several occasions. In fact, once there was an investigation here by some private detectives sent down here and they had quite a few cases that they brought in.

Mr. LANE. Was there a standard practice in processing those cases on a plea of non vult?

Mr. NAPPEN. I had no jurisdiction at all.

Mr. LANE. You had no jurisdiction to fine them?

Mr. NAPPEN. Just to hold them for the grand jury.

Mr. LANE. When the charge was something less than a crime?

Mr. NAPPEN. I had no jurisdiction. The present magistrate has. All we had to do was find a prima facie case and hold them for the grand jury or dismiss, if we didn't.

Mr. LANE. Did you know Nockey Johnson in those days?

Mr. NAPPEN. Yes.

Mr. LANE. Would you say you were, in any sense, a protégé of his?

Mr. NAPPEN. I don't know.

Mr. LANE. Did he do political favors for you?

Mr. NAPPEN. He did.

Mr. LANE. Did he give you a helping hand in politics?

Mr. NAPPEN. He did.

Mr. LANE. Did you reciprocate politically for him?

Mr. NAPPEN. I don't know, but in working for the Republican Party, in that respect, I did.

Mr. LANE. Did you start working in ward politics as soon as you came here, between 1924 and 1928?

Mr. NAPPEN. No; I worked in the precinct in the district. I was out at 14 South Florida. That comprised the ninth district. That was where I worked.

Mr. LANE. Were you a person known, to any extent, in 1928, having been here 4 years?

Mr. NAPPEN. Through my business in the grocery store all the people in that district knew me.

Mr. LANE. Were you known throughout Atlantic City except for your trade?

Mr. NAPPEN. A little bit.

Mr. LANE. To what do you attribute your ability to get elected to the office?

Mr. NAPPEN. The people in the community thought I was a good fellow and I was very sociable. I went to their weddings and wakes and so forth. They thought I would be a good fellow to be elected for magistrate because of the fact that the common people would like to have somebody who understands their problems.

Mr. LANE. Who nominated you for that office?

Mr. NAPPEN. A man who was a neighbor of mine, who lived across the street. It happened this way. The magistrate died and they immediately had to have somebody appointed who could fill the unexpired term until election. I think I had 3 or 4 months to go. So he came in to me with a paper and said, "Would you like to sign it and be a magistrate?"

I didn't know what it was all about. I didn't know enough about law.

He said that I would learn and that they liked me around there.

I signed the paper and I was made to act as magistrate for the unexpired term of magistrate. That was in 1928. I was elected and then reelected every 5 years until 1948.

Mr. LANE. Who was that person who came to you with that proposition?

Mr. NAPPEN. Jim Hendrickson.

Mr. LANE. Is he still alive?

Mr. NAPPEN. No. He died a number of years ago.

Mr. LANE. Did you clear that with any person such as Johnson, before?

Mr. NAPPEN. No, sir. I didn't talk to anybody. I didn't know anybody.

Mr. LANE. Did he tell you he had?

Mr. NAPPEN. No, he never said anything.

Mr. LANE. Then you had that job until 1948 and in the course of that time did the jurisdiction of that court change or did the change come with the new constitutional provision?

Mr. NAPPEN. Only with the new constitutional provision in 1948. That was when they put us out of office.

Mr. LANE. What was the compensation?

Mr. NAPPEN. So much a complaint. \$4.50 for a complaint or warrant, and it was mandatory that the county pay us.

Mr. LANE. Did you get paid simply by the complaint or was there a scale of fees which depended upon the costs of the court?

Mr. NAPPEN. There was a scale provided by law. The senate and assembly provided a scale where we could charge so much for a complaint and so much for making up a warrant and so much for the hearing.

Mr. LANE. Did you charge more in the event of a conviction than in the event of an acquittal?

Mr. NAPPEN. No.

Mr. LANE. Was there any difference in the amount you could charge where there was just a plea?

Mr. NAPPEN. No, no differences in the cases.

Mr. LANE. Was the cost of the court always the same in each case?

Mr. NAPPEN. Not exactly.

Mr. LANE. What was the basis for the difference?

Mr. NAPPEN. If you did not have a hearing, it would be a certain amount less. I do not recall. I do not know whether it was a dollar, or whatever it was less than you would get if you heard the case.

Mr. LANE. If you had a hearing?

Mr. NAPPEN. You would get the extra for sitting and listening to the hearing.

Mr. LANE. Did you have to bear any of the expenses of running the court?

Mr. NAPPEN. Yes. I had an office. I had to have a girl to take down notes.

Mr. LANE. Were those your responsibilities?

Mr. NAPPEN. My own responsibilities.

Mr. LANE. In others words, it was run as a business might be run? There was a gross and a net?

Mr. NAPPEN. That is right.

Mr. LANE. What did the gross run?

Mr. NAPPEN. I don't know. I have the records. I don't know.

Mr. LANE. Approximately what?

Mr. NAPPEN. \$1,800, and sometimes a little more. Sometimes less. At the end it dropped to \$1,800 a year.

Mr. LANE. Have you come here pursuant to a subpoena, Mr. Nappen?

Mr. NAPPEN. Yes.

Mr. LANE. Does that subpoena call for the production of your business records?

Mr. NAPPEN. Whatever I had in the magistrate court was reported to the auditor of the county, to the government, and on that they gave me a slip, and I used to go down to the post office. A Mr. Reeder was head of the internal revenue, and he used to take the form from the county, the county salary, and my magistrate salary, which was on a little slip, and he made it up.

Mr. LANE. Just so we can have it clear, will you produce the subpoena?

Mr. NAPPEN. Yes, sir.

(The witness produced his subpoena.)

Mr. LANE. In the subpoena which you have produced it says:

You are also hereby commanded to then and there produce all your records, papers, statements, and documents concerning business, employment, and financial transactions, and a copy of your income-tax returns for the years 1947, 1948, 1949, and 1950.

Pursuant to that subpoena, what have you brought?

Mr. NAPPEN. I didn't bring anything, because I haven't got anything to bring. I haven't got the income taxes, because I never kept a copy. As I told you before, the income-tax man used to make it out and used to take it from the records of the county and make out my income, and that was the end of it.

Mr. LANE. I note from a memorandum which the committee has of your reported income for 1947 that you reported a loss as magistrate of \$261.40.

Mr. NAPPEN. A loss?

Mr. LANE. A loss.

Mr. NAPPEN. No; I never reported a loss. I don't think so.

Mr. LANE. According to the note I have in 1948 you reported a loss of \$656.96 from your fees as magistrate. Is that your recollection?

Mr. NAPPEN. 1948?

Mr. LANE. A loss reported for 1947 and a loss reported for 1948.

Mr. NAPPEN. I made no money, but I don't remember reporting a loss. You see, Mr. Reeder made my forms out and he was head of the internal revenue in the post office, and I do not remember.

Mr. LANE. Doesn't the magistrate court keep records. Didn't you, as a magistrate, keep records?

Mr. NAPPEN. Of what I got paid?

Mr. LANE. Yes.

Mr. NAPPEN. No. The county treasurer kept that.

Mr. LANE. Did you have a docket?

Mr. NAPPEN. Docket for cases, that was all.

Mr. LANE. In the docket, was the amount of the fee indicated?

Mr. NAPPEN. I believe it was, at the end of the case. No, I do not think so. Just the case, itself. Just the report of the case, that was all.

Mr. LANE. Did you have any other business activities besides serving as magistrate?

Mr. NAPPEN. No, sir.

Mr. LANE. That was your sole source of income?

Mr. NAPPEN. The grocery store.

Mr. LANE. What was your income? What did it average from the grocery store?

Mr. NAPPEN. I went out of business in 1935, out of the grocery business.

Mr. LANE. What income did you have?

Mr. NAPPEN. I was employed in the prosecutor's office. I beg your pardon.

Mr. LANE. You had that job, as well as the magistrate's job?

Mr. NAPPEN. Yes. I am indictment clerk in the prosecutor's office.

Mr. LANE. When did you get that job?

Mr. NAPPEN. 1935. I took that job through civil service.

Mr. LANE. Your salary from that is what?

Mr. NAPPEN. At the present time it is \$4,000.

Mr. LANE. In the beginning it was around \$3,000?

Mr. NAPPEN. It was \$1,800.

Mr. LANE. \$1,800, in 1935?

Mr. NAPPEN. Around that.

Mr. LANE. Then you had gradual increases?

Mr. NAPPEN. That is right.

Mr. LANE. Today, it is what?

Mr. NAPPEN. \$4,000.

Mr. LANE. In 1947 you reported, from the county of Atlantic, the sum of \$3,580.83.

Mr. NAPPEN. In 1947?

Mr. LANE. Yes. Three thousand and five hundred-odd dollars. Does that represent your salary?

Mr. NAPPEN. That was probably the salary at that time.

Mr. LANE. That, plus your fees from serving as magistrate were then your only sources of income?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Are you married, Mr. Nappen?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Do you have a family?

Mr. NAPPEN. Yes, sir.

Mr. LANE. What does your family consist of?

Mr. NAPPEN. Three boys.

Mr. LANE. How old are they?

Mr. NAPPEN. One is a United States naval officer. He is now in Korea flying. One is a high-school teacher in Atlantic City. One is a boy who goes to high school.

Mr. LANE. Do you own your own home?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Is that in Atlantic City?

Mr. NAPPEN. Yes.

Mr. LANE. Where is it?

Mr. NAPPEN. Fifteen South Florida Avenue.

Mr. LANE. What was it assessable at?

Mr. NAPPEN. Maybe \$1,800 or \$2,000.

Mr. LANE. When did you buy it?

Mr. NAPPEN. In 1932 or '33. I do not exactly remember.

Mr. LANE. You own it outright?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Owe any money on it?

Mr. NAPPEN. No, sir.

Mr. LANE. Do you have any bank accounts?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Where do you have the bank account?

Mr. NAPPEN. Guaranty Trust.

Mr. LANE. Just the one bank account?

Mr. NAPPEN. Yes, sir.

Mr. LANE. What is the average balance?

Mr. NAPPEN. I didn't have a balance until I borrowed money from different places.

Mr. LANE. Whom did you borrow from?

Mr. NAPPEN. First National Bank, May's Landing.

Mr. LANE. Did you give them collateral?

Mr. NAPPEN. I signed as an employee.

Mr. LANE. How much was that?

Mr. NAPPEN. \$300. We have a loan society, the employees of the county, and I borrowed \$500 from them. I borrowed some money in the bank, but I gave them collateral, because of a note that is running out, almost 10 years old—a \$1,000 bond. I borrowed on that.

Mr. LANE. Do you drive an automobile?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Own an automobile?

Mr. NAPPEN. Yes, sir.

Mr. LANE. What is it?

Mr. NAPPEN. An Olds 98.

Mr. LANE. When did you buy it?

Mr. NAPPEN. Just got it the latter part of January.

Mr. LANE. Is it paid for?

Mr. NAPPEN. No, sir, not altogether.

Mr. LANE. What do you owe on it?

Mr. NAPPEN. Saunders Motor, \$200, and I am paying off the bank the money on the bond, \$450.

Mr. LANE. Is that the same bank where you have the checking account?

Mr. NAPPEN. Yes, sir.

Mr. LANE. Did you keep a safe-deposit box?

Mr. NAPPEN. No, sir.

Mr. LANE. Have you ever kept a safe-deposit box?

Mr. NAPPEN. No, sir.

Mr. LANE. Is that Saunders which you mentioned Saunders Motors?

Mr. NAPPEN. Yes, they sell the Oldsmobile.

Mr. LANE. Is that the same Saunders who is police chief here? Harry Saunders?

Mr. NAPPEN. That is his brother.

Mr. LANE. Does Harry Saunders have an interest in that business?

Mr. NAPPEN. I don't know.

Mr. LANE. What are the duties of the indictment clerk in the county prosecutor's office?

Mr. NAPPEN. When the cases come in from the various magistrates and judges, I receive them and read them and then docket them and make them up into files and have them ready for the prosecutor to take to May's Landing for indictment.

Mr. LANE. Does the prosecutor make up the indictment or do you make it up?

Mr. NAPPEN. He makes it up after I read it and tell him the witnesses to be subpoenaed.

Mr. LANE. Do you, in fact, analyze the charge and decide upon the proper indictment?

Mr. NAPPEN. In a good many cases. They look it over after I am through with it. I am only a layman. I have a lot of experience, but that does not count. They still have to go over those papers.

Mr. LANE. You decide whether the charge shall be possession of lottery slips?

Mr. NAPPEN. The magistrate sends in the case and charges them with possession. After I read it, I might find it should be larceny, and I take it up with them.

Mr. LANE. You take it up with the magistrate?

Mr. NAPPEN. No.

Mr. LANE. With the prosecutor?

Mr. NAPPEN. Yes. When he goes before the grand jury, they decide what it shall be. The grand jury decides what the charge shall be. They make the charges. They change the charges many, many times.

Mr. LANE. Do you have any substantial assistance in this work or is it a one-man job?

Mr. NAPPEN. I have one investigator who helps me at times when I am a little busy to file the cases and take care of things around there.

Mr. LANE. You mean he is a clerical assistant?

Mr. NAPPEN. Yes; he helps me out. He is an investigator.

Mr. LANE. Do you have some jurisdiction to investigate complaints? Do you have jurisdiction to gather evidence and prepare cases for trial?

Mr. NAPPEN. We have it to some extent. When we have a case in, we want to have it complete. We want to have the bondsman and witnesses and all the reports. We send out and get all the reports in. I have that jurisdiction, to send out and get all the reports to make sure they are in the file in the police departments throughout the county of Atlantic. That covers quite a bit.

Mr. LANE. Mr. Nappen, did you ever have any connection with any bingo operations on the boardwalk here?

Mr. NAPPEN. Up to 1945, as a so-called ward leader, at that time, we had a little bingo game, but we weren't successful—nothing personal. I didn't have any connection with it at all.

Mr. LANE. Have you had any connection with bingo since that time?

Mr. NAPPEN. No, sir.

Mr. LANE. When you say, so-called ward leader, weren't you, in fact, ward leader?

Mr. NAPPEN. Maybe I was. I do not know.

Senator HUNT. Mr. Nappen, we will ask that you remain under subpoena, because we are so pressed for time. There may be other questions we may want to ask you later. This morning, we will excuse you, at this time.

Good morning, Mr. Boyd, would you stand and be sworn?

Do you solemnly swear the testimony you will give this committee, will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BOYD. I do.

TESTIMONY OF JAMES H. BOYD, ATLANTIC, N. J.

Mr. LANE. Mr. Boyd, would you state your full name and address?

Mr. BOYD. James H. Boyd, 1 North Brighton Avenue, Atlantic City.

Mr. LANE. How old are you?

Mr. BOYD. Forty-four.

Mr. LANE. How long have you lived in Atlantic City?

Mr. BOYD. Since about the fourth grade in school. I would say 36 or 37 years.

Mr. LANE. You completed your education here in Atlantic City?

Mr. BOYD. Yes, sir.

Mr. LANE. What was the extent of it?

Mr. BOYD. Just high school.

Mr. LANE. Then you have been in politics in Atlantic City for many years?

Mr. BOYD. I went to work in the county office in 1929 or 1930.

Mr. LANE. And you have been in ward politics even earlier than that?

Mr. BOYD. No, sir; not earlier than that. When I went to work for the county and gradually broke into politics, I was 21 and I am 44 today. I wasn't in politics before I went to work for the county.

Mr. LANE. Our time is so short that we are only going to ask you one or two questions and then ask you to come back because it is unfair to the other people who have been subpoenaed to monopolize the short time we have.

You are at present one of the leaders in the fourth ward?

Mr. BOYD. Yes, sir.

Mr. LANE. You have been formerly the leader in the third ward?

Mr. BOYD. Yes, sir.

Mr. LANE. You are acquainted with Senator Farley?

Mr. BOYD. Yes, sir.

Mr. LANE. Do you know Herman Orman?

Mr. BOYD. Yes, sir.

Mr. LANE. Do you know him for long? How many years have you known him?

Mr. BOYD. I have known Orman, I would judge, around 15 years.

Mr. LANE. Fifteen years?

Mr. BOYD. I don't think much longer than that; around that time.

Mr. LANE. Do you count Herman Orman among your friends?

Mr. BOYD. Yes, sir. He is a friend of mine.

Mr. LANE. Do you know what his means of support are?

Mr. BOYD. From the hotel.

Mr. LANE. What were they before then?

Mr. BOYD. No, sir. He had a saloon before the hotel.

Mr. LANE. Way back in the latter thirties?

Mr. BOYD. I first met him at the time he had a saloon at Arkansas and Arctic, if I remember.

Mr. LANE. Do you know Harold Scheper?

Mr. BOYD. Yes, sir; I know him.

Mr. LANE. Have you known him for many years?

Mr. BOYD. Not years. I think I have known him 10 or 12 years.

Mr. LANE. He is a very prominent bookmaker in Atlantic City, numbers racket, I mean?

Mr. BOYD. He was in trouble back in the last probe on that charge.

Mr. LANE. He had been in the business for a long time. Wasn't it notoriously known here that he had?

Mr. BOYD. It was, at that time, that he was in the business.

Mr. LANE. Hadn't it been for some time?

Mr. BOYD. According to the newspaper stories. I hadn't any dealings with him.

Mr. LANE. You were around the town and you knew his reputation?

Mr. BOYD. From what I read about him.

Mr. LANE. Do you know Bruce Williams?

Mr. BOYD. Can't place a Bruce Williams.

Mr. LANE. Don't you know that Bruce Williams is in with Harold Scheper?

Mr. BOYD. I am sorry. I cannot recall any Bruce Williams. Is he a colored fellow?

Mr. LANE. Colored.

Mr. BOYD. I think I met him. I do not know him well.

Mr. LANE. Do you know Ike Williams?

Mr. BOYD. I don't know Ike Williams?

Mr. LANE. Let's see, you are, at the present time, clerk to the board of freeholders, aren't you?

Mr. BOYD. Yes, sir.

Mr. LANE. What are the duties of that office?

Mr. BOYD. It is like a secretary. I think the freeholders, I might explain—

Mr. LANE. We haven't the time. We understand that.

Mr. BOYD. It is just like the secretary.

Mr. LANE. You attend all their meetings?

Mr. BOYD. Yes.

Mr. LANE. What is the salary?

Mr. BOYD. \$5,000.

Mr. LANE. How long have you held it?

Mr. BOYD. I was appointed clerk in 1936 or 1937. Prior to that I had worked in the clerk's office as deputy clerk and as an ordinary clerk in the office. That was when I went to work, when I was 20, as I told you.

Mr. LANE. You have held that office, then, as clerk to the county freeholders for how many years?

Mr. BOYD. Since 1936.

Mr. LANE. 15 years?

Mr. BOYD. Yes, sir.

Mr. LANE. Has the salary been \$5,000 ever since?

Mr. BOYD. No, sir.

Mr. LANE. Gradually increased?

Mr. BOYD. It was \$4,000 when I took the office and it was increased to \$5,000.

Mr. LANE. Have you had any other source of income?

Mr. BOYD. Any other source of income?

Mr. LANE. Yes.

Mr. BOYD. Yes, sir.

Mr. LANE. In 1950 did you have any business income outside of your \$5,000 salary?

Mr. BOYD. No, sir; no business income.

Mr. LANE. Have you been subpoenaed to attend here with your income-tax returns?

Mr. BOYD. Yes, sir. I have my income-tax returns.

Mr. LANE. Will you produce them?

Mr. BOYD. Yes, sir.

(The witness produced his income-tax returns.)

Mr. LANE. Have you brought with you also the underlying records from which those were prepared?

Mr. BOYD. No, sir. I don't know whether I have destroyed them or couldn't find the worksheets. I didn't get subpoenaed until yesterday morning.

Mr. LANE. Do you make up the worksheets yourself?

Mr. BOYD. No. One of the boys in the office helps me. He is not a tax expert, but he is a bookkeeper.

Mr. LANE. Do you keep some records of income and expenses currently?

Mr. BOYD. No. I don't have that much to keep currently. I keep what I make and what my expenses are. I keep that. I have the income tax with my schedule.

Mr. LANE. Senator, we will have to suspend with Mr. Boyd.

Senator HUNT. Mr. Boyd, the committee finds itself so limited in time that it is going to be necessary to inconvenience you again, if we may, at some future date, to have you come in, and the subpoena, Mr. Boyd, that we have issued, will hold until you are released.

Mr. BOYD. All right, sir.

Senator HUNT. Thank you.

Gentlemen, the committee regrets, again, to have to announce to you that we just won't be able to question you all this morning. It seems very evident that we are going to need to make a return visit, so the subpoenas that we have issued will hold until we do have an opportunity to advise you of the time of our next meeting. So, for this morning, we will excuse you all and express to you the fact that

we are very sorry we have inconvenienced you and that you will come in again when we have time again to examine you.

Mr. LANE. May the record indicate who is present.

Benjamin Rubenstein.

Mr. RUBENSTEIN. Here.

Mr. LANE. Is Henry Cohen present?

Mr. COHEN. Yes.

Mr. LANE. Is Jack Berenato here?

Mr. BERENATO. Yes.

Mr. LANE. Fred Masucci?

Mr. MASUCCI. That is right.

Mr. LANE. Harry Haggerty?

Mr. HAGGERTY. Here.

Mr. LANE. Chief Harry Saunders?

Mr. SAUNDERS. Here.

Mr. LANE. All right, Senator, will you then direct them to return upon our notice for our next hearing?

Senator HUNT. Gentleman, when you receive notice from us to return, you are directed to do so and you are now excused.

Thank you.

Mr. McCallum, will you raise your right hand?

Do you solemnly swear in the testimony you will give this committee, to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McCALLUM. I do.

TESTIMONY OF GEORGE SAMUEL McCALLUM, ATLANTIC CITY, N. J.

Mr. LANE. Will you give your full name?

Mr. McCALLUM. George Samuel McCallum.

Mr. LANE. Mr. McCallum, the Senator has to leave for Washington and he only has a couple of minutes. It is obvious we cannot take your testimony this morning if you are to give it in his presence. My question to you is whether you will be willing to give your testimony to us in the absence of Senator Hunt or would you prefer to come back at another time when the Senator is present?

Mr. McCALLUM. I am willing to give it to you, but in the ante-room, there is going to be a little difficulty about it. Feinberg, the attorney out there, said, and the newspapers themselves have so stated out there, that no one has to appear if Mr. Hunt leaves, that it is not a committee.

Senator HUNT. You do not have to appear.

Mr. McCALLUM. In my instance, I want to appear before the committee and make it official, because I have gathered more evidence.

(Discussion off the record.)

Mr. LANE. Mr. McCallum, how old are you?

Mr. McCALLUM. Thirty-eight.

Mr. LANE. Where do you live?

Mr. McCALLUM. 11 Shinn Terrace.

Mr. LANE. How long have you lived in Atlantic City?

Mr. McCALLUM. Since I was 14. That would be 24 years.

Mr. LANE. Where were you brought up as a boy?

Mr. McCALLUM. In Philadelphia.

Mr. LANE. And you and your family moved here to Atlantic City when you were 14?

Mr. McCALLUM. When I was 5 years old I was placed in the Widener Memorial Hospital, Broad and Ollie Streets, Philadelphia. When I was 14 years old—

Mr. LANE. Polio?

Mr. McCALLUM. Yes.

Mr. LANE. You came from the hospital?

Mr. McCALLUM. Yes.

Mr. LANE. Did your family come here, too?

Mr. McCALLUM. My family had resided here.

Mr. LANE. Was your primary education given to you while you were in the hospital?

Mr. McCALLUM. Yes, it was, and it was completed down here.

Mr. LANE. You mean somebody from the local school taught you as a boy in the hospital?

Mr. McCALLUM. No. We had our own private teachers and instructors in Widener School.

Mr. LANE. What was the extent of your education after you came here?

Mr. McCALLUM. When I came here to live with my mother and stepfather, I completed the grammar school and graduated and went to boys' vocational school, Illinois and Arctic, for a period of 3 years, which is equivalent to a high-school education.

Mr. LANE. After that what did you do?

Mr. McCALLUM. After that I took a job in the trade of printing and ran into some difficulties because they had taught me the wrong kind of printing.

Mr. LANE. Just in a general way, tell us what your employment was from the time you graduated from vocational high school right down to date.

Mr. McCALLUM. The first job I took for a period of 1 year was as a baker at Albany Avenue and Atlantic, in Mrs. Harriman's Pie Shop. From then on I was out of work for a period of 4 or 5 years.

Mr. LANE. What year are we talking about? Is this in 1928 or 1929.

Mr. McCALLUM. In 1929.

Mr. LANE. You were out of work?

Mr. McCALLUM. For a period of 3 years. I went to work in a gambling—not to work—I hung around in a gambling establishment and made a living picking up tips and running bets for various gambling places.

Mr. LANE. Were you incapacitated for heavy work by your paralysis?

Mr. McCALLUM. Well, I have never held down any hard jobs of any kind with the exception of a baker.

Mr. LANE. You have had no jobs that required heavy work?

Mr. McCALLUM. An elevator operator.

Mr. LANE. For 3 years you say you more or less hung around the gambling joint here in town?

Mr. McCALLUM. Yes. My stepfather had kept me.

Mr. LANE. Where was that?

Mr. McCALLUM. Earl Smoke Shop, Missouri and Atlantic Avenue, which was operated by the late Doc Cooch, 2104 Atlantic Avenue.

From there I went to work in the Hialeah as an assistant to a roulette-wheel dealer.

Mr. LANE. Let me get this in sequence, if I can. Your first acquaintance with gambling was when you were out of work and simply hung around this place?

Mr. McCALLUM. That is right.

Mr. LANE. What was the name of the place?

Mr. McCALLUM. The Earl Smoke Shop.

Mr. LANE. What type of an operation was conducted there?

Mr. McCALLUM. It was wide open—horses. The blackboard was set up there. There was a crap game.

Mr. LANE. How large an establishment was that?

Mr. McCALLUM. It was an establishment that held 180 to 200 people. It was open daily.

Mr. LANE. Was there in the front of that store any counters or places to sell cigars?

Mr. McCALLUM. Cigars and candy front.

Mr. LANE. Cigars and candy front?

Mr. McCALLUM. And a big back room.

Mr. LANE. Was the roulette and the betting on horses carried on in the same big room in the back?

Mr. McCALLUM. In the rear room, in the back, there was roulette, craps, blackjack, baseball betting.

Mr. LANE. How long were you there?

Mr. McCALLUM. A period of 3 or 4 years.

Mr. LANE. Would you say what years those were?

Mr. McCALLUM. That would be 1932 until about 1935.

Mr. LANE. Who were the proprietors of that operation?

Mr. McCALLUM. At that time Doc Cooch was the sole proprietor.

Mr. LANE. Who is now dead?

Mr. McCALLUM. Who is now dead.

Mr. LANE. Are there now in Atlantic City any of the persons who operated in that place who are alive?

Mr. McCALLUM. The employees, which I would not know.

Mr. LANE. Do you know any of them today?

Mr. McCALLUM. I wouldn't know them today; no.

Mr. LANE. You cannot say that among the bookmakers and numbers men in the city today there are any who were operating under Doc Cooch at that time?

Mr. McCALLUM. Not positively; no.

Mr. LANE. You simply worked there for tips, as an errand boy.

Mr. McCALLUM. Errand boy.

Mr. LANE. Did you work on the tables?

Mr. McCALLUM. No.

Mr. LANE. Did you work on the horse bets?

Mr. McCALLUM. Only to run bets for the employees to the windows.

Mr. LANE. You say that ended in 1935 for you?

Mr. McCALLUM. In 1935 they were all closed, and there was nothing doing here, so I went to New York City.

Mr. LANE. How long were you there?

Mr. McCALLUM. 1935 and 1936.

Mr. LANE. What did you do in New York City?

Mr. McCALLUM. I lived at Seventy-first and Columbus Avenue. After a period of 2 months I wrote a small number book. I turned it in to Moe Weinberg, who is also deceased, and Dutch Schultz.

Mr. LANE. This is up in New York?

Mr. McCALLUM. New York.

Mr. LANE. Is that the way you supported yourself?

Mr. McCALLUM. I supported myself with a small number book. I averaged \$18 to \$20 worth of play.

Mr. LANE. In 1937, did you come back to Atlantic City?

Mr. McCALLUM. In 1938 I came back to Atlantic City.

Mr. LANE. What time of the year was that?

Mr. McCALLUM. In the summer of 1938.

Mr. LANE. Did you then find some other means of supporting yourself?

Mr. McCALLUM. I then opened a barber shop, in partners with another fellow, on Michigan Avenue, which lasted a period of about 6 months. That broke up, and I went to work for Sam Cammarata at Hialeah Bar.

Mr. LANE. Was the barber shop a legitimate business enterprise?

Mr. McCALLUM. The barber shop was a legitimate business, but I also wrote a number book.

Mr. LANE. Did your partner write a book, too?

Mr. McCALLUM. No; but we were partners in everything—shop and numbers. It was a very small proposition. It didn't last. I went to work at the Hialeah.

Mr. LANE. Will you describe the Hialeah?

Mr. McCALLUM. The Hialeah was an elaborate set-up of two rooms that held anywhere from four to five hundred persons, located at 1917 Atlantic Avenue. It was opened by Sam Cammarata and Frank Cammarata. It contained two floors. I was a stick man on a crap table for a period of 3 years.

Mr. LANE. What sort of a front did that place have?

Mr. McCALLUM. The Hialeah Horseshoe Bar was in the front. You walked through the main entrance to the rear, upstairs, where there was the big casino room with blackboards, racing wire, crap table, and roulette wheel.

Mr. LANE. Was there any secrecy about that operation?

Mr. McCALLUM. It was a wide-open place to the public, and everything. It had two floors.

Mr. LANE. Are the Cammaratas still alive?

Mr. McCALLUM. The Cammaratas are still alive.

Mr. LANE. Are they still in business in Atlantic City?

Mr. McCALLUM. They are all in legitimate business now. The Hialeah has been sold to a new outfit.

Mr. LANE. Are there among the numbers men and bookies in town today any who worked there at the time you did?

Mr. McCALLUM. Yes. Jack Berenato, who since has opened his own place.

Mr. LANE. Anybody else?

Mr. McCALLUM. Another is deceased.

Mr. LANE. Who was that?

Mr. McCALLUM. Frank Damico, alias Chaney. The rest are in legitimate business.

Mr. LANE. What was your salary for operating as stick man on the roulette table?

Mr. McCALLUM. I received \$5 a day and tips.

Mr. LANE. What did it amount to, the tips? What did you gross then?

Mr. McCALLUM. Three to four dollars. Some days nothing. It averaged at least four to five dollars a day.

Mr. LANE. Did you get your food, in addition?

Mr. McCALLUM. No food or nothing.

Mr. LANE. Did you do anything besides assisting in the operation of the roulette?

Mr. McCALLUM. Well, I would run bets to the window for different customers.

Mr. LANE. For that you would get the tips?

Mr. McCALLUM. That is the way I received the tips.

Mr. LANE. Was that the typical way the other operators in there worked?

Mr. McCALLUM. All of them worked that way.

Mr. LANE. Would you characterize it as a type of operation which makes a very small living for the men who actually do the work, and 99 percent of the profits go to the establishment?

Mr. McCALLUM. The operation of the Hialeah was done on a big basis. It was a very big business to the Cammarata brothers. The employees were very underpaid. They were really underpaid.

Mr. LANE. How long were you there?

Mr. McCALLUM. Three years at the crap table and 1 year on the roulette wheel. It wasn't continuous employment, as we were often closed during election time and at different political terms, when we would close, during what they called the slouyl.

Mr. LANE. For a month or two at a time?

Mr. McCALLUM. Two weeks.

Mr. LANE. You mean you had a name in the vernacular for it because it happened so often?

Mr. McCALLUM. Yes.

Mr. LANE. S-l-o-u-y-l?

Mr. McCALLUM. Yes.

Mr. LANE. Was the place ever raided while you were there?

Mr. McCALLUM. No.

Mr. LANE. Did you ever see in the place any members of the Atlantic City police force?

Mr. McCALLUM. Quite often.

Lou Arnheim, who still holds a job in the Atlantic City police department as assistant detective. Archie Williams, who holds his job as assistant to Arnheim. Then there were such political figures as "Nockey" Johnson, Ferd Moore, who was deceased.

Mr. LANE. Did you ever see Vincent Lane in there?

Mr. McCALLUM. Not at that time.

Mr. LANE. Did you ever see Frank Farley?

Mr. McCALLUM. At the time the Hialeah was operating, Vincent Lane was a \$3-a-day board man in a Kentucky Avenue horse room known as the Admiral.

Mr. LANE. What was the Admiral?

Mr. McCALLUM. It is still there, and is known as the Admiral Hotel. It is on South Kentucky Avenue near Pacific. There was a large store down there known as the Admiral horse room.

Mr. LANE. Known as the Admiral horse room?

Mr. McCALLUM. Yes.

MR. LANE. What did they sell in that store?

MR. McCALLUM. They had no front whatsoever. They had a large horse room with a big slate blackboard, two crap tables. Mr. Lane was the board man who came out with a headpiece on his head and used to chalk up the prices as they came in. At the far end of the room were two crap tables going, which was a small limit game, a \$200 limit game.

MR. LANE. How many customers could be accommodated in that place at one time?

MR. McCALLUM. This place would hold 150 to 200 people. It was considered a smaller gambling operation, as they took 50-cent bets and many persons on relief pooled their quarters to make a 50-cent bet. The same was true with the crap table. You could bet from a quarter on up.

MR. LANE. Is this a place that had plate-glass windows on it?

MR. McCALLUM. Plain ordinary store windows, blocked out with ads.

MR. LANE. Venetian blinds?

MR. McCALLUM. No. It was a decorated window with cigarette advertisements that fully blocked the view. They needed all the store.

MR. LANE. Did you require an introduction?

MR. McCALLUM. No. It was wide open to the public.

MR. LANE. Did you see members of the police department of the city there?

MR. McCALLUM. I was not too familiar with the place. I worked at the Hialeah. When the Hialeah closed they would stay open a little longer. Many a time I hit the place and went in there. I went into the place looking for some customers, myself, many a time.

MR. LANE. You were telling me about the Hialeah and you were there during what year?

MR. McCALLUM. The Hialeah, I was there for a period of 4 years, 3 years on the crap table and 1 year on the roulette wheel.

MR. LANE. What were the years in question? You said you returned to Atlantic City in 1938. You worked 6 months in the barber shop.

MR. McCALLUM. Part of 1939, 1940, 1941, 1942.

MR. LANE. Did these establishments, or establishments of this character, continue to operate until the time that the Army took over the hotels here in Atlantic City?

MR. McCALLUM. No. The Hialeah had closed. There was a lot of war talk, of soldiers being stationed here, and the Hialeah had closed in the latter part of 1940 and closed for a period of 2 years. I had been advised by the man who brought me to Atlantic City by the name of Robert Weidawax, expresident of the Atlantic City Chamber of Commerce and brother-in-law to Cammarata, who had brought me to Atlantic City from this crippled hospital in Philadelphia and was my guiding friend in Atlantic City and who placed me in the Hialeah in the job I had—he advised me that the Hialeah would be closed for quite a spell and to seek employment.

Jack Colby, who was opening up at Arkansas and Pacific, I was advised, would probably be able to continue under the Taggart regime. I then went to work for Jack Berenato.

MR. LANE. You mean he would be permitted to operate?

MR. McCALLUM. He would be most likely the one to operate, as the Hialeah was closing for a long period.

Mr. LANE. You were given to understand that Berenato had an in with the Taggart regime which would permit him to operate?

Mr. McCALLUM. Through Taggart's secretary, unknown to Taggart. His name was Vincent Manno.

Mr. LANE. Mr. McCallum, do you know Manno?

Mr. McCALLUM. I had never known Vincent Manno very well, but I was associated with Pete Manno who lives on Columbia Place, who now holds a job as Government conciliator, in Washington, D. C., and his home is still on Columbia Place, opposite Jack Berenato's.

Mr. LANE. Is that his brother?

Mr. McCALLUM. That is his brother. Whom? Pete?

Mr. LANE. Pete.

Mr. McCALLUM. Pete is the brother to Vince.

Mr. LANE. You indicated that Taggart wasn't acquainted with Berenato. It was Manno.

Mr. McCALLUM. Taggart's secretary, Vince Manno.

Mr. LANE. The reason that Berenato would be able to open was because he had that contact with Manno?

Mr. McCALLUM. With Manno's brother Pete, with Vince Manno's brother Pete, who held a position at that time—I do not know what position he held, but it was in 2019 Pacific Avenue in a cigar store with Colby and Skinny.

Mr. LANE. When you say Colby, you mean Jack Berenato?

Mr. McCALLUM. Yes.

Mr. LANE. Who is Skinny?

Mr. McCALLUM. Paul D'Amato.

Mr. LANE. Did Berenato open up there?

Mr. McCALLUM. Yes. They had leased a place at 2519 Pacific Avenue with very little money.

Mr. LANE. Was Skinny D'Amato his business associate in that venture?

Mr. McCALLUM. Skinny D'Amato and Jack Berenato were partners in that transaction, and I went to work for them at \$3 a day salary and a big meal every night.

Mr. LANE. What was your job there?

Mr. McCALLUM. The room opened up with a large blackboard and one crap table.

Mr. LANE. The blackboard for bookmaking, you mean?

Mr. McCALLUM. And taking horse bets.

Mr. LANE. And taking bets on basketball, baseball?

Mr. McCALLUM. Any way which they could to make a dollar.

Mr. LANE. Bet on elections?

Mr. McCALLUM. Never.

Mr. LANE. Just on sporting events.

Mr. McCALLUM. Sporting events.

Mr. LANE. Were there operating in that place people who are still engaged in bookmaking?

Mr. McCALLUM. All still engaged in the same business. I had worked for them for a period of 8 months, at 2019 Pacific Avenue, for Skinny and Colby. They had started to do a little business. They had a falling out. By falling out, I mean a separated partnership. Skinny went to work with the club at 6 South Missouri Avenue.

Mr. LANE. Is he still there today?

MR. McCALLUM. Where he still remains to this day. I stayed with Jack Berenato; and I got an increase in pay of \$5 a day.

MR. LANE. You mean an increase to \$5 a day?

MR. McCALLUM. To \$5 a day. Business got better and we had operated for a period of 8 weeks. Colby had put his own bank all on the crap table. That is Jack Berenato. Seven months later he admitted to me and others that he had won \$21,000 in that period of 8 weeks that he operated. We were closed.

MR. LANE. That is all in 1943, isn't it?

MR. McCALLUM. In 1943.

MR. LANE. Was it before the Army came or after the Army came?

MR. McCALLUM. That was before the Army came.

MR. LANE. Do you remember what time in 1943 it was that the Army came?

MR. McCALLUM. In the early part—no, the Army came in the latter part. This was in the early part that we were operating.

MR. LANE. You say this was in the latter part of 1942 and the first 6 months of 1943 that this was operated?

MR. McCALLUM. Yes, sir.

MR. LANE. How many people could be accommodated in a place like that?

MR. McCALLUM. A hundred to a hundred and fifty. It was a small place. He has rebuilt it since, all the way back, deeper.

MR. LANE. Was there any sort of a front to that place?

MR. McCALLUM. A small cigar-store front was the original way it was set up.

MR. LANE. Any introduction required to get in there?

MR. McCALLUM. No, a wide open door.

MR. LANE. Transients came and went as they pleased?

MR. McCALLUM. Yes.

MR. LANE. Did you ever see in there members of the police force?

MR. McCALLUM. Lou Arnheim, Archie Witham, different members of the vice squad. I didn't know them personally. They often stopped in the cigar store.

MR. LANE. Did they ever go into the back room?

MR. McCALLUM. Only when the place was closed.

MR. LANE. Was the place ever closed by the police?

MR. McCALLUM. Yes, about 1 o'clock in the morning we had a crap table operating, no horses, no numbers, just a crap game, which was going on about 1:30 in the morning, and had been going on all day. The late Mayor Taggart, with constables and police officers that he had deputized—he was the mayor at that time, raided the place and 34 of us were brought to city hall and held overnight in a large ante-room in the detective bureau and bail was set the next morning. We were freed and we went to a magistrate's court and were fined \$200 and dismissed.

MR. LANE. What was the charge?

MR. McCALLUM. Operating a dice game.

MR. LANE. And you pleaded to that?

MR. McCALLUM. Non vult.

MR. LANE. Who paid the fine? Did you pay your own fine?

MR. McCALLUM. The fine came off the crap table money, out of the bankroll of the crap table money, operated by Colby and Skinny.

MR. LANE. That was before they broke up?

Mr. McCallum. That was before their split.

Mr. Lane. Was the place ever raided after that?

Mr. McCallum. We stayed closed for a period of 6 weeks.

Mr. Lane. How long did you stay closed?

Mr. McCallum. For a period of 6 weeks. We reopened with horses and craps. The late Mayor Taggart again raided us in the daytime. There were 80 or 90 people in the room betting horses and shooting crap.

Mr. Lane. How long after you reopened was that?

Mr. McCallum. A period of 2 weeks after we had opened. We were all booked and held under \$1,000 bail. Colby, the boss, was held under a bigger bail. We were indicted by the grand jury. We pleaded—

Mr. Lane. Indicted for what?

Mr. McCallum. Indicted for bookmaking and running a crap game. We were represented by Attorney Smathers. We pleaded not guilty and we were found guilty by the grand jury.

Mr. Lane. It must have been a petit jury. Did you have a trial? You pleaded not guilty.

Mr. McCallum. Pleaded not guilty.

Mr. Lane. Then there was a formal trial?

Mr. McCallum. Formal trial with a jury.

Mr. Lane. And before what judge?

Mr. McCallum. Before Judge Loveland in Mays Landing. I was sentenced to 6 months in the county jail at Mays Landing and fined \$200. Dimiformica also was fined \$200 and given a 6-month sentence in the county jail at Mays Landing. Jack Berenato, alias Colby was sentenced to 1 year in State's prison and a fine of \$1,000. He appealed his sentence, and it was reduced to 364 days in the county jail at Mays Landing, and he paid the thousand-dollar fine.

Dimiformica and I served 34 days in the county jail. Our fine wasn't paid. Two days before Christmas we were released by Judge Warke and put on probation for a period of 2 years to pay the \$200 fine.

Mr. Lane. Did you eventually pay the \$200?

Mr. McCallum. I came out of Mays Landing, the county jail, and had not been working for a period of 6 months. In the meantime Mr. Berenato had served 92 days of his 364-day sentence. He was also released.

Mr. Lane. On probation?

Mr. McCallum. Put on probation and paid his fine. I had to go to another crap game and see Jim Masterson at Mississippi Avenue and Pacific. He was operating a crap game that had now opened in the Babette Club. As I had lost employment with Berenato over a feud over the money he was to pay me—

Mr. Lane. Was the disagreement as to his paying the fine?

Mr. McCallum. As to his paying my fine and he was supposed to pay me \$10 a day every day I served in jail. When I asked for the \$340 coming to me for my fine, I was told to drop dead. I then was idle and went to Jim Masterson to collect \$20 which I had to report to the probation officer and pay this fine.

Mr. Lane. Whom did you report to?

Mr. McCallum. Vincent Lane, the investigator in the probation office.

Mr. LANE. The same man who was working around in the place with the headphones on and running the board in the Admiral?

Mr. McCALLUM. In the Admiral horse room.

Mr. LANE. Yes.

Mr. McCALLUM. Yes.

I laid idle for a while. My fine was paid by Jim Masterson. I started to do a little booking of my own for a period of 2 weeks at Arkansas Avenue and Atlantic and was soon put out of business.

Mr. LANE. What are we talking about now?

Mr. McCALLUM. The latter part of 1943.

Mr. LANE. When you say you were put out of business, what do you mean by that?

Mr. McCALLUM. I was told to get off the corner, no corner lounging, by the vice squad and different members of the police department. Then I was approached by Jack Berenato and he told me to come back to work for him, which I did.

Mr. LANE. He opened up the same place again?

Mr. McCALLUM. He had opened up the same place at 2019 Pacific Avenue.

Mr. LANE. When Berenato opened up that same place, again, didn't he subject himself to the risk that Taggart would raid him again?

Mr. McCALLUM. In the meantime Mayor Taggart had been stripped of all powers of the police department, while he was vacationing in Florida.

Mr. LANE. How was that accomplished?

Mr. McCALLUM. By the city commissioners of Atlantic City, which was made up of Joseph Altman, Commissioner Betta, Commissioner Casey, Commissioner Cuthbert. They had cast votes to strip Taggart of powers that he had as chief of the police department, which he had held as mayor.

Mr. LANE. Cuthbert and Betta are still there?

Mr. McCALLUM. And Casey.

Mr. LANE. When you said he was stripped of his powers as chief of police, I take it you mean he was stripped of his powers as director of public safety, which has jurisdiction over the police and fire departments?

Mr. McCALLUM. Yes. While he was in Florida.

Mr. LANE. Was Harry Saunders chief of police?

Mr. McCALLUM. He was captain of the police department.

Mr. LANE. He became chief?

Mr. McCALLUM. And Lou Arnheim was head of the vice squad. This Arnheim and Witham were always known as bosses of the vice squad, but whenever the town was sloughed, they would be the vice squad, known as the vice squad and when the town was open, they would have other members who operated as the vice squad.

Mr. LANE. Had the operation of Berenato's place been known to Saunders?

Mr. McCALLUM. At that time, I wouldn't know whether Captain Saunders would know that it was operating, but I am sure that Lou Arnheim did, the vice squad leader.

Mr. LANE. Was Mooney on the vice squad at that time?

Mr. McCALLUM. That was after the war. We are talking about during the war.

Mr. LANE. In any event, you say Berenato opened up again?

Mr. McCALLUM. For a period of 5 weeks. I worked for Berenato. He opened again. Then notice came from the Government that all race tracks in the country were to be shut down and there was no more booking to be done. The crap games were closed. I went to work for a period of 21 weeks.

Mr. LANE. Wait a second. Before you go to any other employment, who gave that notice to the different gambling establishments here in town? How did the word get out?

Mr. McCALLUM. That came in the newspapers. Every race track in the United States was closed during the war.

Mr. LANE. What about crap and roulette?

Mr. McCALLUM. Word was around. I wouldn't know whom it came from.

Mr. LANE. Did they all close up?

Mr. McCALLUM. We were closed and every other place in town was closed, as the soldiers were in here training with the Army Air Force.

Mr. LANE. Were any arrests necessary to close up the places?

Mr. McCALLUM. No arrests were made to close them.

Mr. LANE. They just closed up. What did you do for a living after that?

Mr. McCALLUM. Mr. Berenato seemed to be in bad straits financially. I went to work and opened up the restaurant as the chef, Italian chef, and helped him name it Luigi's. I worked 16 hours a day for them for 21 weeks. I think I received \$30 in pay in the 16 weeks. He had four children and I was single.

Mr. LANE. Is that the same Luigi's that is operating today?

Mr. McCALLUM. The same one.

Mr. LANE. Who owns it today?

Mr. McCALLUM. Owned by Jack Berenato.

Mr. LANE. How large an operation it is?

Mr. McCALLUM. It is operated by the Oldine Corp. The stockholders are brothers Bart Berenato, a 1-percent stockholder, and Dominic Berenato, a 1-percent stockholder, another brother.

Mr. LANE. Are any of the Berenatos in politics?

Mr. McCALLUM. Bart Berenato holds a job in the tax bureau.

Mr. LANE. State government?

Mr. McCALLUM. County. County tax office and registration bureau of Atlantic City. Dominic Berenato, the other brother, holds a special police officer's job at the Municipal Fruit Market, which governs the price of all farm products brought into the county of Atlantic. I operated the restaurant for a period of 8 weeks. I hired a waitress by the name of Dorothy, who is now my wife. She worked with me as a waitress, cashier, dishwasher, and between the two of us we operated the restaurant in a legitimate manner. Colby in the meantime had set up two pool tables, which I went to Sea Island City for and borrowed from a person by the name of Applegate. During my spare moments I rested in the back poolroom. A period of 9 weeks went by. Mr. Berenato's wife had been calling on him for 5 weeks, asking for money, and, as the man was broke and I had beat a fellow playing Kelly pool on the pool tables in the back for \$280, I had taken \$30 of the \$280 and turned \$250 over to Berenato because he had four children.

The war was coming to an end and the race tracks had opened again and we gradually opened up with the horse room. We opened up the first day that the government let the race tracks run.

Mr. LANE. That was at Luigi's?

Mr. McCALLUM. In Luigi's.

Mr. LANE. What was the extent of that operation there?

Mr. McCALLUM. Blackboard, wires, and what not.

The work operating Luigi's restaurant had been too much for me and my wife. She was the waitress, Dorothy, whom I married 6 weeks later. We turned it over to Tony Wong, a Chinese restaurant man. I operated the cigar store front, next store in the same building and the poolroom in the back, where we booked horses. The place then operated as a horse room again and finally, after a period of 3 months, when we were going into 1945, Colby put up the blackboards, hired his crew back, which consisted of Davey Lowenfield and two of his brothers, Dominic and Johnny Berenato. I operated the cigar-store front and received a salary of \$10 a day. They eventually opened a crap game in the back and things were starting to move pretty well.

I had fallen and hurt myself painting the front of the restaurant, and went to a hospital for a period of 10 weeks with a bursted appendix. The only compensation I received was \$28 a week, paid for me by Jack Berenato, which was to cover the ward that I was in in Atlantic City Hospital. I had come home from the hospital after 7 weeks. I went back for three more weeks when I had a relapse. As the year went by we were married and I had one child, and we opened a place on Arkansas Avenue.

Mr. LANE. Wait a minute, Mr. McCallum. That means you left Luigi's about when? The beginning of '45?

Mr. McCALLUM. The end of '45.

Mr. LANE. And was it operating then as a horse room?

Mr. McCALLUM. It continued to operate as a gambling place.

Mr. LANE. Was it operating as a horse room at that time?

Mr. McCALLUM. It was operating as a horse room at that time?

Mr. LANE. Were they also conducting crap games there?

Mr. McCALLUM. And also conducting crap games.

Mr. LANE. Did they have roulette there?

Mr. McCALLUM. No roulette; no, sir.

Mr. LANE. How many people could be accommodated in there?

Mr. McCALLUM. The place had been built up to where they could hold 200 people. They had built a new extension in the back with pay-off windows and everything, and could accommodate 200 people, with a small restaurant front, and a little cigar store front.

Mr. LANE. Did they have to have a license to build that?

Mr. McCALLUM. They had to have a permit to build this building. It was done by a contractor named Ellenberg.

Mr. LANE. When you were working in the front, in the cigar store, did you ever see any of the officials or any members of the Atlantic City police force? During the time that you were there did you ever see any members of the police force? This was up to the end of 1945. Did you ever see either in the front or in the back any members of the police force of the city?

Mr. McCALLUM. Yes, I did. I had regained my health somewhat.

Mr. LANE. Whom did you see in there?

Mr. McCALLUM. I had taken the cigar front over, and was better known as Colby's, Jack Berenato's right-hand man. I had charge of the front cigar store and anyone going into the horse room, in the back.

Mr. LANE. Had to walk past you?

Mr. McCALLUM. They had to walk through my cigar store to walk to the gambling room in the rear.

Mr. LANE. Did you ever see any members of the police force there?

Mr. McCALLUM. Practically every Friday of the year I saw George Frye.

Mr. LANE. Was he a member of the police force?

Mr. McCALLUM. A member of the police force, known as Inspector Frye. Every Friday Frye would drive up and receive an envelope. I do not know the contents of the envelope, but I know it was money.

Mr. LANE. Where was that given to him?

Mr. McCALLUM. In my presence, in my little cigar store.

Mr. LANE. Who would bring it out front?

Mr. McCALLUM. Jack Berenato personally would give it to him.

Mr. LANE. What kind of an envelope was it?

Mr. McCALLUM. A small pay envelope that we paid the horse bets off with. It was like a regular paymaster's envelope.

Mr. LANE. Was it sufficient to put several bills in?

Mr. McCALLUM. Sufficient to hold any amount of money in large bills. I have often seen Lou Arnheim and Archie Witham eat in the restaurant and never pay their checks, as the waitresses would either bring them to me to O. K. them or to Jack Berenato, if he was around.

Mr. LANE. This is at Luigi's?

Mr. McCALLUM. Lou Arnheim and Archie Witham paid a weekly visit and they would have a dinner and discuss things in the booth. I was never near.

Mr. LANE. With Colby?

Mr. McCALLUM. With Jack Berenato. They would also receive an envelope.

Mr. LANE. Did you see them receive an envelope?

Mr. McCALLUM. On two or three occasions I did.

Mr. LANE. Would that happen in the cigar store?

Mr. McCALLUM. That would happen in the restaurant. Generally Colby, if anyone came for money, would walk them either into the restaurant or into the back room so as to try not to be seen by other people. Then they established a new vice squad, which consisted of Sergeant Sullivan, Hanesberry, Halm, John Berry, and Mooney.

Mr. LANE. This was when?

Mr. McCALLUM. In 1946.

Mr. LANE. Before you went into that? You weren't in the cigar store in 1946, were you?

Mr. McCALLUM. In 1946 this vice squad closed us up. There were periods in which we did what we called sneaking. The horse room was closed in the back. We were taking bets in the cigar store and phoning them into an apartment at 2005 Pacific Avenue, three doors from the gambling establishment. The apartment was held by Celia Webb, a girl friend of Jack Berenato's.

Mr. LANE. Was anybody arrested when the place was closed down that way?

Mr. McCALLUM. No, the vice squad would come and make periodic checks, twice a day.

Mr. LANE. Would you know when they were coming?

Mr. McCALLUM. We had a mirror hooked up on the front and they gave us plenty of time to see them coming. They would drive across the street instead of coming at our side of the street. We would put the sheets and betting things away. We had people sitting in the booths, and this vice squad came around every week and received the money every week from Jack Berenato. Mooney usually received the money.

Mr. LANE. Where would he receive it?

Mr. McCALLUM. The empty back room of the cigar store, as things were closed.

Mr. LANE. Was Ferdinand Moore ever in the place?

Mr. McCALLUM. Ferd Moore had just come out of the service. This was in the latter part of 1946. He had come around to see Colby as an old friend. I had met him. I was selling some perfume for him called the LeMar, which he had been selling on the job, plus his job as detective out of the mayor's office.

Mr. LANE. That is city detective, you mean?

Mr. McCALLUM. City detective.

Mr. LANE. Did Moore ever come to the place?

Mr. McCALLUM. Quite frequently, to visit, in order to sell me perfume and talk to Berenato.

Mr. LANE. Did you ever see him get money?

Mr. McCALLUM. Only for perfume he sold us.

Mr. LANE. You never saw him get envelopes?

Mr. McCALLUM. No.

Mr. LANE. During this time the place was in operation did you ever see Stumpy Orman there? Did you ever see Orman there?

Mr. McCALLUM. I had seen Stumpy Orman pull up in his car and bawl me out for letting Jack Berenato and them park the cars in front of Luigi's, where there should be no parking. He said, "Tell that baldheaded boss of yours to keep the cars from in front of the place, that there are too many complaints."

Also, after the crap game had opened up, I had seen Stumpy Orman, as I was stick man, shooting crap in the place, lose a large sum of money, which I could not describe, because I was a working-man on the crap table and you cannot keep track of everybody in the game. He was there shooting crap. It was his pleasure. It was going on to 1947 then.

Mr. LANE. Did you ever see any other people there who were in politics, who were in political office?

Mr. McCALLUM. During the Christmas of 1946 I personally stood out front when the vice squad came in and received their Christmas presents, which was \$20 apiece and a bottle of whisky that Colby had bought. Many cops from the police department, such as captains, detectives, men whom I had never seen or heard of, were there to receive \$10 for each cop and \$20 for each captain and detective. That includes city and county—too numerous to mention their names.

Mr. LANE. Did they come into the cigar store or did they get it on the street?

Mr. McCALLUM. Right in the cigar store. They would come in and receive, in a regular line-up, their cash Christmas presents.

Mr. LANE. How many would you estimate?

Mr. McCALLUM. I would say better than 300 during the week of Christmas had received cash Christmas presents. Colby was kidding and saying, "I hope I don't run out of tens and twenties." He paid them all right off a roll out of his pocket and wished them a merry Christmas and shook hands with each one personally. We had again closed. It was nearing 1947.

Mr. LANE. I had asked you whether or not you saw in that place any of the people in public office here.

Mr. McCALLUM. Not at that time.

Mr. LANE. Did you at any time?

Mr. McCALLUM. Well, in 1947 the place had closed, and I went to look at my house and turned in to Colby and I called my bets in by telephone and checked with him every night, which I was receiving \$10 a day for. The place was operating on what we call the sneak, unknown to anyone, just by telephone and men on the street picking up bets, such as I. The restaurant was getting bigger now and operating now and doing a bigger restaurant business. I have often seen Senator Farley in there at dinner time twice a week; Vince Lane to eat his meal there two or three times a week. I wasn't connected with the place any more as high right-hand man. I was phoning my bets in to keep making a living, at \$10 a day salary.

Mr. LANE. Did you ever see Lester Burdick in there?

Mr. McCALLUM. On occasions at noontime, several times a week, I saw Lester Burdick stop in his red Cadillac and have a discussion with Colby, with Jack Berenato, and I know he was there to receive payment for his operations of WMID at the time, which was broadcasting racing results at that time. It was called WMID. They would give the bigger bookmakers a better racing result by telephone.

Mr. LANE. Let me just interrupt you a minute. Mr. Burdick has already testified that he bought a red Cadillac car in 1947. I do not know whether he had a red Cadillac before that. Are you sure of that time that he drove up, the time you say, in 1947, that he drove up in the red Cadillac?

Mr. McCALLUM. In 1947 he bought a red Cadillac. I would see him drive up with license AA-7, which he has had every year.

Mr. LANE. Then he would go in to talk to Colby or would Colby come out to see him?

Mr. McCALLUM. He would go in to see Colby. Many times he went into the back room where the room was opened and ask for Davey Lowenfield when Colby wasn't there.

Mr. LANE. Was that during the time you were in the cigar store?

Mr. McCALLUM. That is right.

Mr. LANE. He would walk past you?

Mr. McCALLUM. He would go to Davey Lowenfield, who was then considered Colby's right-hand man and receive \$30 a day for operating the Colby phone business.

Mr. LANE. You saw Burdick walk through the cigar store and walk into the back room by you within the cigar store?

Mr. McCALLUM. Burdick would ask me if Berenato was around and I would tell him that Davey was there. He would go in to see Davey Lowenfield, Colby's right-hand man.

Mr. LANE. Was there gambling going on?

Mr. McCALLUM. Off and on. The place was closed off and on.

Mr. LANE. Was the place in operation at times when Burdick walked into the back room to see Lowenfield?

Mr. McCALLUM. Yes: because Jack Berenato never closed as far as booking horses was concerned. If he closed the room, he worked somewhere else by telephone. People would hang around and phone it in to Davey Lowenfield who was in charge of Colby's business affairs.

Mr. LANE. Tell me about the operation of the bookmaking system in Atlantic City and their method of obtaining the racing results.

Mr. McCALLUM. Station WMID used to pass out the racing results every 15 minutes on the radio during periods of song and periods of advertising. Colby had a connection with Burdick to get the results by telephone from WMID.

Mr. LANE. Colby would telephone to WMID?

Mr. McCALLUM. They would call him the race results and any additional results that he would need.

Mr. LANE. Mr. McCallum, did any of these horse rooms obtain the information from WMID by their own radio installed in the room?

Mr. McCALLUM. Every one of them operated that way. Every bookmaker in Atlantic City, for the past 4 years, since 1947, has operated by radio. They receive the race results from these radio stations.

Mr. LANE. You say these radio stations, do you mean a place such as you described would be tuned into WMID at all times when races were in progress?

Mr. McCALLUM. Right now, everybody receives the race results from two different stations.

Mr. LANE. What are they?

Mr. McCALLUM. The station that is on the most is WOND because they give the results faster than other stations.

Mr. LANE. WMID does it also?

Mr. McCALLUM. In between, every 15 minutes.

Mr. LANE. You said, a moment ago, that Colby would telephone—I beg your pardon, that WMID would telephone to Colby.

Mr. McCALLUM. WMID, the man on the station, would give the race results out. He had a connection to Colby's business number and gave him results that he needed for his business. If he missed something on the radio, he could call in and they would repeat them back to him.

Mr. LANE. Was that service available to all the horse rooms in Atlantic City or just to a few?

Mr. McCALLUM. That service would be available to anybody that had contact with Lester Burdick.

Mr. LANE. That is just what I am coming to.

Mr. McCALLUM. Yes.

Mr. LANE. How would one obtain such a service, special service, telephoning or being telephoned to by WMID?

Mr. McCALLUM. By seeing this Mooney of the vice squad. He always carried a list with him of the places that wouldn't be bothered, that were allowed to operate. Naturally, Lester Burdick had access to that list and would, in that way contact these people.

Mr. LANE. But whether or not he had access to that list, did Lester Burdick, in fact, contact the people who operated the horse rooms?

Mr. McCALLUM. I know positively that he was in contact with Colby when I worked there.

Mr. LANE. How did the horse rooms pay for the service they received from the radio stations?

MR. McCALLUM. Lester Burdick would solicit, according to their means, the kind of service that they would need, but they were all told to give him money toward the station for broadcasting the results.

MR. LANE. Did Burdick solicit advertising?

MR. McCALLUM. He would solicit advertising from regular firms such as Luigi's Restaurant, different places, London Leather Supply Co. They would have legitimate ads that helped pay for the broadcast of these results. They usually had a sponsor to back them.

MR. LANE. Does everyone who receives the kind of service from the radio station, that you have described, receive time on the air as well as information by telephone?

MR. McCALLUM. The average bookmaker of all these places down there, you didn't have to pay if you didn't want to, because later on in my testimony, I will show you where he came to me and I couldn't afford to pay \$20 a week for information and the man who was in partnership with me refused to pay it, but I never bothered. I could get the results over my radio, which I did, whether I paid or not.

MR. LANE. Could you get it by telephone?

MR. McCALLUM. No; I could never get it by telephone.

MR. LANE. What was paid for this service by Colby, do you know?

MR. McCALLUM. Well, just from hearsay, working for Colby and in kidding ways, I was under the impression that it was \$50 a week.

MR. LANE. Who collected the \$50 a week?

MR. McCALLUM. Lester Burdick, of course. I have never seen him collect it personally because it was done in a secretive way, but he would stop there and visit him once a week.

MR. LANE. That was with consistent regularity, was it?

MR. McCALLUM. A regular stop every week.

MR. LANE. Did he make regular stops at other horse rooms in town, to your knowledge?

MR. McCALLUM. On occasion I saw him stop at other places where I knew gambling was going on.

MR. LANE. Did you ever see him stop at the Bath and Turf Club?

MR. McCALLUM. No.

MR. LANE. Is that where gambling was conducted?

MR. McCALLUM. That is known as a casino. They don't generally book horses. It is mostly known as a night casino where they have crap games, bird cages, and roulette wheels.

MR. LANE. What about the Jockey Club? Is that a place where they have a horse room?

MR. McCALLUM. The Jockey Club is an open bar, open to the public. It is known as a pansy club. The entertainers are all pansies, better known as fairies. You can place a wager in the Jockey Club with someone or other, whoever they have working around there, and they have the radio blast the results. In fact, there is a list of at least 86 to 89 bars that you can walk in and place a bet in Atlantic City.

MR. LANE. On horses?

MR. McCALLUM. On horses or numbers—9 out of 10 of these bars. I have given a copy of the list to Judge Woods, the prosecutor's office. 9 out of 10 of these bars. The bartenders are union men and have to turn their action in to Haggery, "Cherry" Haggerty, because he is head of the bartenders association.

MR. LANE. When you say, turn their action in, they have to turn their bets in?

Mr. McCALLUM. Their horse bets and number bets.

Mr. LANE. Is that gross, or do they retain a net out of it?

Mr. McCALLUM. In some cases, if the book is a little high, they probably derive a percentage of it, but in cases where it is a smaller play, \$10, \$12 a day or \$20, people come in and want to be accommodated with a bet, the bartender will take it and phone it to Haggerty. The same is true with the waiters' union. "Cherry" Haggerty's partner, John Massina, has a brother there who takes horse action from the waiters down there and phones it in to Haggerty's book at Mississippi and Atlantic Avenue.

Mr. LANE. Now, Mr. McCallum, the conclusion is obvious, isn't it, that bookmaking and numbers play in Atlantic City cannot be conducted without the knowledge of the law enforcement agencies in Atlantic City?

Mr. McCALLUM. Positively not.

Mr. LANE. Can it have been so conducted at any time since you have been connected with bookmaking?

Mr. McCALLUM. I could go into a little story about where I had—

Mr. LANE. I don't want you to do so because time is so short. Can't you answer the question as to whether it could have been conducted without the knowledge of the law enforcement agencies?

Mr. McCALLUM. No, I do not think it could be, because I had the experience of the vice squad just closing me on six or seven occasions when I didn't have the word to go. In other words, they call it the O. K. down here and when you have the O. K. to operate a horse room, Mooney of the vice squad has a list. For instance, I opened at 5 South Michigan Avenue. John Mooney and Sullivan pulled around there in their vice squad car, a black Ford, on the second day that I was opened and called me out to the car and he said, "I see you are not voting right. Get the green up every Monday." I laughed and kidded with him and paid no attention to him and went into my place and was operating, because I had the O. K. from Senator Farley, Jim Boyd, and Vince Lane to operate.

Mr. LANE. How did you get the O. K. from them for that?

Mr. McCALLUM. I have given you a copy of the testimony where I went to the grand jury and explained it.

Mr. LANE. That is a different record.

Mr. McCALLUM. I went to Hap Farley.

Mr. LANE. That is Senator Farley?

Mr. McCALLUM. Senator Farley. Frank S. Farley, and located him in Jim Boyd's office in the Guaranty Trust Building.

Mr. LANE. When was that?

(Discussion off the record.)

Mr. McCALLUM. That was in May of 1949.

Mr. LANE. You say you found Senator Farley in Boyd's office?

Mr. McCALLUM. Jim Boyd's, the county clerk's office in the Schwinn Building. I was accompanied by my stepfather. My stepfather asked Mr. Farley whether it would be all right for him to open a little blackboot store and cigar store, so he can make a living, as we had been told to make that approach to him.

Mr. LANE. Who told him to say that?

Mr. McCALLUM. Philip Toppen, a committee ward leader of the third ward, out of Farley's office. He told me not to mention gambling at all, but to state it that way. Senator Farley and Jimmie

Boyd got into a huddle. James Boyd picked up the phone and called Vincent Lane at the probation office and told him, "We are sending Reds down to you. Take care of him."

My father and I walked down to Lane's office. He was still on the phone, probably talking to Mr. Boyd.

Mr. LANE. You mean they are almost adjacent offices?

Mr. McCALLUM. Four stories down in the same building.

Mr. Lane asked me what I wanted. I explained I wanted to open a bootblack stand and write a few numbers and take a few horses. He told me, "O. K. You are O. K. Go ahead."

I contacted Haggerty. I had a store there that could be bought and I could write a little horse bets. "Cherry" Haggerty told me, "Go ahead, but see that we get the number play." I had made the deal to turn the number play in to Haggerty. I opened up with Mike Carney.

Mr. LANE. He financed it?

Mr. McCALLUM. He financed it and bought the restaurant, store, for me for \$800 which I operated for a month to get my lease. Then I broke it up and turned it into a horse room. I turned my number play in to Haggerty. This went on for several months. On a Saturday, Charles Hogan, Haggerty's man, told me the number play was too small, \$8 or \$9 a day, that the stop wasn't worth it to him, so they gave that up. I contacted Eef Barnes, a colored numbers baron at the Lincoln Apartments at Indiana Avenue. Eef had advanced \$300 to me. I got away from Mike Carney's employ and got this lease to take the place next door to the one we had.

Mr. LANE. Carney stayed there and you went next door?

Mr. CARNEY. Carney gave up and I rented the place at 5 South Michigan Avenue and gave up the last place. It started to go up to \$15 to \$30 a day. The summer season was on. I picked up horse play and was booking with Barney Marion. Every week the vice squad would receive \$25 out of my end of the money which Barney Marion would take and write it up on the top of the sheet of paper of the horse play and, he would say, "This is for the vice squad." He would write down "vice squad" and put the \$25 in his pocket and was supposed to give it to them every Saturday afternoon. Every Saturday afternoon Jimmie Cermani and Anthony Maryera would receive \$10 cash and that would come out of our bank roll.

Mr. LANE. Who were they?

Mr. McCALLUM. They were city detectives called district men of that district.

Mr. LANE. Who gave them that?

Mr. McCALLUM. That would be presented by me to them and also from Barney Marion to them, whoever was there on the premises operating the horse book. That was paid every Saturday during that period. I also was approached by a man from the sheriff's office and had to buy an ADA sheriff's card from him which cost me \$10. I have a set of ADA cards.

Then I was approached by Albert Gilbert, a city detective, and was told to give some kind of an ad for the Farley's Booster Club. Barney Marion refused to give it, so I gave \$10 out of my pocket. I got no receipt, but I was told it was a donation to the Farley Booster Club.

The police officers organization, the PBA, sold me a sticker for the window for \$10.

Then things got tough. They closed us up for about a week, and Barney was booking at his house.

Mr. LANE. Do you mean by "things got tough"—

Mr. McCALLUM. The slouyl was on. I was sticking around doing a little sneak booking and phoning them in to Barney on a percentage basis and salary of \$5 a day. Barney had folded up in business, as he was getting hit pretty hard on some big action he was handling, and didn't want to bother with mine. So I started to book myself, and I kept the small bets myself and turned the big bets in to Cherry Haggerty for no percentage. My wife helped me, and she also took \$150 to \$200 a day play and took it to Jack Berenato's place and gave it to a fellow by the name of Bill Wright, working for Berenato.

Mr. LANE. Over at Luigi's?

Mr. McCALLUM. Yes. I received no percentage on that. I had the place sold for \$700. I figured I couldn't make a go of it. I wanted to go into the upholstering business. I had the place sold to a fellow by the name of Flatfoot Pete. That was his nickname. He works for Cherry Haggerty. He came around and said, "Reds, I have \$500. I will give you \$200 a month for the next 2 months. I will go to Cherry Haggerty and see if I can operate. I will gladly buy the place."

I sat for 2 days waiting. He came around and said he had orders that he could not operate because Philip Topin, the ward committeeman, told him, "If 'Reds' cannot operate, no one is going to, and I am going to have the place closed." They raided me. I had about 11 people in there and a number of book and horses. I was raided by Sullivan and Hanesberry.

Mr. LANE. Of the vice squad?

Mr. McCALLUM. Of the vice squad. Philip Topin came in and interceded for me, and after an hour's discussion they held me in the back room. My wife was out front with the baby carriage. They had the evidence of eleven sheets piled up on the table and they were going to lock me up. I reached in the drawer and pulled the numbers book out and said, "Include that, too. At least, the numbers people will pay my fine."

Then Sullivan made a phone call. He had made three or four calls before that, to get his orders what to do. Philip Topin said, "You haven't been taking care of these fellows." Since Barney Marion hadn't been there, for three or four weeks, I had not given them anything. I really didn't have it. I had \$87 in my pocket. I turned around and gave Topin \$50 and he in turn handed it to Sullivan of the vice squad. They gave me a bawling out and told me to close up and not to open again. I was out of business for 4 or 5 days.

I went to the race track to try to get a job. I couldn't. I came back to open up, with the intention of selling again. In the meantime this Flatfoot Pete told me he positively could not buy it. He had \$500 cash to give me. He said that no one could operate because Phil Topin had made a lot of noise about it.

In the meantime, I opened up again, taking small bets, trying to sell the place to get out, and to go into the upholstery business. They came back and kicked my window through, without a war-

rant. Sullivan and Hanesberry manhandled my wife and found three sheets with little bets. My wife had the sheets in her dress and they put her in a patrol wagon and then let her out half way down the street after I decided that I would take the sheets off her and go up and get arrested.

So they took me to City Hall and booked me while I was at the sergeant's desk. I had \$37 in my pocket. I turned it over and got a receipt for it. Sergeant Sullivan reached into my back pocket and took a private phone book that I had since I was 14 years old, and confiscated it.

In the meantime I got out on bail and Sullivan went to the different names in this phone book and questioned those people about why I should have their phone numbers. Later on, when the case was over, I asked for the book back and he said he had destroyed it, but I have never received that book back with all my personal phone numbers and information in it.

Mr. LANE. As a result of this arrest, what happened?

Mr. McCALLUM. As a result of this arrest, I was held under \$3,500 cash bail.

Mr. LANE. Did somebody put it up for you?

Mr. McCALLUM. A friend of my brother's boss signed my bail on a property he owns. They released me because I couldn't pay the \$350 fee that was asked for a bondsman by the fingerprint man who also works with the vice squad.

I then went to Senator Hap Farley's private office in the Schwim Building and asked him what kind of an O. K. I had and what he was going to do to help me. I told him, "I am broke. I cannot make a living now that I am under bail." I asked him what he was going to do to help me with the case.

He said, "Let it rest a little while and come back in a week and I will let you know."

I went back the following week with my wife and in her presence we asked him what he was going to do about that. I got a notice to appear. I was told by him he would get in touch with the prosecutor and see what he could do for me, not to worry about it.

I was then held for the grand jury under the same \$3,500 bail continued. A week later I received a notice to appear to cop a plea. I rushed up to Farley and asked him about it. I told him that I didn't think it looked so good, that I had three charges against me. I asked him what he was going to do about it. He sent me to Vince Lane.

Mr. LANE. He sent you then and there to Vince Lane?

Mr. McCALLUM. Told me to get in touch with Vince Lane, and he would tell him what to do.

Mr. LANE. You did that?

Mr. McCALLUM. I went personally to Vince Lane myself, and in Vince Lane's office, he picked up the telephone and called a party by the name of Brone, the assistant prosecutor.

Mr. LANE. David Brone?

Mr. McCALLUM. Yes. He was the assistant prosecutor. He told Brone the senator was interested in my case, and he wanted him to see what could be done to have one charge made instead of three.

After that Vince Lane took my attorney's name, Bill Hunter, and he told me that he would get in touch with me, and the moment I got the final notice I should call him.

Mr. LANE. Whom?

Mr. McCALLUM. Vince Lane. My wife got anxious about it and went back to Farley, as I did myself, and I said to him, "I haven't got anything to eat home." He sent my wife over to a Mr. Lewis who put her on temporary relief, food order, so we could eat.

Mr. LANE. In what department is Lewis?

Mr. McCALLUM. City hall.

Mr. LANE. This is local?

Mr. McCALLUM. Local relief office. Mr. Lewis gave my wife a food order check and every 2 weeks we received that, for a period of 6 or 7 months. I then went to Farley and told him that I couldn't walk, that my brace was broken, and it had left me in bad shape. I might at least be able to get a job if I had a new one. I had paid \$45 for one in Philadelphia, and I needed \$110. He sent me to Jim Boyd's office.

Mr. LANE. That is Jim Boyd, James Boyd, the clerk of the board of freeholders?

Mr. McCALLUM. That is right.

Farley had called him. Mr. Boyd, in turn, wrote out a check for me for one-hundred some-odd dollars, payable to the brace company in Philadelphia.

Mr. LANE. Check drawn on whom?

Mr. McCALLUM. It was check for \$110, drawn on the Guaranty Trust Bank at North Carolina and Atlantic. He signed the check. It was from Hap Farley's Booster Club, and he signed it as James Boyd, secretary and treasurer. I went to Philadelphia, paid the check to the brace man at 1513 Cherry Street.

Three days later I met Farley at New York Avenue and Atlantic, near his office, and I discussed with him about my boy's case. I had a little money coming. I asked whether he could finance me to buy a truck to go into the upholstery business. He promised to do that; when that failed, my case came up and I went to my lawyer, Bill Hunter, and he called up Vince Lane, the probation officer.

Mr. LANE. In your presence?

Mr. McCALLUM. Yes. Hunter said, "I will see you in court tomorrow."

We went to Mays Landing, the county court, and on the way over Bill Hunter told me to plead non vult, that everything was taken care of. I would receive probation and a fine, which wouldn't be too severe. Thinking I was all right, I pleaded non vult in front of Judge Leonard. Instead of taking it easy, he gave me the limit, 5 years' probation, which no other bookmaker ever received down here, and a \$350 fine, which I didn't know how I could pay, because I was on relief then.

Mr. LANE. What was the charge?

Mr. McCALLUM. They had three charges against me, of bookmaking, maintaining a disorderly house, and a lottery.

Mr. LANE. So far as bookmaking is concerned, were you at that time making book?

Mr. McCALLUM. At the time of the second raid, I positively was not making book. I was keeping my business together and was giving the play to Cherry Haggerty by telephone.

Mr. LANE. In other words, you were at that time merely acting as the agent for a bookmaker?

Mr. McCALLUM. Until I sold the place.

Mr. LANE. At that time the principal for whom you were operating as agent was this Cherry Haggerty?

Mr. McCALLUM. Yes, sir.

Mr. LANE. And you were also charged with operating a disorderly house, which means a gambling establishment?

Mr. McCALLUM. A gambling establishment. But, when they raided me, there was only my wife and myself in the place, and a retired friend, a cop from Philadelphia, not playing a horse.

Mr. LANE. So, there was no evidence to support that charge?

Mr. McCALLUM. None whatsoever.

Mr. LANE. Then you had a third charge that you were operating a lottery?

Mr. McCALLUM. A lottery. The three charges were gambling, disorderly house, and we have another form of gambling, with which I am not familiar.

Mr. LANE. Had you taken any number bets that day?

Mr. McCALLUM. No; I had closed the number book entirely.

Mr. LANE. There was no evidence to support that numbers charge that day?

Mr. McCALLUM. There was no numbers charge there at all, no numbers books, or anything on the premises.

Mr. LANE. Did you draw any conclusion as to how you came to get such a heavy sentence?

Mr. McCALLUM. After I was sentenced, I was told to report to the probation office. I went to the probation office and was greeted by Mr. Lane, who said to me, "How did it go?"

I said, "I would have been better off if I had gone before the grand jury and pleaded 'Not guilty.' They threw the book at me. I am very much dissatisfied."

He told me I had better keep my big mouth shut or I would find myself dumped in a lot somewhere. He told me that in the presence of Joseph Gormley and a girl named Dorothy, a stenographer in Mr. Lane's office. Gormley is a clerk there.

Mr. LANE. Did you make any response to that remark?

Mr. McCALLUM. He then told Joseph Gormley to give me my book and I should report every week. If not, they would bring me in. I then told him I was unable to pay the fine at the time, and he said, "As soon as you get working, you are to pay the fine every week at \$1 per week for the 5 years."

Mr. LANE. Have you paid any part of that fine?

Mr. McCALLUM. I never paid any part of that fine because I have been on relief and never was able to afford it.

Mr. LANE. Have you reported to the probation office regularly?

Mr. McCALLUM. I reported every week. The one week that I missed, 2 days later I went to report and had already been served with a notice to come back.

Mr. LANE. To whom do you report?

Mr. McCALLUM. To Vincent Lane in the probation office.

Mr. LANE. And you just come in and say, "Here I am"?

Mr. McCALLUM. I bring a book, and they sign it every week, which I have in my possession.

Mr. LANE. May I see the book?

Mr. McCALLUM. If I have to leave the State of New Jersey at all, I have to get a special pass, which I brought a copy of.

(The witness presented the book.)

MR. LANE. You report to Vincent Lane, personally, with this book?

MR. McCALLUM. Right into his office, where it says, "Walk in."

MR. LANE. Is he in there or is somebody else in there?

MR. McCALLUM. It is a large office with five different offices in it, but I report to Vincent Lane. I have a notice home that they sent me two days after the day I missed. On the notice it says, "Report to Mr. Lane." I have that notice home.

MR. LANE. Did you have any conversations with him when you went in there to report?

MR. McCALLUM. Mr. Lane has never talked to me since that day, and either Joseph Gormley or his stenographer signs that book. If I need a pass, they write out the pass for me.

MR. LANE. Has any investigation been made by the probation office of your activities so far as you know?

MR. McCALLUM. No; none whatsoever.

MR. LANE. Did they, at any time, after your sentence, question you about your financial resources?

MR. McCALLUM. No; they did not.

MR. LANE. Did you fill out some sort of form which indicated what your assets and your liabilities were?

MR. McCALLUM. No; I did not. I was never asked to.

MR. LANE. Have you ever seen such a form as that at the probation office?

MR. McCALLUM. I know they have it, but I was never approached on it.

MR. LANE. Have they made any attempt to collect the fine from you?

MR. McCALLUM. They made one attempt only, through the hearsay of my attorney, Mr. McAllister, and my other attorney, Mr. Bill Hunter, that they had sent a representative from the probation office up to try to attach my boy's money that was settled in a case, and they told them they couldn't do it because it was put away in the boy's name.

MR. LANE. Is this the one child you have?

MR. McCALLUM. I have four children.

MR. LANE. Is this the little boy you say is the 5-year old?

MR. McCALLUM. Five years old. He had been run over by an automobile.

MR. LANE. Had you collected on that claim?

MR. McCALLUM. I had settled the case for \$4,500, \$2,500 of which was put away for my boy for his medical expenses and my \$2,000 was attached by the lawyers. They took a fee of \$1,125 and the rest was paid out to doctors. I still owe doctor bills which I cannot pay.

MR. LANE. That was the sum that you had been told that the probation officers attempted to attach?

MR. McCALLUM. They tried to attach the boy's money that was put away. They were told they couldn't touch it. It is in a guardianship with my stepfather and myself.

MR. LANE. Mr. McCallum, do you know Benjamin Reubenstein?

MR. McCALLUM. I know Benjamin Reubenstein dating from way back, close to 16 years ago.

MR. LANE. What is his occupation today?

MR. McCALLUM. Well, I have known him only to be a number baron.

Mr. LANE. How long has he been a number baron, to your knowledge?

Mr. McCALLUM. Dating back 16 years ago when he was a big number baron. In those days he was a big number baron. I do not know his capacity now. In the last 6 years I have never been in contact with him at all, only from hearsay, that I know he is still operating in the numbers business, a pretty big number book.

Mr. LANE. Do you know Harold Scheper?

Mr. McCALLUM. Harold Scheper, yes. At one time, when I worked for Luigi's Restaurant, and had the cigar store, I turned a small number of play in to him, but eventually he switched over to Haggerty and I wound up switching over to Eef Barnes.

Mr. LANE. You dropped Haggerty and switched over to Eef Barnes, who turns his lay-off bets in to Scheper?

Do you know Henry Cohen?

Mr. McCALLUM. I know Henry Cohen as a known bookmaker.

Mr. LANE. How long have you known him?

Mr. McCALLUM. But I never did business with him.

Mr. LANE. How long have you known him to be a bookmaker?

Mr. McCALLUM. Close to 20 years.

Mr. LANE. Is he making book today?

Mr. McCALLUM. His method of playing book is all done by telephone.

Mr. LANE. Do you know Fred Masucci?

Mr. McCALLUM. Fred Masucci is one of the biggest of the barons down here and is connected with Stumpy Orman. They have a number book along with Joseph Spivet in the whole fourth ward.

Mr. LANE. You have indicated that, when you wanted to open your own place, you went to State Senator Hap Farley.

Mr. McCALLUM. Yes, sir.

Mr. LANE. And you have indicated very clearly the chain of command from Farley to Lane to Boyd, or maybe from Farley to Boyd to Lane. I don't know which it would be or whether there is any distinction to make. Who runs Atlantic County?

Mr. McCALLUM. Atlantic County is laid out in two districts, the third ward and fourth ward.

Mr. LANE. Who runs Atlantic County?

Mr. McCALLUM. I am under the impression that Stumpy Herman Orman runs Atlantic County.

Mr. LANE. That he is the most important figure in Atlantic County?

Mr. McCALLUM. And he is the most important and biggest figure in the gambling and other enterprises that are tied up by this outfit.

Mr. LANE. Have you any information as to whether or not Stumpy Orman is himself reporting to someone above him in the State or out of the State?

Mr. McCALLUM. No; I have not got any information on anything out of the State about Stumpy Orman, but I definitely know he is the boss of everything down here. In other words, I was only one person that could be known to go to Senator Farley to get an O. K. to operate a horse room. All the others, however, go to the Cosmopolitan to get their O. K. from Stumpy Herman Orman.

Mr. LANE. You say that Stumpy Orman dominates the rackets in Atlantic County; is that right?

Mr. McCALLUM. My way of proving that Stumpy Orman has more to say than Senator Frank S. Farley is for the simple fact that, in my case, where Senator Farley had given me an O. K. to operate and which I was doing for a year and a half, the vice squad, Sullivan and Hanesberry, went over his head with the orders gained from Stumpy Orman to raid me and close me.

Mr. LANE. Have you any evidence of that; that it was Orman who ran you out of business?

Mr. McCALLUM. That is known with every establishment down here that the vice squad is in charge of letting them operate or closing them. It has been proven by my wife and other people here. We tried to have places closed by the vice squad. I sent letters to the chief of police and sent copies to the press and everything, and they refused to operate on it. They told my wife they were not running a private detective agency for her and they were not raiding any of these places that were open.

Mr. LANE. Have you ever heard of Marco Reginelli?

Mr. McCALLUM. I heard of Marco Reginelli through different employees.

Mr. LANE. Did you ever see him?

Mr. McCALLUM. I saw him on two occasions at the Hialeah Bar.

Mr. LANE. With whom?

Mr. McCALLUM. With Ellis Lewis and too many names, too numerous to mention, as there was a big crap game in the back. That was the only time I saw him.

Mr. LANE. Were you working there at the time?

Mr. McCALLUM. I was working at the time under Ellis Lewis. He used to bring my pay out every night from the crap table.

Mr. LANE. What were you doing there at that time?

Mr. McCALLUM. I was the doorman and the attendant into the garage where they parked and I would push a button that opened a steel door into their gambling casino where they had three crap tables going during the summer of 1949.

Mr. LANE. In that way, did you admit Reginelli?

Mr. McCALLUM. Only seeing him come through the place, park his car with other members from Philadelphia and fellows they call luggers.

Mr. LANE. You went into the room at the same time with Reginelli, I take it?

Mr. McCALLUM. No; I was the garage attendant.

Mr. LANE. You admitted him?

Mr. McCALLUM. I would admit all of them. They parked their cars in the same garage under the room and I pushed a button to open the steel door.

Mr. LANE. Then you shut the door?

Mr. McCALLUM. They had a doorman who shut the door.

Mr. LANE. You don't know what they did inside?

Mr. McCALLUM. No.

Mr. LANE. Except you knew there was a crap game in progress.

Mr. McCALLUM. That was all. Every week an Italian fellow would come down and take six and a quarter out of my pay.

Mr. LANE. Was Orman another person who frequented that place?

Mr. McCALLUM. I never saw Orman in the Hialeah at all.

Mr. LANE. Did you make contributions of any kind to the ward club in your district?

Mr. McCALLUM. Yes. When I was on Michigan Avenue, I was told to buy \$5 every Monday, \$5 of bingo tickets from Vincent Lane, which was sent to me by one of his employees, known as Leon Lewin.

Mr. LANE. Did you do that?

Mr. McCALLUM. I did that every week.

Mr. LANE. That was at the time you were operating?

Mr. McCALLUM. That was when I was operating, and I was made to join the Third Ward United Republican Club with \$5 down and \$5 a month thereafter, for the year.

Mr. LANE. Did you get any receipts for that?

Mr. McCALLUM. I have a receipt of my dues.

Mr. LANE. Whom is it signed by?

Mr. McCALLUM. Signed by Frank Beatty. He is a police officer in the Atlantic City Police Department.

Mr. LANE. Will you produce the receipt?

(The witness produced the receipt.)

Mr. LANE. May we have this marked "Exhibit Q"?

(The receipt referred to was marked "Exhibit Q," and is on file with the special committee.)

Mr. LANE. Is there anything else that you think is important to tell this committee in its present investigation of crime in Atlantic City?

Mr. McCALLUM. Yes; I had taken affidavits out and had gone to the grand jury and had two police officers and two numbers barons indicted, and a bookmaker down here. They are under indictment now, waiting for a hearing.

Mr. LANE. When was that?

Mr. McCALLUM. In May.

Mr. LANE. This year?

Mr. McCALLUM. May of 1951.

Mr. LANE. Who were they?

Mr. McCALLUM. That was Anthony Maryera, the city detective, and Harry "Cherry" Haggerty, the numbers baron, and Charles Hogan, connected with "Cherry" Haggerty in the numbers business. I have received many threats. I had a friend of mine, who bought me a truck which was sabotaged by putting sugar in the gas tank and cutting all my cables, grinding compounds into the oil. The truck was dismantled so badly that I could never use it again. I lost that business. I opened a food concession where I was a chef at Delmonte's bar, Texas and Atlantic Avenue. It was doing a wonderful business for 3 weeks and it was boycotted by the two bartenders in the place and put out of business. On two occasions there I was approached at my house, alongside of which is a dark driveway, by a colored fellow with a bandanna over his face and a gun and he told me to lay off or I would get what was coming to me.

Six weeks later I was assaulted, and it would appear to me to have been the same colored fellow. He slugged me with the butt of a gun. I have the scar to show on my forehead. I got up bleeding and went after him. I couldn't run so well. He ran into a black Plymouth sedan. The blood was running down my face. I couldn't see the license plate number.

MR. LANE. Did you make complaints to the police?

MR. McCALLUM. I made complaints to the prosecutor. I never got results on it. They cut my sewer line in my home, with two sick children in the house. I received a notice from the board of health to evacuate my house and had to wind up losing my home, which I had almost paid off, by having to pay for a new sewer line and having to move somewhere else to another apartment which cost me plenty of money, with four children. They had taken me off relief. I now find out it was against the law to cut the sewer line off from my house, but they can do anything down here. That is really what happened.

MR. LANE. I thank you very much. You have been very helpful. (Whereupon, at 1:40 p. m., the committee adjourned.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

WEDNESDAY, JULY 11, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Newark, N. J.

EXECUTIVE SESSION

The committee met pursuant to call of the chairman at 10 a. m., United States Courthouse, Federal Square, Newark, N. J., Senator Charles W. Tobey presiding.

Present: Senator Tobey.

Also present: Richard G. Moser, chief counsel; Robert E. Frisch, John P. Campbell, and Edgar H. Farrell, counsel.

TESTIMONY OF MEYER C. ELLENSTEIN, CITY COMMISSIONER, NEWARK, N. J.

Senator TOBEY. Do you solemnly swear the testimony you are about to give will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. ELLENSTEIN. I do.

Mr. MOSER. Mr. Ellenstein, I understand that you have a meeting that you would like to attend.

Mr. ELLENSTEIN. Yes.

Mr. MOSER. And it is probably in session now; is that correct?

Mr. ELLENSTEIN. Well, it is not usually punctual. It is 10 o'clock. It is a conference in the morning, and a meeting in the afternoon. The conference usually entails the most time.

Mr. MOSER. I see. We called you first so that you could get away and get to your conference.

Mr. ELLENSTEIN. I appreciate that.

Senator TOBEY. That is what we call Senatorial courtesy.

Mr. ELLENSTEIN. Thank you, sir.

Mr. MOSER. You were the mayor of Newark in 1933; were you not?

Mr. ELLENSTEIN. Yes, sir, between 1933 and 1941.

Mr. MOSER. Continuously during that time?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. What other political offices have you held in Newark?

Mr. ELLENSTEIN. No other political offices.

Mr. MOSER. That is the only official office you ever held?

Mr. ELLENSTEIN. Yes, sir. I have been in there, not consecutively. I was defeated in 1941, and ran again in 1945.

Mr. MOSER. You ran for city——

Mr. ELLENSTEIN. City commissioner. We have a commission form of government.

Mr. MOSER. Yes; I understand.

Mr. ELLENSTEIN. And the mayor is nominal chairman of the board. He has no veto power. No other power than any of the commissioners has.

Senator TOBEY. What does he do?

Mr. ELLENSTEIN. He is a sort of good-will man.

Senator TOBEY. Greeter, and so forth; appears for the city?

Mr. ELLENSTEIN. At functions; issues proclamations.

Senator TOBEY. No power to remove or appoint?

Mr. ELLENSTEIN. Except within his own department.

Senator TOBEY. And are you at the present time a commissioner?

Mr. ELLENSTEIN. I am commissioner of revenue and finance.

Mr. MOSER. As I understand it, the various commissioners are assigned to particular functions in the Government; is that correct?

Mr. ELLENSTEIN. That's correct. At the organization of the commission.

Mr. MOSER. That is done by the vote of the commission?

Mr. ELLENSTEIN. By a vote of the commission. By a majority vote.

Mr. MOSER. And your present position is commissioner in charge of revenue and taxation; is that correct?

Mr. ELLENSTEIN. Well, included in that. It is revenue and finance. That is the technical name. And includes taxation, the levying of tax, and collecting of taxes.

Mr. MOSER. Prior to your election as a city commissioner in 1933, what was your business activity?

Mr. ELLENSTEIN. Well, I was engaged in the practice of law in the city; and, prior to that, I was engaged in the practice of dentistry, 14, 15 years.

Mr. MOSER. I see.

Mr. ELLENSTEIN. But at that time I was engaged in the practice of law.

Mr. MOSER. How long had you been practicing law?

Mr. ELLENSTEIN. Since 1925.

Mr. MOSER. Were you a member of a firm, or practicing individually?

Mr. ELLENSTEIN. I was practicing individually at that time.

Mr. MOSER. Can you tell me approximately what kind of clients you had?

Mr. ELLENSTEIN. I did largely negligence work. Because during the period of my practice of dentistry I was on clinical staffs and I was also licensed to practice in the State of New York, and I was at the Mount Sinai Hospital staff for 5 years; and Nose, Throat, and Lung Hospital on Fifty-seventh Street for a number of years, 3 or 4; and Bellevue Hospital. I think I mentioned that. Mount Sinai Hospital, too.

Mr. MOSER. Yes.

Mr. ELLENSTEIN. And I got considerable experience. And to a degree I specialized in oral surgery, what is known commonly as dental surgery.

I had a knowledge of—so that dentistry, I was actively engaged in attending, taking special courses at the Academy of Medicine in New

York. I was licensed to practice in New York. During the first year, after passing my examinations for admittance to the practice of dentistry, I practiced in New York City for 1 year, so I could get the benefit of clinical work. So I intended to embark on oral surgery.

Mr. MOSER. Yes. Now——

Mr. ELLENSTEIN. That led me into the negligence work. My work was almost entirely negligence work.

Mr. MOSER. I understand. Since you have been a member of the city commission, that is since you have been a city commissioner, have you engaged in any practice of law at the same time?

Mr. ELLENSTEIN. Yes. For a period I was engaged in the practice of law between—and still have a law firm. I am associated with Judge Cooper, the chief magistrate of the city, and was engaged with Francis Xavier O'Brien for a while. During the period I was in office, when Mr. O'Brien was the corporation counsel, I think it was about 5 or 6 years ago, that I was engaged with him. It may have been longer than that.

Between 1934 and 1941 I was engaged in the practice with Francis X. O'Brien in the very same offices that I began the practice of law independently at 17 Academy Street.

Mr. MOSER. While you were the city commissioner and he was city magistrate—no, while he was corporation counsel, you were practicing law together at the same address?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. What other business are you in?

Mr. ELLENSTEIN. Presently?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. Well, during that period, or rather beginning with 1941, I was engaged in labor relations. During the 4-year period between '41 and '45, I was out of office.

Mr. MOSER. Yes.

Mr. ELLENSTEIN. I told you I was defeated.

Mr. MOSER. Yes.

Mr. ELLENSTEIN. And during that period I started to work in labor relations. I did some of it during the period that I was practicing law, but I didn't have very much time to devote to the law practice, because of the fact that I was in the repression then, I was in Washington a great deal of time.

The city was hard hit because of the industrial character of it. We had approximately 25 percent of the population of the city were either on direct relief or on WPA, which was indirect relief, work relief.

So it carried me into Washington very, very frequently to engage in WPA projects, and many other things.

The city was in bad financial position during that period.

Mr. MOSER. Mr. Ellenstein, while you were practicing law during that period when you were not in office, you said that you did engage in some labor relations work?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. Would you tell us whom you represented?

Mr. ELLENSTEIN. Well, I represented the furniture dealers of Newark.

Mr. MOSER. Yes.

Mr. ELLENSTEIN. The Newark furniture dealers, and I still represent them.

Mr. MOSER. What was their labor union, the one that they dealt with?

Mr. ELLENSTEIN. It is A. F. of L. union.

Mr. MOSER. Do you remember the number of it?

Mr. ELLENSTEIN. I don't.

Mr. MOSER. The furniture dealers?

Mr. ELLENSTEIN. Yes. The furniture dealers. I have the number in the office, but I don't remember the name of it. The number of the local you are speaking of?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. The retail clerks. Some retail clerks. They varied in name. It is called the retail clerks, as I recall it.

Mr. MOSER. Retail clerks' union.

Mr. ELLENSTEIN. Yes. But these particular, that franchise, you know, they overlapped. I don't know whether you are aware of that, but they do overlap. They do franchise people that overlap with another. So that they have a duplication.

For example, in some instances a union may get a franchise, they would overlap the functions of another union from the very same A. F. of L.

Mr. MOSER. Yes. What other clients did you have in the labor relations field as a lawyer?

Mr. ELLENSTEIN. That comes to my mind as being the outstanding one. I think it was during that period that I was designated as the impartial arbitrator for the luggage workers union.

Mr. MOSER. Who designated you for that?

Mr. ELLENSTEIN. Well, they did that without my knowledge.

Mr. MOSER. Who is "they"?

Mr. ELLENSTEIN. Until they had a grievance—I don't recall the name of the man.

Mr. MOSER. Was it somebody in the union?

Mr. ELLENSTEIN. Some one in the union, yes. Agreed with management. They agreed with management, and I was placed in the contract without my knowledge, for which I was to receive \$100 a day—\$100 for any part of a day, or \$100 for a day.

Mr. MOSER. Who is Abe Lew; do you know him?

Mr. ELLENSTEIN. I know him very well.

Mr. MOSER. What is his connection?

Mr. ELLENSTEIN. He is the business delegate—

Mr. MOSER. Business agent?

Mr. ELLENSTEIN. Or business agent of the retail clerks union.

Mr. MOSER. When you were practicing law, did you have dealings with him as a representative of the union?

Mr. ELLENSTEIN. No, sir; not as a representative or in any other connection. Not in that or any other connection.

Mr. MOSER. Well, no. But if you were representing this furniture dealers—

Mr. ELLENSTEIN. I wasn't the—I didn't have to deal with him. I tell you that the retail clerks are overlapping. Their franchise would designate just exactly who they could organize, and they gave—they give each local, presently they do, they give them plenty of latitude.

So that if one individual, one local can't organize a store, or an industry, the other might. That's the purpose of it.

Mr. MOSER. Yes. But what I am getting at is that while you were representing, as counsel for the furniture dealers in their labor relations matters, you must have been dealing with some union?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. And I am wondering if it was Abe Lew's—

Mr. ELLENSTEIN. Mr. Lew had no connection absolutely with the union that I had to deal with.

Mr. MOSER. I see. After you were reelected, did you practice law as a labor relations lawyer, or did you go into labor relations as a business instead?

Mr. ELLENSTEIN. No; I didn't. I was approached by a firm of investment bankers here shortly after I was elected in 1945.

Mr. MOSER. What is the name of that firm?

Mr. ELLENSTEIN. J. B. Hanauer & Co. They have been in business in New Jersey, in Newark, for 18 or 20 years. With the knowledge that I had, I accepted the position from them, and they paid me as a part time, they paid me \$200 a week. And, of course, I took care of my law business and also devoted time to the city hall.

Now, in 1947, early in 1947, one of the partners who had a seat on the stock exchange thought they would get into the stock exchange, and an application was made—I then became a partner, I had a 12-percent interest in the firm. I bought into the firm about 1946 after being with them about 18 months or so, or perhaps a little longer.

Then application was made for admission to the stock exchange. As you probably know, in the stock exchange, in order to qualify for each individual member of the firm, that it all must be a partnership, it was necessary to clear before the board of governors.

Since I was engaged in the city hall, and also had a law office, they made an exception in my case. the board of governors providing I disassociated myself and assumed no responsibility with the law office.

So that in 1947 I became a member of the stock exchange.

During that period, during the period I was a member of the stock exchange, I also did some labor-relations work. I had, I think it was then, about that time, 1949, that I was engaged by the East Rutherford Syringe Co. to represent them, at a retainer.

Mr. MOSER. This was a retainer to represent them in labor relations matters?

Mr. ELLENSTEIN. Yes; and take care of all labor relations matters.

Mr. MOSER. All right. That is the Rutherford Syringe Co.?

Mr. ELLENSTEIN. East Rutherford Syringe Co.

Senator TOBEY. In your labor work, as a labor attorney, did you represent labor mostly, or capital?

Mr. ELLENSTEIN. I represent management. But I did, Senator, have a lot of experience during the period of between, the 8 years I was in office, and either settled or averted at least 50 strikes in the city of Newark, and created in the city of Newark the first local labor relations board in the country, that did a good service, I think the record will show.

In fact, they had a convention here a year after they were in State-wide—Nation-wide convention, and did an excellent job for the few years that it did function.

But a new regime came in and undid the work that I did.

Mr. MOSER. Now—

Mr. ELLENSTEIN. If I may get through. During that period I was a member of the stock exchange, and things didn't go so well, there was dissention within the group. There was a family squabble. And they located at 50 Commerce Street, and they decided to dissolve.

Upon the dissolution, I had then acquired another client, the Continental Paper Co., and also the Unique Art Metal Co. in Newark, that I represented in labor relations.

I then took over the office—they were on a lease, and I took over the offices. And now I am engaged in the practice of both public relations and labor relations.

Mr. MOSER. And you are engaged in that business in corporate form?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. What is the name of the corporation?

Mr. ELLENSTEIN. M. C. Ellenstein, Inc.

Mr. MOSER. Who are the officers of that?

Mr. ELLENSTEIN. I gave you—I gave you one of your investigators, when I received the subpoena, I noted the subpoena asked that I give you the names of the officers, the very question you are asking.

I submitted the original certificate of incorporation. And I also—you asked for my income tax, the corporate income tax, which I also submitted. That was, I think a Mr. Farrell.

Mr. FARRELL. That's right; we have that.

Mr. ELLENSTEIN. It was approximately about a week ago I submitted all that.

Mr. MOSER. Tell us who the officers are at present?

Mr. ELLENSTEIN. The officers are—I am president. It is a closed corporation.

Mr. MOSER. I understand that. That's all right.

Mr. ELLENSTEIN. Judge Cooper owns one share of stock.

Mr. MOSER. Qualifying share?

Mr. ELLENSTEIN. A qualifying share.

Mr. MOSER. He is a member of the board?

Mr. ELLENSTEIN. He is a member of the board.

Mr. MOSER. And who is the vice president?

Mr. ELLENSTEIN. I don't recall whether he is vice president, treasurer or not. I am the president.

Mr. MOSER. Yes?

Mr. ELLENSTEIN. The secretary is Miss Helen Degnan, a young lady—she is a lady that has been employed with me from the first day I started practicing law.

Mr. MOSER. Who are the stockholders of the company?

Mr. ELLENSTEIN. Well, I might say it is a closed corporation, and I have eight shares of the stock.

Mr. MOSER. Eight shares out of ten?

Mr. ELLENSTEIN. Eight shares out of ten. The issue is only 10 shares.

Mr. MOSER. Judge Cooper owns one?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. And Miss Degnan owns the other?

Mr. ELLENSTEIN. That is right. And I own the eight.

Mr. MOSER. And there are three members on the board of directors?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. Will you tell us when you first became acquainted with Abner Zwillman?

Mr. ELLENSTEIN. Well, it was sometime after 1933. I would say about 3 or 4 years after that time. I was elected first in 1933.

Mr. MOSER. Did you know Mr. Zwillman before that?

Mr. ELLENSTEIN. I did not.

Mr. MOSER. Had you—

Mr. ELLENSTEIN. I knew him by reputation.

Mr. MOSER. But you hadn't met him?

Mr. ELLENSTEIN. I had not met him.

Mr. MOSER. And you met him shortly after you went into office?

Mr. ELLENSTEIN. For the first time. Not shortly, about 3 or 4 years.

Mr. MOSER. Three or four years after?

Mr. ELLENSTEIN. Yes. I thought I said that.

Mr. MOSER. I misunderstood you.

Mr. ELLENSTEIN. I meant to say that.

Mr. MOSER. You first got in office in 1933?

Mr. ELLENSTEIN. That's right. So I met him along about '35 or '36 I would say, to my best recollection.

Mr. MOSER. How well do you know him?

Mr. ELLENSTEIN. I know him like I know thousands of other people.

Mr. MOSER. Yes.

Mr. ELLENSTEIN. I don't encourage the cultivation of his friendship. However, frankly, I don't ignore him when I meet him. And I said I don't encourage or cultivate his friendship.

I know him like I know thousands of people in the city of Newark.

Senator TOBEY. A few minutes ago you said you knew him by reputation. What was the reputation?

Mr. ELLENSTEIN. He was engaged in liquor traffic. I had a dental office, you know, Senator, at the corner of High and Court streets for a number of years.

Senator TOBEY. Dental?

Mr. ELLENSTEIN. Yes. I practiced dentistry in Newark for about 14 years, and then studied law in the evening.

During the period that I was practicing dentistry, the latter part.

Mr. MOSER. You started to tell how you knew he was in the liquor business in connection with your dentistry.

Mr. ELLENSTEIN. Yes; I learned that. It was common. I don't know exactly. I couldn't tell you the source.

Obviously—I knew that he was engaged with a number of other people in the liquor business.

Mr. MOSER. That was during prohibition?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. That would be during prohibition?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. You just knew of him as a bootlegger?

Mr. ELLENSTEIN. Yes; I knew of him as a bootlegger.

Mr. MOSER. Under what circumstances did you meet him in 1935 or 1936?

Mr. ELLENSTEIN. I met him under—the Beth Israel Hospital had a sort of a—they were trying to raise money. It was a hospital that was erected in the city of Newark, and they were trying to raise money in order to—the hospital had already been erected, but they had to meet certain obligations, commitments, that they made.

He was instrumental in helping them at a bazar that they had, where they had these wheels and things of that character, that were quite common on those days. Not as stringent as they have been in the last 10 or 15 years.

Mr. MOSER. Sort of a fair gambling device?

Mr. ELLENSTEIN. Yes. I wouldn't say they were gambling devices.

Mr. MOSER. You would say that they were or were not?

Mr. ELLENSTEIN. I would say that they were. They were common at fairs years ago.

Mr. MOSER. They were used to raise money at the fair?

Mr. ELLENSTEIN. That's right. And he was active in that, and participated in that in order to help the hospital raise money.

Mr. MOSER. I see.

Mr. ELLENSTEIN. I might say he has been active too in other sorts, as community chest; he has been active in that.

Mr. MOSER. Yes; I have no doubt of that.

Mr. ELLENSTEIN. I mean, there are outstanding people in the city, people at affairs, who I understand had been asked to solicit his aid to get money in the community chest.

Mr. MOSER. You met him at that fair, and were you on the committee that was running that fund-raising affair?

Mr. ELLENSTEIN. Well, as the mayor, I undoubtedly was. I wasn't anything else. I was an honorary chairman.

Mr. MOSER. Did you work with him in connection with that?

Mr. ELLENSTEIN. Not him directly. But I saw him around there, and I was introduced to him. That is to my best recollection.

Mr. MOSER. Have you gotten to know him better since then?

Mr. ELLENSTEIN. Well, I don't know what you mean. I didn't know him at all then. So if you mean, have I seen him since then?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. I have seen him, met him at different places; public places. And, as I said, I didn't ignore him. In recent years, I talked to him.

Mr. MOSER. Have you been to his home?

Mr. ELLENSTEIN. Yes, I have. That is, I have been to his present home, since he was married and moved to West Orange. I have been to his home.

I might say that my wife knew his wife before she married him. She was a salesgirl in Slater's. She lives over in East Orange, and my wife shopped there. And she knew his wife, who incidentally comes from a, what is considered a very good family.

She knew him, and my wife had phoned her from time to time, and I have been to his home.

Mr. MOSER. Do you want to tell me about how often you have been there?

Mr. ELLENSTEIN. Well, over a period of 6 years I have been there not more than eight times.

Sometimes he would call for my wife, or pick her up on the way to a golf club that I was a member of up at Crestmont, that passes, almost passes his door. It is within a short block of where he is.

Mr. MOSER. When you have been to his house——

Mr. ELLENSTEIN. Brought my wife there, and picked her up on other occasions. But I haven't been to his home on more than eight occasions over a period of 6 years.

And incidentally, before he did move there, I was never in his home.

Mr. MOSER. I see. Your acquaintanceship with him, then, is based mostly upon the acquaintanceship between your wife and his; is that correct?

Mr. ELLENSTEIN. Well, to a degree. I would say that some of the visits at least, might leave my wife there and pick her up. I knew they furnished the home, and particularly Mary Zwillman asked my wife to come to her home, which she did. And she went there, and then I picked her up. I don't recall just what the occasion was.

Sometimes I would be given a list of names, as I am by these various, for instance, the Inter-Racial Conference of Christians and Jews, every year, give me a list, and of different people whom they would like to have contribute, and ask me if I could solicit those people. And I would do that for them.

And among them was Zwillman. He also was active in the—I would get a list like that from the Hebrew Academy here, and he would make—

Mr. MOSER. Mr. Ellenstein, did he ever come to your office?

Mr. ELLENSTEIN. To my office?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. Where, in the city hall?

Mr. MOSER. Well, anywhere?

Mr. ELLENSTEIN. Nowhere.

Mr. MOSER. He has never been—

Mr. ELLENSTEIN. Never been to my office.

If it will help you, I might say this: I have never had any business relations with him, directly or indirectly. He has never discussed any of his business with me. And he never even intimated what his business was. So, of course, it wasn't my business to ask him.

Mr. MOSER. Have you ever had any business dealings with anyone who might have been representing him?

Mr. ELLENSTEIN. I said, not directly or indirectly.

Mr. MOSER. It is possible that you might have had business with representatives of his without knowing that they were representatives of his; is that true?

Mr. ELLENSTEIN. Mr. Moser, anything is possible. I suppose that is possible, too.

Mr. MOSER. Have you ever met Mr. Zwillman at Pal's Cabin?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You have been there, I presume?

Mr. ELLENSTEIN. Not that I recall. I don't think I have been at Pal's Cabin more than five times in the entire period it has been there, and that is a number, a number of years.

Mr. MOSER. Do you know what the Public Service Tobacco Co. is?

Mr. ELLENSTEIN. Yes, I do.

Mr. MOSER. What is that?

Mr. ELLENSTEIN. That's a tobacco company that deals in putting out cigarette machines.

Mr. MOSER. Do you know who runs it?

Mr. ELLENSTEIN. Mr. Zwillman, I thought.

Mr. MOSER. He runs it. It is his business, as far as you know?

Mr. ELLENSTEIN. That is my understanding. I don't know. I made no inquiry from him or anyone else.

Mr. MOSER. Have you ever been to the office of that company?

Mr. ELLENSTEIN. A few occasions.

Mr. MOSER. Do you remember where it is?

Mr. ELLENSTEIN. Yes; I know where it is very well. I pass there every time I go down to the Jersey shore. I have to. I live within four or five blocks of it. And it is on the route to the shore.

Mr. MOSER. What would be the occasion for your going there?

Mr. ELLENSTEIN. Well, I don't recall specifically. I think at one time, 4 or 5 years ago, I went in there to get somebody, asked if he couldn't employ somebody, during the summer months, part time.

That's about all. It was nothing specifically that stands out in my memory. But I haven't been in there more than three or four times.

Mr. MOSER. You mean you went to ask him if he would give somebody a job?

Mr. ELLENSTEIN. Absolutely. As I do daily.

Mr. MOSER. How many times do you think you have been in his office there?

Mr. ELLENSTEIN. Not more than three or four times.

Mr. MOSER. Three or four times?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. Do you attend a health club?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. Which one?

Mr. ELLENSTEIN. The Feldman-Hirsch.

Mr. MOSER. And does Zwillman use the same one?

Mr. ELLENSTEIN. He was a member of that some years ago. But not since—it was formerly on the northwest corner of William and Broad Streets. But since then they have moved to the other side.

He was a member there, but in the past 4 years or more he has not been a member of Feldman-Hirsch, and I have never seen him if he has been a member there.

Mr. MOSER. You have never seen him there?

Mr. ELLENSTEIN. No. And I go there quite frequently. I would say I average between one and a half and twice a week, on the average.

Mr. MOSER. And you believe that he has attended there, but you have never seen him there?

Mr. ELLENSTEIN. Oh, I saw him there when he attended before, when it was on the northwest corner of Broad and William. It is now on the other side of the street. They moved their quarters about 3 or 4 years ago.

Mr. MOSER. And you haven't seen him there since that?

Mr. ELLENSTEIN. I have never seen him there; no, sir.

Mr. MOSER. Do you know Jesse Salmon?

Mr. ELLENSTEIN. There was a Jesse Salmon who was a former Republican leader of the county, if that is the one you mean.

Mr. MOSER. Yes; I believe that is the one.

Mr. ELLENSTEIN. Yes.

Mr. MOSER. Tell us about him; who is he? You say he was former Republican leader. What is his status now?

Mr. ELLENSTEIN. His status, I hope he is in heaven.

Mr. MOSER. You mean you think he is dead?

Mr. ELLENSTEIN. He passed on some 10 years ago.

Mr. MOSER. About 10 years ago?

Mr. ELLENSTEIN. I don't know. I don't want to be bound by that; it might be longer. Let me see—'33, '37; oh, easily 10 years ago. Probably closer to 15 years ago that he passed on.

Mr. MOSER. In connection with Jesse Salmon's political activities, do you know whether Zwillman ever contributed to them?

Mr. ELLENSTEIN. I wouldn't know that.

Mr. MOSER. You don't know?

Mr. ELLENSTEIN. No.

Mr. MOSER. You didn't have any dealings with Jesse Salmon?

Mr. ELLENSTEIN. Did I have any dealings with him?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You are a Democrat and he is a Republican; is that right?

Mr. ELLENSTEIN. Frankly, that makes a difference, but not—I think it is folly for anyone to say I am a Democrat. I have supported good Republicans.

Senator TOBEY. Would you go any farther and say it is folly for anyone to be a Democrat?

Mr. ELLENSTEIN. No, I wouldn't go that far, Senator. On the contrary, I think in general, the principles of the Democratic Party coincide with mine. And I don't think that either the Democrats or Republicans have a monopoly on being good or bad.

Senator TOBEY. I quite agree.

Mr. ELLENSTEIN. I take every individual as I find him.

Mr. MOSER. Mr. Ellenstein, I would like to get some information with regard to a man named John Harold Adonis. Do you know who he is?

Mr. ELLENSTEIN. I know, naturally, reading the papers. I don't know him. I don't know him from Adam, as the saying goes. I couldn't begin to describe him to you.

Mr. MOSER. You never met him?

Mr. ELLENSTEIN. Never met him.

Mr. MOSER. Do you know Joe Fay, I understand; is that right?

Mr. ELLENSTEIN. Yes, sir; very well.

Mr. MOSER. Will you tell us the circumstances under which you first met Joe Fay?

Mr. ELLENSTEIN. Yes. I met him when I was treating his teeth.

Mr. MOSER. He was a patient of yours?

Mr. ELLENSTEIN. A patient of mine prior to 1925. I treated his wife and his daughter.

Mr. MOSER. Yes.

Mr. ELLENSTEIN. And I have known him over the years. And up to the time I started the practice of law, in 1925, he was always a patient of mine. And, of course, I have met him from time to time. He was a member of the Newark Athletic Club where I was a member. And I met him during the period, over a period of years.

Mr. MOSER. When you first—

Mr. ELLENSTEIN. There again, I had no business relations with him, outside of the fact, in a professional way.

Mr. MOSER. When you first knew him, Mr. Ellenstein, what was his business?

Mr. ELLENSTEIN. I always knew him to be connected with the engineers, representative of the engineers; stationary engineers, or something like that. Always knew him as being a labor representative of the stationary engineers.

Mr. MOSER. After you became a member of the city commission, did you have any dealings with him?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. No dealings at all?

Mr. ELLENSTEIN. Well, what do you mean by dealings?

Mr. MOSER. Well, there are all kinds of dealings. Social, business, political.

Mr. ELLENSTEIN. I had no social.

Mr. MOSER. No social.

Mr. ELLENSTEIN. Only met him at the Newark Athletic Club. And I was—that was at very infrequent intervals.

Mr. MOSER. What sort of things did you talk about when you saw him?

Mr. ELLENSTEIN. What would I talk about?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. If the Giants played that day, I might talk to him. If I were to talk to him today, I would say, "Well, what do you think of that upset in Ray Robinson in England?"

We talked about things, but nothing in the way of delving into his business, or have any relation with his business. I had no such connections with him whatsoever.

Mr. MOSER. After you became a labor relations adviser, did you have any dealings with him at all then?

Mr. ELLENSTEIN. No, sir.

Mr. ELLENSTEIN. None whatever?

Mr. MOSER. You have known him for a good many years. Do you see him often socially?

Mr. ELLENSTEIN. Well, you know, he is incarcerated now.

Mr. MOSER. Did you see him up to then?

Mr. ELLENSTEIN. Socially?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. No.

Mr. MOSER. You said you occasionally saw him at the Athletic Club, when you were talking about inconsequential things.

Is that the only time you ever saw him?

Mr. ELLENSTEIN. I might have played cards with him on occasions.

Senator TOBEY. What is Fay imprisoned for?

Mr. ELLENSTEIN. I have forgotten now what it was for.

Senator TOBEY. Was he a labor racketeer?

Mr. ELLENSTEIN. Well, in relation to that—receiving money from a large contractor.

Mr. MOSER. Was it for misappropriation of union funds?

Mr. ELLENSTEIN. No. Not as I understood it.

Mr. MOSER. For receiving a cut-back from the employers?

Mr. ELLENSTEIN. A cut-back from contractors.

Senator TOBEY. Was he in Trenton?

Mr. ELLENSTEIN. No; he is in Sing Sing.

Mr. MOSER. Mr. Ellenstein, before he went to jail, I would like to know how much you saw of him.

First you said that you had seen him at the Athletic Club, and then you said that you had sometimes played cards with him.

Would you tell us at whose house you played cards, and under what circumstances, and how often, please?

Mr. ELLENSTEIN. Well, I didn't see Mr. Fay during the years, very often not once in 1 year. After I engaged in the practice of dentistry, and where I engaged in card playing was at the Newark Athletic Club in a room known as 902, I think it was; that was a private room of members of the Newark Athletic Club, who played cards there like gin rummy.

Mr. MOSER. Did he ever visit your home?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. Under no circumstances?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. Did you ever visit his?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. And while he was representing his union, and you were engaging in labor relations work, did you ever have any business dealings with him?

Mr. ELLENSTEIN. I represented no union where he would be involved at all. I represented the unions—the unions that I represented—the management I represented had no connection whatever. He was in the construction line.

Mr. MOSER. What was his union?

Mr. ELLENSTEIN. Excavation and engineers.

Mr. MOSER. Excavation and construction?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. Have you seen him since he has been in prison?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. Oh, you have?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. You visited him there?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. When did you do that?

Mr. ELLENSTEIN. Oh, the first time, about 8 months ago. Mr. Egan asked me. He represents him. If I wouldn't like to see him.

Mr. MOSER. What is his full name?

Mr. ELLENSTEIN. William J. Egan.

Mr. MOSER. And he is a lawyer?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. And he represents—

Mr. ELLENSTEIN. He represented and did represent. So I suggested, frankly, I asked John McGeehan, who also represented him, I said, "I would like to go up and see him some time."

Senator TOBEY. For his teeth?

Mr. ELLENSTEIN. No; not for his teeth.

Mr. MOSER. How many times did you go to see him?

Mr. ELLENSTEIN. Twice.

Mr. MOSER. Would you tell us when that was?

Mr. ELLENSTEIN. Well, the first time I think it was about 8 or 9 months. And the last time was about 4 months ago.

Mr. MOSER. Perhaps in December; was it around Christmastime the first time?

Mr. ELLENSTEIN. Well, I couldn't give you the exact date. I could tell you from my appointment book.

The second time I went up, Mr. Egan asked me to go up, and I said, "I don't know if I could get in."

I was going up with Mr. John McGeehan, chief counsel. He said, "I could arrange it for you, I could write to the warden and tell him that you are an attorney and that you are representing him."

I said, "That's all right, if you can arrange it, I will be glad to go up and spend a little time with him."

And he was so grateful for my coming up, and when Mr. Egan asked me another time, this last time, he said, "How would you like to go up and see Joe Fay? I am going up tomorrow."

I said, "I would like to, but I have a lot of appointments of my own; I can't spare the time. But on the other hand, I will go back and see if I can clear it."

And I was able to clear the appointments and see him.

MR. MOSER. You said that Mr. Egan, or Mr. McGeehan, had said that you were a lawyer, and that he would state in his letter——

MR. ELLENSTEIN. Mr. Egan said that.

MR. MOSER. Mr. Egan said that he would write a letter to the warden.

MR. ELLENSTEIN. "That you are an associate counsel", something to that effect.

MR. MOSER. Represent that you were an associate counsel?

MR. ELLENSTEIN. Yes.

MR. MOSER. Was that a correct representation?

MR. ELLENSTEIN. Well, I don't know if you would call it correct or not.

MR. MOSER. Were you retained in any connection with his case at all?

MR. ELLENSTEIN. Well, if I could help the man, I would do it.

MR. MOSER. I am not asking what you would do; I am asking what you did.

MR. ELLENSTEIN. I don't know how—it all depends upon your interpretation.

I might have said to him, "All right, if you can get me associate counsel, I will go up."

MR. MOSER. During his trial and prior to his trial, did you represent him in any way?

MR. ELLENSTEIN. No, sir.

MR. MOSER. You never acted as his counsel in any way?

MR. ELLENSTEIN. No, sir.

MR. MOSER. On this occasion you permitted them——

MR. ELLENSTEIN. At no time.

MR. MOSER. On this occasion you permitted them to represent that you had been his counsel?

MR. ELLENSTEIN. Yes. If he wanted to designate me as associate counsel, I was willing to do it.

MR. MOSER. Were you designated as associate counsel on a general basis or just for this one trip?

MR. ELLENSTEIN. I don't know what you call it, Mr. Moser.

SENATOR TOBEY. What he means, was that an excuse just to get you in the prison, or was it something continuous.

MR. ELLENSTEIN. I assumed, Senator, that it was a means of getting me in.

SENATOR TOBEY. There was no relation after visiting the prison, as counsel?

MR. ELLENSTEIN. No. Once you are designated, as I understand it, as associate counsel—I don't know—associate counsel, there were no questions asked the last time I went up.

Senator TOBEY. The question comes to my mind, why you wanted to go to see him.

Mr. ELLENSTEIN. Why I wanted to see him?

Senator TOBEY. Yes. He is a crook, a convicted crook. You are an honest man, and yet you wanted to go up and see him. Why?

Mr. ELLENSTEIN. Well, I still think, Senator, the man is a very, very good person, in my opinion.

We are all—we are dealing with the human frailties. At least I am talking of my experience, and I make excuses for that.

The man is a very, very good person. And if he does stray off the beaten path, I don't believe in casting him overboard.

I drop one "very," and say he is still a very good person. I know a lot of people, in my experience, who have gone off the beaten path, and I don't mind relating an incident, if you have the time.

When I lived in the city of Paterson in my early youth, I lived in what was known as a very tough section. As a matter of fact, I will tell you, I learned how to—it was known as the Dublin section of Paterson, and I really learned how to fight and run in that section. And I wasn't a better runner than a fighter, Senator, or I wouldn't be talking to you now.

I finished my dental examinations early, earlier than I thought, and I thought I would go through the State prison on just a tour.

I knew some people there, and I went through there. And I saw two of my cronies incarcerated for burglary or robbery, or something like that.

Just as Ingersoll said, when he went to the gallows——

Senator TOBEY. That was John B. Goff said that. "There goes John B. Goff but for the grace of God." Not Ingersoll. Ingersoll didn't believe in God.

Mr. ELLENSTEIN. Then, we live and learn. Now, I know that I am not quoting Ingersoll. I don't know much about him.

Mr. MOSER. Mr. Ellenstein, we are getting a little off the track now.

Mr. ELLENSTEIN. I answered Senator Tobey's question. He asked me if he was a crook and in my opinion, penal servitude is used as a corrective measure, not to ostracize an individual from society for all time.

Mr. MOSER. What did you talk to Mr. Fay about when you went up there?

Mr. ELLENSTEIN. Well, I talked about how he was feeling, how his family was, and how his general idea. How could I relate all the conversations? Why, Mr. Moser, I talked to at least 15 or 20 people every single day in matters that are unrelated to each other.

How do you expect me to know? I talked about general things; very, very general.

Mr. MOSER. You didn't talk about any labor relations matters?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You didn't talk about any union activities?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You didn't talk about any problems at all related to unions or labor matters?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. Is that correct?

Mr. ELLENSTEIN. That is correct.

Mr. MOSER. You were with Mr. McGeehan at the time?

Mr. ELLENSTEIN. Mr. Egan.

Mr. MOSER. What did Mr. Egan talk to him about?

Mr. ELLENSTEIN. About the same as I talked with him; I was present during the conversation.

Mr. MOSER. Just passed the time of day?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. You did not talk about any business matters of any kind?

Mr. ELLENSTEIN. Talked about something about an appeal or something, in rather what seemed to me, terms that I couldn't very definitely understand.

Mr. MOSER. How long is Mr. Fay in for?

Mr. ELLENSTEIN. I don't know.

Mr. MOSER. Have you ever taken any steps to try to get him released?

Mr. ELLENSTEIN. I?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. No.

Mr. MOSER. None whatever?

Mr. ELLENSTEIN. No. I don't say that if I had the opportunity, that I wouldn't. But I never have.

Mr. MOSER. Do you know Mr. Holzlohner?

Mr. ELLENSTEIN. Holzlohner—very well.

Mr. MOSER. What is your connection with him?

Mr. ELLENSTEIN. Just normal relations.

Mr. MOSER. What kind of relations; social, business, or political?

Mr. ELLENSTEIN. Labor.

Mr. MOSER. Labor relations?

Mr. ELLENSTEIN. In this respect—

Mr. MOSER. You have met him in a business way?

Mr. ELLENSTEIN. No.

Mr. MOSER. By "business way" I mean in connection with your business as a labor-relations man.

Mr. ELLENSTEIN. No. In connection with city affairs, and only that.

About 2 years ago Mr. Holzlohner, with other leaders of the building trades, came to see me and wanted to pay an outside or construction rate to maintenance men that are employed in the city of Newark. By "maintenance men," I mean utility men.

Now, the union has two rates: One is a construction rate or outside rate, and the other is a maintenance rate. He wanted me to increase the maintenance men employed by the city to the construction rate, in which instance, during inclement weather, these men that work on buildings only receive about 9 or 10 months' work in the year. They don't receive sick benefits and other things that they get in the city.

However, I refused. He had a committee with him. I refused to increase the salary of the maintenance men in the city of Newark to what the construction men were getting, on this premise:

That the private enterprise like Bamberger's, Prudential were paying only the maintenance rate that the city of Newark was paying. And that I wouldn't be in favor of paying any increased rate over that. In other words, I don't permit labor to ride roughshod over me.

Right at this moment there is the same kind of a controversy.

I might say this: That the other commissioners who engaged maintenance men, I was then in the department of public works, and had maintenance men in my department, and I was the only one of the commissioners that refused to give them any increase over that of the—over what the union demands from private enterprise.

Right now, in making the budget of this year, we increased the salary of all employees \$400.

MR. MOSER. Mr. Ellenstein—

MR. ELLENSTEIN. May I be permitted, so you get a clear picture?

MR. MOSER. It is a little off the track for us to go into that.

MR. ELLENSTEIN. You asked the question what kind of relations we had with them, and I am telling you exclusively the kind of relations.

Right now they have been pushing Holzlohner and the others in the building trades to give, first, the construction rate, which I refused to do, and which the other commissioners I said, had done some 2 years ago; and I refused to give them \$400 the same as the other employees were getting on the theory that we wouldn't pay, I wouldn't pay any money, I was opposed to paying any more money than what actually the union demands from private enterprise, and took the position there was no justification for it, and I couldn't reasonably defend it, notwithstanding the fact that I am known to be friendly to labor.

MR. MOSER. Mr. Ellenstein, what is the union that Holzlohner represents?

MR. ELLENSTEIN. He is the president of the building trades. And, incidentally, I must tell you this:

In trying to find a means of attracting Anheuser-Busch to the city, I called Holzlohner and Low, who was the vice president of the iron workers, and had them make a commitment that there would be no jurisdictional scraps, and no stoppage of work during the period of the erection of that building, as an added inducement for Anheuser-Busch to locate in Newark, after they had abandoned the idea, and had given up the idea of locating in Newark.

MR. MOSER. Did you have a meeting of those representatives?

MR. ELLENSTEIN. Yes.

MR. MOSER. Where was that meeting held?

MR. ELLENSTEIN. That was held at the city hall.

MR. MOSER. At the city hall?

MR. ELLENSTEIN. As I recall.

MR. MOSER. Was Holzlohner there?

MR. ELLENSTEIN. Yes.

MR. MOSER. Was Fay there?

MR. ELLENSTEIN. No.

MR. MOSER. Fay was not there?

MR. ELLENSTEIN. No, sir.

MR. MOSER. He was in jail at that time?

MR. ELLENSTEIN. Yes, sir.

MR. MOSER. Was Zwillman there?

MR. ELLENSTEIN. No, sir.

MR. MOSER. You are sure?

MR. ELLENSTEIN. Just as sure as I am that I am looking at you. That at no time have I met Zwillman with any of the labor men.

MR. MOSER. I see.

MR. ELLENSTEIN. The trouble with you is you have got misinformation.

MR. MOSER. How do you know I have?

MR. ELLENSTEIN. You wouldn't ask these questions. I presume you know Mr. Velie. He accused me of bringing strikebreakers in in the Continental Paper Co. in Park Ridge.

MR. MOSER. Who is Mr. Velie?

MR. ELLENSTEIN. Well, I don't know. Don't you know Mr. Velie? He has been around Newark for 10 weeks. Collier's magazine. He has been around here for 10 weeks.

MR. MOSER. Now you mentioned two matters that I would like to get more information on:

One is with respect to Bamberger's and one is with respect to the Anheuser-Busch plant.

First in the case of Bamberger's, they had quite a big retail clerk strike awhile ago, did they not?

MR. ELLENSTEIN. I don't know of it.

MR. MOSER. You don't remember the retail clerks' strike that Bamberger's had?

MR. ELLENSTEIN. No, sir; I don't. It couldn't have lasted very long, or it certainly would have come to my attention.

MR. MOSER. Did you have no connection whatever with Bamberger's union activities?

MR. ELLENSTEIN. No, sir.

MR. MOSER. None whatever?

MR. ELLENSTEIN. No, sir.

MR. MOSER. You never represented Bamberger's?

MR. ELLENSTEIN. No, sir.

MR. MOSER. You never represented any union that had any dealings with Bamberger's?

MR. ELLENSTEIN. No, sir. There was at one time a recommendation made, some man from New York came over and asked me if I wanted to represent the union, but I said I would think over; and I declined.

Frankly, I would rather represent management, and at the same time do justice to labor. I was able to settle strikes to the satisfaction of both sides.

I settled the International Garment Workers strike here, when the International Garment Workers first came in. And it met with the approval of both management and the strikers.

MR. MOSER. So that you say that you had no connection with any strike that occurred at Bamberger's, either in connection with its settlement or anything else; is that correct?

MR. ELLENSTEIN. No, sir.

MR. MOSER. Do you know whether Mr. Holzlohner had anything to do with the strike at Bamberger's?

MR. ELLENSTEIN. I wouldn't know.

MR. MOSER. You know nothing about that?

MR. ELLENSTEIN. I don't—I am not in good graces, you know, of these leaders. Not in the good graces that you imagine I am in, because in the last election—it is a matter of record—the vice president of the Building Trades Council, James Low, was Mr. Murphy's, the former mayor's, campaign manager.

And of the 30 candidates I was the only one that campaigned against former Mayor Murphy, and Low was the manager of the Mayor Mur-

phy—campaign manager. And certainly it didn't set well that I was opposed to Murphy on the principles that he practiced in the department of revenue and finance. That was in the 1949 election.

Mr. MOSER. Now tell us about Arthur H. Padullo. Who is he?

Mr. ELLENSTEIN. He is a builder here in Newark.

Mr. MOSER. A builder.

Mr. ELLENSTEIN. Yes.

Mr. MOSER. What kind of building does he build, any kind?

Mr. ELLENSTEIN. Well, he built, I don't know what kind of buildings he had built. He has built two-story apartments in Ivy Hill. That is up in the westerly end of the city.

Mr. MOSER. Residential buildings?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. What did he build before Ivy Hill?

Mr. ELLENSTEIN. I don't know. I don't know his background.

Mr. MOSER. Is he a city official of any kind?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. Just a private individual?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. Ivy Hill, was there some controversy with regard to the building of Ivy Hill that you know of in the city council?

Mr. ELLENSTEIN. No.

Mr. MOSER. In the city commission?

Mr. ELLENSTEIN. Controversy?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. At present?

Mr. MOSER. Has there been in the past?

Mr. ELLENSTEIN. Well, there were controversies in the past about it.

Mr. MOSER. Tell us about it. What was the controversy?

Mr. ELLENSTEIN. I will give you my best recollection of it.

There was a question as to whether or not he carried out the terms of the agreement. And it was in the past administration.

Mr. MOSER. Wait a minute now. You referred to an agreement. Agreement between whom, between what parties?

Mr. ELLENSTEIN. Between Mr. Padullo and the city.

Mr. MOSER. He had an agreement with the city?

Mr. ELLENSTEIN. And the contractor.

Mr. MOSER. And what was that contract about, do you know?

Mr. ELLENSTEIN. It was about the purchase of the land.

Mr. MOSER. Did he buy the land?

Mr. ELLENSTEIN. I don't have to refresh my recollection on that. That is a matter of public record, all those things.

Mr. MOSER. Did he buy the land from the city?

Mr. ELLENSTEIN. He bought the land, as I remember, but I am not certain about it. There was some talk about him leasing the property. But I think he bought it. He bought it eventually.

He was to build a certain number of homes within a period when we were in bad straits insofar as housing was concerned, and concessions were made.

Mr. MOSER. What kind of concessions were made?

Mr. ELLENSTEIN. Well, the property was sold on the condition that so many houses would be built. Obviously that's a concession, because not everybody can build so many houses within that period. And he agreed to do it.

Mr. MOSER. You mean, the building department would not permit the houses to be built at a faster rate than that?

Mr. ELLENSTEIN. No. They wanted it done faster. That was vacant land, it hadn't been used before.

Mr. MOSER. Why was it a concession to let him do it faster; he could do it as fast as he liked, couldn't he?

Mr. ELLENSTEIN. It wouldn't serve the interests of the city, because people who couldn't find residence in the city of Newark, go elsewhere. We lose population. With the loss of population, it affects the city economically. You understand that.

Mr. MOSER. Mr. Ellenstein, it was not a concession, it was a condition that you imposed upon him that he must build them at a certain speed; is that correct?

Mr. ELLENSTEIN. Yes. Then the controversies arose whether or not he was doing it that way. And at that time there was a different corporation counsel. And they came out with opinions.

Those things are all a matter of record.

Mr. MOSER. Is there anything—

Mr. ELLENSTEIN. The minutes of the commission meeting and everything that is taken down in shorthand at every commission conference where these things are all threshed out.

Mr. MOSER. Was there any zoning question in connection with that?

Mr. ELLENSTEIN. When?

Mr. MOSER. When Mr. Padullo was going to build this Ivy Hill project, he was building it in a place that was—

Mr. ELLENSTEIN. Yes; there was a question of zoning.

Mr. MOSER. Zoned for individual residence.

Mr. ELLENSTEIN. Anyway, it was a variance from the zone, the original zone. And some people objected to it, people in the adjoining town of Maplewood objected to it. He was going to build—you mean the most recent one. He was going to build multiple units, and these people objected to it. And the city commission, rightly, in my opinion, changed the zone. It is the only way the city can grow. Multiple units.

Mr. MOSER. You voted in favor of that zoning change, did you?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. How did the other members of the commission vote on that?

Mr. ELLENSTEIN. I think they all voted—I don't know.

Mr. MOSER. You don't remember?

Mr. ELLENSTEIN. No.

Mr. MOSER. Did Holzlohner have anything to do with that?

Mr. ELLENSTEIN. No. Holzlohner and Padullo were at dagger's points.

Mr. MOSER. What?

Mr. ELLENSTEIN. Well, in the building of his—apparently you haven't got the facts straight.

Mr. MOSER. I don't have the facts. I want the facts from you, sir.

Mr. ELLENSTEIN. Well, Padullo first built these two-story buildings adjoining. The question arose as to whether or not he would be permitted to do that, because he was building, then, whether each one was considered a two-family house, or whether, being a party wall, it was considered a four-family house. It had upper and lower stories.

The legal opinion came down was that it was considered, as I remember it, it was considered a two-family house.

Well, I didn't quite agree with that opinion. I don't know how I voted on that question. However, it passed the commission. But then this Padullo got into trouble with the A. F. of L. Building Trades and had brought in people, veterans that he got from other parts of the country, and he was completing these houses.

So he was at loggerheads—Padullo was at loggerheads with all of the building trades, all of them, the carpenters, the iron workers, the masons, the bricklayers, all of them.

So as far as I know, the relationship between the two was not good.

MR. MOSER. So Holzlohner had a motive for opposing the zoning change: is that correct?

MR. ELLENSTEIN. I didn't say that Holzlohner—

MR. MOSER. I didn't say he did. I am asking you.

MR. ELLENSTEIN. I don't recall that he opposed the zoning.

MR. MOSER. You don't recall that. You don't recall that he took any part in that controversy?

MR. ELLENSTEIN. Let me explain to you, Mr. Moser:

When you have a zoning variation, you notify people within 200 feet of the location.

MR. MOSER. Yes?

MR. ELLENSTEIN. And they come in. Holzlohner doesn't even live in Newark, as I understand it.

MR. MOSER. So he was not notified of this zoning problem?

MR. ELLENSTEIN. I don't know whether he was notified or not.

MR. MOSER. Do you know whether he took—

MR. ELLENSTEIN. But he would get no legal notice. He may have been notified through the newspapers.

MR. MOSER. Irrespective of whether he had notice, do you remember whether he took any part in it?

MR. ELLENSTEIN. I don't remember.

MR. MOSER. Of any kind?

MR. ELLENSTEIN. No.

MR. MOSER. You don't remember whether he attended any meetings or presented any protests?

MR. ELLENSTEIN. I don't know.

MR. MOSER. You don't recall that?

MR. ELLENSTEIN. No.

MR. MOSER. Who is a man named Joelson?

MR. ELLENSTEIN. Joelson in Paterson?

MR. MOSER. I don't know. Do you have a relative named Joelson?

MR. ELLENSTEIN. Yes.

MR. MOSER. What is his name?

MR. ELLENSTEIN. Charles Joelson.

MR. MOSER. He lives in Paterson?

MR. ELLENSTEIN. That's right.

MR. MOSER. Is he related to you?

MR. ELLENSTEIN. He is my nephew. And I am proud of him. I am not always proud of the relatives I have; but I am proud of this relative.

MR. MOSER. Is he your sister's son?

MR. ELLENSTEIN. My younger sister's son.

MR. MOSER. Who is David Lieb?

Mr. ELLENSTEIN. He is in the brick business.

Mr. MOSER. Brick business?

Mr. ELLENSTEIN. Yes. The brick contracting. Brick contracting.

Mr. MOSER. Masonry, too?

Mr. ELLENSTEIN. I don't know. That's my impression of it.

Mr. MOSER. Has he ever done any work for the city, as far as you know?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. None at all?

Mr. ELLENSTEIN. None that I know of.

Mr. MOSER. Have you ever had any dealings with him?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. No dealings of any kind?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. Social, political, or business?

Mr. ELLENSTEIN. Well, when you speak of social, as in many instances, he invited me, as I recall it to his—I don't know whether it was his son's or his daughter's wedding, and I attended it.

Mr. MOSER. You did attend a wedding?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. Where was that wedding?

Mr. ELLENSTEIN. I don't recall where it was, whether it was here or in New York. That is something that is very common. People I don't know invite me to weddings.

Mr. MOSER. People do that. But I want to know about this particular case.

Mr. ELLENSTEIN. I am telling you that it is very common.

Mr. MOSER. I know it is common. But in this particular case, did he invite you as a fairly close friend, or as somebody—

Mr. ELLENSTEIN. I don't consider him a fairly close friend.

Mr. MOSER. He is just a distant associate?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. A distant acquaintance?

Mr. ELLENSTEIN. That's right. It is the most abused word in the English language, the word "friend."

Mr. MOSER. Did David Lieb have anything to do with this zoning change on the Ivy Hill project?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You don't know?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You are sure he had nothing to do with it?

Mr. ELLENSTEIN. Nothing at all that I know of. Nothing that came to my attention.

Mr. MOSER. What is Charles Joelson's business?

Mr. ELLENSTEIN. He is a lawyer.

Mr. MOSER. He is a lawyer?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. Where does he practice?

Mr. ELLENSTEIN. In Paterson. He is the corporation counsel for the city of Paterson.

Formerly intelligence man in the Navy, during the war. And he held a position in the National Labor Relations Board; some kind of a position, I don't know exactly.

He is now being mentioned as a candidate for the Federal bench; if you want the whole story.

Mr. MOSER. He is being mentioned as a candidate. Are you promoting his candidacy?

Mr. ELLENSTEIN. Well, I would like to see him become a Federal judge, because I think he would make a very good one. I am not promoting him actively. I am in the rather, somewhat embarrassing position of being a resident of this county, and it would be impractical for me to openly promote his candidacy.

If I can say a good word for him, frankly, I am going to do it. Because I can do it in good conscience.

Mr. MOSER. The Federal judge is likely to be appointed from his county, Passaic County?

Mr. ELLENSTEIN. Yes. He has the backing of the county. All the business people and labor and all the veterans groups. He was an intelligence man in the Navy during the war. He studied the Japanese language.

Mr. MOSER. Joelson's father is your brother?

Mr. ELLENSTEIN. Was. He passed on.

Mr. MOSER. He is dead?

Mr. ELLENSTEIN. Yes, sir. About 8 or 10 years ago.

Mr. MOSER. Did Joelson's father—what was his business?

Mr. ELLENSTEIN. He was a lawyer.

Mr. MOSER. Was he a well-to-do man?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. He was not?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. Did he make any political—

Mr. ELLENSTEIN. He was a very busy man.

Mr. MOSER. But he didn't make much money?

Mr. ELLENSTEIN. He didn't make much money; that's right.

Mr. MOSER. Was he a little hard up?

Mr. ELLENSTEIN. No. He wasn't hard up. Just lived modestly.

Mr. MOSER. Do you know any political contributions that he made?

Mr. ELLENSTEIN. I don't think he had the means to make any substantial political contributions.

As a matter of fact, he ran for Congressman in the Republican district there: he only lost it once by a small, something over 100 votes; and at another time by 200 votes. The district is so, he had been Republican for many years.

Mr. MOSER. And he was running on the Democratic ticket?

Mr. ELLENSTEIN. He was running on the Democratic ticket.

Mr. MOSER. Did he ever help raise any money for any political campaign that you know of?

Mr. ELLENSTEIN. I live here in Newark, and he lived in Paterson. How would I know? If I were to guess at it, I would say no, because he wasn't that type of an individual.

Mr. MOSER. You don't know whether he was active in raising funds for Republican purposes; you know that he was not?

Mr. ELLENSTEIN. I said that if I were to guess at it, I would say that he was not active, because he wasn't that type of an individual. He was something of an idealist.

Mr. MOSER. There is a judgeship open in the Federal bench here, as I understand it?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. And a number of people are being promoted for it. Are you promoting anybody else?

Mr. ELLENSTEIN. No, sir. There are only two; not a number.

Mr. MOSER. Just two?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. Who is the other man?

Mr. ELLENSTEIN. A man by the name of Lynch that has a district court—he is a district-court judge in Orange.

Mr. MOSER. Lynch. What is his name?

Mr. ELLENSTEIN. Lyons, rather. Joe Lyons.

Mr. MOSER. Joseph Lyons?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. And who is promoting him?

Mr. ELLENSTEIN. I don't know. The so-called National Democratic Clubs over the State have given the blessings to both Lyons and Joelson.

Senator TOBEY. Are they both high-grade men above reproach?

Mr. ELLENSTEIN. I would say so, Senator. I would say so. As a matter of fact, you ask your Jersey Senators, they will be able to tell you.

You may consider that I am biased, or partial. But I think if you ask the Jersey Senators, the Republican Senators, then you will find out.

Mr. MOSER. Mr. Ellenstein, is anybody promoting Harold G. Krieger for the position?

Mr. ELLENSTEIN. Never heard——

Mr. MOSER. Never heard of him?

Mr. ELLENSTEIN. You asked me if there is anyone promoting him. I say no; never heard of it.

Mr. MOSER. You know him, don't you?

Mr. ELLENSTEIN. Yes, I do.

Mr. MOSER. What is his position at the present time?

Mr. ELLENSTEIN. His position?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. He is in the corporation counsel's office in Jersey City.

Mr. MOSER. Do you know him well?

Mr. ELLENSTEIN. I know him fairly well.

Mr. MOSER. How long have you known him?

Mr. ELLENSTEIN. I know him about 8 years.

Mr. MOSER. What have your connections with him been?

Mr. ELLENSTEIN. Well, he represented the union where the 18 or 20 different merchants in the city of Newark, the Newark Furniture Dealers, were negotiating with him. I met him there first.

Mr. MOSER. He represented the union that dealt with those——

Mr. ELLENSTEIN. In negotiating for a contract.

Mr. MOSER. And that was the way you knew him?

Mr. ELLENSTEIN. That's the way I knew him.

Mr. MOSER. Does he represent any other labor unions, as far as you know?

Mr. ELLENSTEIN. I don't know. I don't know.

Mr. MOSER. Mr. Ellenstein, have you ever been to Peekskill, N. Y.?

Mr. ELLENSTEIN. Have I ever been to Peekskill?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. Lots of times. I used to go to Bill Brown's every year.

Mr. MOSER. You used to go where?

Mr. ELLENSTEIN. To Bill Brown's. He had a health farm there.

Mr. MOSER. Bill Brown's health farm?

Mr. ELLENSTEIN. He was the boxing commissioner in the State of New York. Health farm. That's about 8 miles from Peekskill.

Year after year I went there during the period I was practicing dentistry, and then in later years until Bill Brown passed on.

Mr. MOSER. What did you go there for?

Mr. ELLENSTEIN. To Peekskill?

Mr. MOSER. Yes; at Bill Brown's?

Mr. ELLENSTEIN. For my health.

Mr. MOSER. What did you do there?

Mr. ELLENSTEIN. What did I do?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. I would get up in the morning at 5:30, take a cup of hot water, burning hot water with some phosphates in it, go into the gym, and exercise for about three-quarters of an hour with a medicine ball, and wand exercise, and dumbbells, and come out and sit around, and go and have breakfast.

Then I would go on a hike for 5 miles, then come back and have a rubdown and massage, and sit around and have lunch, and smoke one cigar a day.

Then I would go out in the afternoon and either play golf or handball or tennis or horseback riding.

Then I would come back in the evening and get another massage, and another hot shower, and a cold shower, and then, after dinner, I would go to Peekskill sometimes, and go to a movie there. And at 9:30 I was in bed.

Mr. MOSER. And did you ever see Nathan Ohrbach there?

Mr. ELLENSTEIN. Nathan Ohrbach?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You never saw him at the health farm?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. You never saw him at Peekskill?

Mr. ELLENSTEIN. No. If you mean Nat Ohrbach who owns the Ohrbach Stores, not there. He was outside of Peekskill. He had an estate there. He was never at Bill Brown's, nor in Peekskill.

Mr. MOSER. Did you ever go to see him at his estate?

Mr. ELLENSTEIN. Yes; several times.

Mr. MOSER. How do you know him?

Mr. ELLENSTEIN. I met him through his brother-in-law, Jack Kane, who was the manager of the Ohrbach store in Newark. And one time, when I settled the teamster strike here, I sat up all night to do it, and the next day—to settle that teamsters' strike, and the next day I, the only time in my life, I went to, I think, the YMCA and got under a cold shower and fainted. The only time in my life I was unconscious without being under an anesthetic.

The papers carried that Mr. Ohrbach called me, or Kane did, and asked me to go up there, and not be foolish, and be at his estate for a week or two, as long as I wanted to. So I went up there.

Mr. MOSER. How long did you stay there, a week or two?

Mr. ELLENSTEIN. I stayed there about 4 days, when I was called back again to settle the strike at the New Yorker Hotel in New York; management wouldn't have anything to do if Mayor Murphy, I think, Mayor Murphy, would sit in as the arbitrator. They wanted me to do it.

So I came over to the New Yorker Hotel and sat up again until 4 o'clock in the morning, and settled that strike.

Mr. MOSER. Do you know Mr. Maurice Shapiro?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. He is a lawyer?

Mr. ELLENSTEIN. That's right. Practicing here in Newark. He represents Ohrbach.

Mr. MOSER. Ohrbach's store here in Newark?

Mr. ELLENSTEIN. I don't know what connection he has. He represents Ohrbach.

Mr. MOSER. Generally?

Mr. ELLENSTEIN. Generally, yes.

Mr. MOSER. He is their regular attorney?

Mr. ELLENSTEIN. I don't know how regular he is or not. I presume they have other attorneys. I know at times he has represented Ohrbach.

Mr. MOSER. How well do you know Maurice Shapiro?

Mr. ELLENSTEIN. Very well. For 30 years.

Mr. MOSER. Personally and socially?

Mr. ELLENSTEIN. Personally and socially; that's right.

Mr. MOSER. Have you had any business dealings with him?

Mr. ELLENSTEIN. Not that I recall.

Mr. MOSER. Have you had any business dealings with him in labor matters?

Mr. ELLENSTEIN. In labor matters?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. No.

Mr. MOSER. None whatever?

Mr. ELLENSTEIN. None whatever.

Mr. MOSER. Either officially or in your business?

Mr. ELLENSTEIN. That's right. Either way. When you said business matters, he had taken some engineering courses, he had an idea of piping in television. So I did have some, went over to New York to meet some people here, he had an idea he could supply all the hotels by piping in, what they call—what do they call that again in television—

Mr. FRISCH. Coaxial.

Mr. ELLENSTEIN. Coaxial cable, that's right. He had an idea of piping that in. He could service hotels.

So I went over to New York and spent time. And when I made inquiry, I found it wasn't feasible, so I dropped it.

Mr. MOSER. Was he asking you to invest money in it?

Mr. ELLENSTEIN. No. It didn't require any investment to speak of.

Mr. MOSER. Did Mr. Shapiro ever represent you in any matter of any kind?

Mr. ELLENSTEIN. Not that I recall.

Mr. MOSER. What is the Metropolitan Broadcasting Co.; is that in any way related to the television business that you are talking about?

Mr. ELLENSTEIN. I don't know what you are talking about.

Mr. MOSER. You never heard of the Metropolitan Broadcasting Co.

Mr. ELLENSTEIN. No. If you can refresh my recollection. I never heard of that name. Not that I recall. If you mean I know way back that Mr. Shapiro was active with a Mr. Ohrbach in New York in attempting to get a channel in New Jersey. If that is what you mean, that has been 6 or 7 years ago.

That's all I know about it. I know nothing more than that.

Mr. MOSER. They were just trying—

Mr. ELLENSTEIN. I know that he was active. He never discussed it with me. I know he represented Mr. Ohrbach. He may have discussed it with me, just casually.

But he went to Washington, I know, quite frequently. I think somebody in New York, in the New York City government, was interested in it, too.

Mr. MOSER. You were staying at Mr. Ohrbach's house in Peekskill. When you were there, did you receive a call from Mr. Zwillman?

Mr. ELLENSTEIN. It is not in Peekskill; it is below Peekskill.

Mr. MOSER. Outside of Peekskill.

Mr. ELLENSTEIN. That's right.

Mr. MOSER. Did you receive any call from Mr. Zwillman?

Mr. ELLENSTEIN. I don't recall.

Mr. MOSER. You don't recall?

Mr. ELLENSTEIN. No.

Mr. MOSER. Is it possible that you did?

Mr. ELLENSTEIN. It is possible. I wouldn't recall. That's some time ago.

Mr. MOSER. What year was it you were at Ohrbach's; do you remember?

Mr. ELLENSTEIN. Well, it was the year that the New York strike, when the truckmen's strike was on. I think it was in '49.

Mr. MOSER. 1949?

Mr. ELLENSTEIN. No; no—it may have been more than 10 years ago; it may not; I don't know. It is either between the period before—it was not during the period I was out of office, between '40 and '45—'41 and '45.

Mr. MOSER. Was it subsequent to that?

Mr. ELLENSTEIN. I don't recall whether it was subsequent or before that. I know it was further back than 6 years. And it may be more than 10 years back.

Mr. MOSER. In connection with that strike, did you have any dealings with Zwillman?

Mr. ELLENSTEIN. No, sir; none whatsoever.

Mr. MOSER. He didn't telephone you—

Mr. ELLENSTEIN. With that or any other strike.

Mr. MOSER. You said he might have telephoned you at Ohrbach's.

Mr. ELLENSTEIN. Yes.

Mr. MOSER. What might he have telephoned you about?

Mr. ELLENSTEIN. I don't know. I don't recall the telephone call, so how would I know what he would talk to me about.

Mr. MOSER. Isn't it possible that he was calling you about that strike?

Mr. ELLENSTEIN. Is it possible? I don't recall the telephone call. How could I tell you?

Mr. MOSER. Is it possible that he might have—

Mr. ELLENSTEIN. Anything is possible. I don't recall it.

Mr. MOSER. You don't recall it?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. But it might have happened?

Mr. ELLENSTEIN. Well, as I said, anything is possible. I don't recall—I have no recollection of it whatsoever.

Mr. MOSER. Let's not talk about possible, let's talk about probable.

Mr. ELLENSTEIN. You asked the question, it is possible. No, it is not probable.

Mr. MOSER. It is not probable?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. It is quite unlikely then?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. Do you know of a company called the Midwest Piping & Supply Co.?

Mr. ELLENSTEIN. I do.

Mr. MOSER. What is your connection with that company?

Mr. ELLENSTEIN. Well, I represented them in public relations.

Mr. MOSER. In public relations?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. And labor relations?

Mr. ELLENSTEIN. No, sir.

Mr. MOSER. Just public relations?

Mr. ELLENSTEIN. Public relations.

Mr. MOSER. What work have you done for them?

Mr. ELLENSTEIN. Well, I was able to recommend them to the Anheuser-Busch people.

Mr. MOSER. You mean, when the Anheuser-Busch Co. were looking for some one to do work for them, you recommended this outfit?

Mr. ELLENSTEIN. Anheuser-Busch people didn't tell me that they were looking for somebody. Midwest Piping—I have forgotten the gentleman's name—came to me and asked me if I wouldn't represent them in attempting to get them the contract with the Anheuser-Busch in connection with the Anheuser-Busch construction.

I told them that I would make an effort to do that, and I did.

Mr. MOSER. By "represent them," you mean you would help them get business in connection with that construction?

Mr. ELLENSTEIN. To Anheuser-Busch. That's right. That is public relations.

Mr. MOSER. And at that time you were an official of the city, were you not; you were a city commissioner at that time, weren't you?

Mr. ELLENSTEIN. Sure. What bearing has that on it?

Mr. MOSER. Was the man you talked to O. P. Carter, do you remember? You said you couldn't remember the name of the man of the Midwest Piping & Supply Co.?

Mr. ELLENSTEIN. That is not the name; that is not the man that I talked to.

Mr. MOSER. But they approached you and asked you if you could help them get business in the Anheuser-Busch Co.?

Mr. ELLENSTEIN. That's right, as many others did.

Mr. MOSER. What product do they supply?

Mr. ELLENSTEIN. I know they supply pipes. I don't know, I couldn't tell you just exactly.

Mr. MOSER. Do you know what the nature of their pipes is?

Mr. ELLENSTEIN. In connection with steam. I think they make a certain caliber of pipes in connection with steam, where high-pressure steam is used going through the pipes.

Mr. MOSER. Steam pipes and pressure pipes?

Mr. ELLENSTEIN. That's right. Pressure-resisting pipes.

Mr. MOSER. Did you approach Anheuser-Busch about them?

Mr. ELLENSTEIN. I communicated with the plant manager.

Mr. MOSER. Do you get a fee from them for that work?

Mr. ELLENSTEIN. Yes; that's right.

Mr. MOSER. How much do you get?

Mr. ELLENSTEIN. Well, I usually get, as with all others that I represent in that kind of work, I get whatever they would pay a salesman. In other words, they write their own ticket, as in this case.

Mr. MOSER. You act as a salesman really.

Mr. ELLENSTEIN. Well, it is not exactly a salesman. A public relations, as I understand it, means nothing else but sales promotion.

Mr. MOSER. Yes. In other words, you get business—

Mr. ELLENSTEIN. May I explain it please?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. If it is a large national concern, they build up good will for the product, which stimulates sales of the product.

Mr. MOSER. You get business—

Mr. ELLENSTEIN. May I, please?

Mr. MOSER. I am just asking you.

Mr. ELLENSTEIN. I think you will have a clearer understanding.

Mr. MOSER. Is there any objection to my asking you this question—

Mr. ELLENSTEIN. I don't want to leave innuendoes.

Mr. MOSER. You may say anything you like. I just want to ask you as to the nature of your function to get business for them.

Mr. ELLENSTEIN. That's right.

Mr. MOSER. What is the objection to my asking that question?

Mr. ELLENSTEIN. You injected this by saying, when you were city official at that. What bearing has that upon the fact that I have a city—it is not city property. I am not representing two clients, the city on one hand and someone on the other.

And I said—now may I finish the statement?

Mr. MOSER. Sure.

Mr. ELLENSTEIN. As I see it, public relations is nothing more than sales promotion. It is done in one of three ways: One is to advertise, if you are a national products, and build up good will for the product, even though you don't advertise the price. By institutional ads.

The second way is to engage in the experience that I had, engage salespeople, and give them a drawing account of \$100, \$125 a week, and give them a commission against that drawing account. And at the end of the period, in 80 percent of the cases at least, they—I mean the salesman owes you money at the end, because he is overdrawn.

The third way is getting business by contacts. But in every single instance, when I recommended anyone to Anheuser-Busch, it was

with the understanding that the price would be economically as low, or lower than anybody else's and the service and all things would be equal.

And when the individual came to me and wanted me to represent him in public relations, he tells me what he pays the salesman. And that I adopt. I don't bicker with him.

Mr. MOSER. In other words, what you get paid is the salesman's commission that he would pay on the sale of that merchandise, and it is usually based upon the quantity sold; is that correct?

Mr. ELLENSTEIN. That's right. It would be a house account. The salesman wouldn't service it. It would be a house account. So he wouldn't have to pay a salesman.

Mr. MOSER. It is a commission paid on the merchandise sold.

Mr. ELLENSTEIN. Yes, sir. There are many people around that are doing that.

Mr. MOSER. Do you remember how much you paid to the Midwest people?

Mr. ELLENSTEIN. I paid?

Mr. MOSER. I mean, how much they paid you?

Mr. ELLENSTEIN. Well, it would have to be a guess.

Mr. MOSER. All right.

Mr. ELLENSTEIN. I would say it might be between two and three thousand.

Mr. MOSER. You said that a number of people came to you and asked you to do the same thing?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. In connection with the Anheuser-Busch plant?

Mr. ELLENSTEIN. All plants.

Mr. MOSER. All plants?

Mr. ELLENSTEIN. Yes, any plant.

Mr. MOSER. With respect——

Mr. ELLENSTEIN. As a matter of fact, I used to do these things gratuitously.

I had a friend of mine who asked me about 18 months ago, the thought occurred to me. He said, "All your life you have been doing these favors, helping people and all that. But when you make a contact——"

This fellow, incidentally, had given the fellow that I had recommended to him a contract for trucking, where the rate was uniform, fixed by the ICC. And out of deference to me, this fellow gave him a contract, and he met me and he said that "Why, what did you get out of this?" This happened about 18 months ago.

I said, "Why, nothing."

"You are foolish," he said. "You are wasting your time and doing all these things for nothing. When you get a man a very substantial contract, why can't he give you a little, a fair share of it, what he would have to give a salesman in order to get the account."

And it sort of awakened me to the position. That's the story.

Mr. MOSER. In other words, you do a favor for him, so you get paid for it; you get a commission?

Mr. ELLENSTEIN. If he profits by it.

Mr. MOSER. A commission?

Mr. ELLENSTEIN. A commission.

Mr. MOSER. You said other people had done the same thing. Would you name some of the others who had done it?

Mr. ELLENSTEIN. There are some in New York that do it. I can't tell you offhand.

Mr. MOSER. Well, in the Anheuser-Busch case, which I understand is a fairly recent one, what other people have you represented in the same way as Midwest?

Mr. ELLENSTEIN. What do you mean? At the Anheuser-Busch?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. At the Anheuser-Busch, you mean?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. I don't understand your question.

Mr. MOSER. I will go back a little bit: You said that the Midwest Piping & Supply Co. came to you and asked you if you would represent them in obtaining business for them from Anheuser-Busch.

Mr. ELLENSTEIN. Yes; or anywhere.

Mr. MOSER. All right. Now, did anyone else come to you and ask you to help them get business from the Anheuser-Busch plant?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. All right. Name some.

Mr. ELLENSTEIN. Why, the Consolidated Laundry.

Mr. MOSER. Where are they located?

Mr. ELLENSTEIN. They have four plants in Newark, and one of the largest laundries in the East.

Senator TOBEY. Is that Moretti's company?

Mr. ELLENSTEIN. No; I have no connection with Moretti.

Mr. MOSER. What would they supply to a plant like Anheuser-Busch?

Mr. ELLENSTEIN. Well, I told you I represented not only Anheuser-Busch, I have gotten a restaurant for them, a new restaurant.

Mr. MOSER. What restaurant is that?

Mr. ELLENSTEIN. Saxony. I have gotten the Hopping Phillips Co. They furnish them with overalls, they furnish them with uniforms, they furnish them with linen. Every place needs linen in their washrooms, and the like.

Mr. MOSER. Did they supply any to Anheuser-Busch?

Mr. ELLENSTEIN. I recommended them to Anheuser-Busch. I recommended them to anyone.

Mr. MOSER. Did they get any business from Anheuser-Busch?

Mr. ELLENSTEIN. I don't think so. Not yet.

Mr. MOSER. All right. You have named them. Now, who else?

Mr. ELLENSTEIN. Have you got that list, Mr. Farrell?

Mr. FARRELL. Yes; I have that list. [Handing to Mr. Moser.]

Mr. MOSER. Will you tell us which ones of those, Mr. Ellenstein, you recommended to Anheuser-Busch?

Mr. ELLENSTEIN. Well, there is Business Furniture, Inc.

Mr. MOSER. Business Furniture, Inc.?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. You recommended them?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. Did they get any business?

Mr. ELLENSTEIN. I don't know.

Mr. MOSER. Who else?

Mr. ELLENSTEIN. The Jersey—the Automatic Safety. The brake concern. They haven't got any business, I am sure, from Anheuser-Busch. I don't know if I have recommended them to Anheuser-Busch, but I have recommended them to a number of others, to have brakes adjusted.

The Window Cleaning Co., they have gotten some business from Anheuser-Busch. The All American Window Cleaning Co.

The Trinity Fuel Corp. has got no business. They are a firm that is located in Philadelphia, and have leases on mines. And they deal with bituminous and anthracite coal.

Mr. MOSER. And you recommended them to Anheuser-Busch?

Mr. ELLENSTEIN. No, not to Anheuser-Busch; but others.

Mr. MOSER. Yes, I understand. I wish you would tell us which ones you recommended to the Anheuser-Busch Co.

Mr. ELLENSTEIN. Wollman Sign Co. I recommended them to Anheuser-Busch. You just want those that I recommended to Anheuser-Busch and omit the others?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. The Uptown Printing Co. I recommended them to Anheuser-Busch.

Typewriter & Office Machine Co., I think I have recommended them to Anheuser-Busch. I have recommended them to a number of others, too.

I told you about the Consolidated Laundry. Business Furniture, I have recommended them to Anheuser-Busch. They deal in office furniture and the like.

And that's about all that I see.

Senator TOBEY. Now, sir, about these companies that you do public relations for, and stimulate their business, how do you effect your charges, on what kind of a scale?

Mr. ELLENSTEIN. It is based upon what they paid to a salesman.

Senator TOBEY. In these cases here, how much did you say you made?

Mr. ELLENSTEIN. I didn't say that—the Interstate Corrugated Container Co., I recommended to Anheuser-Busch.

Senator TOBEY. In these cases here, what is your income annually, approximately, for the public relations?

Mr. ELLENSTEIN. In public relations and labor relations?

Senator TOBEY. Yes.

Mr. ELLENSTEIN. Well, it is nominal as compared. But my income—

Senator TOBEY. What proportion of your income comes from this?

Mr. ELLENSTEIN. Proportion of the income?

Senator TOBEY. Yes.

Mr. ELLENSTEIN. My income, my total income, is about \$70,000, gross.

Senator TOBEY. Your total income?

Mr. ELLENSTEIN. Yes.

Senator TOBEY. What proportion is public relations?

Mr. ELLENSTEIN. I would say about 30.

Senator TOBEY. Approximately half of it?

Mr. ELLENSTEIN. No. Actual public relations, not more than 12 or 15. I have only started on that, you understand, with Anheuser-Busch. And these people, it takes some time for contracts—contracts may be in existence.

Senator TOBEY. Do they come to you and ask you out to do this for them?

Mr. ELLENSTEIN. Yes, sir.

Senator TOBEY. How do they know you are in the business?

Mr. ELLENSTEIN. I am located on one of the main streets in Newark, and I am pretty well known in Newark.

Senator TOBEY. Your job as commissioner of the city is not a full-time job?

Mr. ELLENSTEIN. No, sir.

Senator TOBEY. How much of your time does it take you to do that?

Mr. ELLENSTEIN. I operate it by remote control. I receive the file.

I answer correspondence faster, Senator, than if I am down in the city hall, because in city hall I always get these fellows that come in, political hangers-on, and the like, whereas, when I am in the private office, I have a file come down every day, and I answer my correspondence very much faster than I was able to do it the other way. And all in not only unproductive labor, but useless labor.

Senator TOBEY. Then in addition to your salary—

Mr. ELLENSTEIN. When I say that \$70,000, I am including my salary as commissioner.

Mr. MOSER. How much is that?

Mr. ELLENSTEIN. \$8,500.

Senator TOBEY. So your salary as commissioner and your public relations, do those constitute your income?

Mr. ELLENSTEIN. And my law office.

Senator TOBEY. You do a law practice also?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. That is mostly labor law?

Mr. ELLENSTEIN. No. I don't take care of it. I don't have the time to devote there. It is Judge Cooper that does. I would say most of the income probably is labor law.

Mr. MOSER. Well, you have said that you get \$8,500 from the city.

Mr. ELLENSTEIN. That's right.

Mr. MOSER. And you get about \$20,000 from public-relations work.

Mr. ELLENSTEIN. Yes.

Mr. MOSER. That is \$30,000.

Mr. ELLENSTEIN. Yes.

Mr. MOSER. And you get \$40,000 from the law practices; is that correct?

Mr. ELLENSTEIN. I don't think your addition is quite correct—yes.

You see, I have another source. I represent the Furniture Dealers, and I give them my personal advice. I have the account in my personal account.

I also represent the Prudential Insurance Co., who engaged me about 2 months ago, 2 months or 10 weeks ago, on a retainer basis to take care of the labor relations over the country. And the contract is made with me personally, and not with the corporation. So that's my personal account.

Those two accounts are in my personal account. The Furniture Dealers, because I have committed myself to take care of that personally.

Mr. MOSER. How much do you receive from them a year?

Mr. ELLENSTEIN. Who?

Mr. MOSER. Furniture Dealers?

Mr. ELLENSTEIN. \$10,000.

Mr. MOSER. \$200 a week?

Mr. ELLENSTEIN. Yes.

Mr. MOSER. And how much do you receive—

Mr. ELLENSTEIN. As a retainer fee from the Prudential, \$10,000, as a retainer fee only.

Mr. MOSER. I see. And you get additional compensation from the Prudential?

Mr. ELLENSTEIN. Yes. Whatever time I put in.

Mr. MOSER. You represent them as—

Mr. ELLENSTEIN. Labor relations. They are located, you probably know, in half a dozen places throughout the country.

Senator TOBEY. You mean, their employees?

Mr. ELLENSTEIN. Yes.

Senator TOBEY. Do they have labor problems?

Mr. ELLENSTEIN. Sure.

Senator TOBEY. If they don't have them, they make them.

Mr. ELLENSTEIN. They have all these agents, insurance agents. They are organized.

Mr. MOSER. Mr. Ellenstein, I would like to ask you some more about the Anheuser-Busch plants.

I understand that you were entitled to a good deal of the credit for that plant coming here; is that correct?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. Would you tell us the circumstances of that?

Mr. ELLENSTEIN. Sure. The Anheuser-Busch Co. had contemplated moving to Newark some time ago, and they purchased this 50 acres on the highway. And they spent \$800,000 reconditioning the acreage, because it was raw meadowland.

Then the war came on in '41 and, of course, there was a scarcity of commodities, and everything. They had filed their plans with the city. And I was out of office during that period, between '41 and '45.

Now, in '45 I was reelected. It was about that time that the port authority was negotiating for a lease with the city of Newark. They took over 3,000 acres, one-fifth of the entire area of the city. The understanding was that they would not interfere with the contemplated plans of Anheuser-Busch. But the lease—and that there would be a covenant in the lease that would commit the port authority not to interfere in any—directed at the property of Anheuser-Busch, because it required a stack of 125 feet in height.

Well, the lease was executed, and it contained no such covenant.

Anheuser-Busch, unbeknowing to me as one of the commissioners after the '45 election, had gone to the port authority, and they received no satisfaction. They tried to see Mayor Murphy, who was then the mayor, between '45 and '49, and were unable to see him.

So they became entirely disgusted and started to negotiate with Trommers, in Brooklyn, and they have a branch in Orange, N. J.

It was brought to my attention by one of the officials of the Pennsylvania Railroad, that if I got into it, that I could possibly and probably bring Anheuser-Busch to Newark. And, of course, I had, during the

period that I was mayor, I was trying to get industry in here. I was successful even during the depression, to a degree.

So I communicated with Whiting Immels, who was the attorney for Anheuser-Busch, and had an office in Philadelphia, and met him there and asked him if he wouldn't arrange an appointment with me to meet the directors of Anheuser-Busch. And I told him the story.

He said, "It would do you no good. They are thoroughly disgusted with Newark," and so forth and so on.

So I said, "All I am asking for is an appointment."

Mr. MOSER. You were suggesting that you come in as counsel?

Mr. ELLENSTEIN. No. I was doing this on behalf of the city, not as counsel.

Mr. MOSER. Even though you were not an official of the city at that time?

Mr. ELLENSTEIN. Yes, I was. It was after 1945.

Mr. MOSER. I thought you said this started when you were not in the city?

Mr. ELLENSTEIN. The period that it started in, I was not in the city. When the war broke out and Anheuser-Busch had bought their 50-acre plot.

Mr. MOSER. But it was after you were reelected—

Mr. ELLENSTEIN. In 1945, I was not the mayor, but I was in public works.

Mr. MOSER. And it was then that you were approached by the lawyer for the Pennsylvania Railroad?

Mr. ELLENSTEIN. An official of the Pennsylvania Railroad. I didn't say a lawyer. He approached me, and then he told me who I could communicate with in Philadelphia; and I did.

I communicated with a lawyer for the Anheuser-Busch people, and he finally arranged it after a little urging, he arranged for me to meet the board of directors of Anheuser-Busch. And I came back there two or three times, as I recall it.

And finally they said, "Well, we have no confidence in the city. Our experience has been very bad, and they don't apparently want us; nobody wants us."

And I assured them we do want them, and so forth. And they gave me 60 days in which to get a covenant in the lease, re-form the lease, or amend it, so that they would have the assurance that after their plant is constructed, that the port authority would not condemn it.

Because "We don't want to go in there and go all through this again. We have spent \$45 million or \$50 million on this plant."

I told them if they gave me 60 days, and hold off with any negotiations, they were either going to buy a plant in the East, or construct one.

They gave me the 60 days. And then I saw the two of the people on the port authority who were residents of the city of Newark, and got no satisfaction from them.

And I finally turned to the Governor, who said that I was perfectly right, and he made no—you may know the Governor has veto power over the port authority; somebody has power over them. And we were able to work it out, and a covenant was put in the lease, and that satisfied them.

In the interim, while I was doing that, or about that time, I called these labor leaders, and before the city commission, a representative

read the statement that they agreed that there would be no jurisdictional controversy, nor no stoppage of work while the building—while their building is in the course of construction.

Mr. MOSER. This is a labor agreement?

Mr. ELLENSTEIN. Yes, sir. They made the statement that they agreed to do that. And I sent that to Mr.——

Mr. MOSER. You mean, the building trades unions did this?

Mr. ELLENSTEIN. Yes, sir.

Mr. MOSER. Now, with whom——

Mr. ELLENSTEIN. At my instigation. I told them that that would be an added incentive to locate Anheuser-Busch.

Mr. MOSER. And Holzlohner was the one who negotiated with you on this?

Mr. ELLENSTEIN. A group of them. Holzlohner, however, didn't make the statement before the commission.

Mr. MOSER. Who did?

Mr. ELLENSTEIN. A man by the name of Quillan, Joe Quillan. He is a brewery workers' delegate.

Mr. MOSER. And it was understood——

Mr. ELLENSTEIN. In Newark.

Mr. MOSER. And it was understood with the unions, and they stated to you, as an inducement to Anheuser-Busch to come here, that they would not have any strike; is that correct?

Mr. ELLENSTEIN. Not to me. They stated to the entire commission, as a matter of record in the commission. And I sent a certified copy of that to Colonel Busch.

Mr. MOSER. And Anheuser-Busch has had no strikes, have they, in connection with that plant?

Mr. ELLENSTEIN. No, sir.

Senator TOBEY. How long have they been here?

Mr. ELLENSTEIN. Well, Senator, they have completed the brewery, and they have completed the bottle plant, and all they have now to complete is the office building and the garage. And the first unit. Then they are going on to other units.

They have been in operation, in construction they are ahead of schedule. They have spent a lot of money for double time. But the plant manager, Henry McCluney, told me that they are not sorry at all that they have spent the money. Because they have gotten the results that they required and wanted.

Mr. MOSER. Mr. Ellenstein, was that one of the conditions that Anheuser-Busch imposed upon coming in here?

Mr. ELLENSTEIN. No.

Mr. MOSER. That they would have assurance of no strikes?

Mr. ELLENSTEIN. They were sort of uncertain about locating in Newark; they didn't know if it was going to work out.

I went further. I had an ordinance passed by the city commission, which they didn't request, where the city was committed not to permit any runways on the airport that would interfere with their construction.

I think they had a vested interest, anyway, when the city approved of their plans. The city, Senator, approved of their plans before the port authority got the lease executed. It would seem to me that they had a vested interest.

Mr. MOSER. Mr. Ellenstein——

Mr. ELLENSTEIN. But they didn't want to go into litigation.

Mr. MOSER. Did you have any understanding with Colonel Busch, or anybody else, in connection with that company, that they would give special preference to anybody you recommended for construction work, or anything else in your public-relations work?

Mr. ELLENSTEIN. No, sir. I had this satisfactory understanding: That wherever possible, they would engage, in order to keep—I was giving them the benefit of my experience in the city.

I know that the first public-housing project that we constructed, we had a jurisdictional scrap. The veterans' hospital was held up, the veterans' hospital just on the outskirts of Newark, in East Orange, was held up in the last year for about 5 or 6 months, and that frequently occurs.

The second public-housing project that was erected, there was a jurisdictional scrap in there, and I called the vice presidents of the international, of both the ironworkers and the carpenters, and sat all night with them at the Robert Treat Hotel, and finally adjusted it.

I told them to get only those union people, get local people first, and get those people who know the line of demarcation, so that they don't go beyond it.

As a striking example of it, from the meager knowledge that I have, it is very difficult to keep up with just what they do, if you have the moving of a machine, for example, machinery or equipment into a plant, the ironworker takes it off the carrier, whether by freight or whatever it might be, or off the truck. And he moves it to a conveyor.

There, on the conveyor, the millwright builds the conveyor. He is a branch of the carpenters union. And he sets it down in position.

After he sets it down in position, the machinist sets it down and assembles the machine.

So you have three, which leaves plenty of latitude for a jurisdictional argument and fight. And that is what I was telling them about, they should do that. And they said to make recommendations, and I did. I made recommendations to them where they would be less likely to have any jurisdictional scraps, or any labor disturbances.

Mr. MOSER. And Anheuser-Busch has had a very large number of contractors supplying equipment and material and so forth, haven't they?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. That would include, I suppose, lumber and brick and cement and all kinds of things?

Mr. ELLENSTEIN. That's right.

Mr. MOSER. Have you represented any of those suppliers?

Mr. ELLENSTEIN. Did I represent any of those suppliers?

Mr. MOSER. Yes.

Mr. ELLENSTEIN. Well, I don't think I represent any of those suppliers, that I originally presented them. I presented Lieb Bros.

Mr. MOSER. You did represent Lieb Bros.?

Mr. ELLENSTEIN. I didn't represent; I presented them. I didn't represent Lieb Bros. They asked me. I was doing things as a friendly manner.

Mr. MOSER. In other words, you suggested Lieb Bros. to them, but you would get no compensation for that?

Mr. ELLENSTEIN. No compensation whatsoever.

Mr. MOSER. I see.

Mr. ELLENSTEIN. There were a number of them that I represented to them. These people that I represented—oh, I represented, presented, rather, Harris Steel. They didn't get it. Bethlehem Steel got the contract.

Mr. MOSER. Yes.

Mr. ELLENSTEIN. And a number of others. I don't recall them now, offhand. But I did present not represent. I gave them a list of those people that would be, that knew the jurisdictional situation, and always told Mr. McCluney, Mr. Upshaw, the vice president, and Colonel Busch, whom I saw only on rare occasions, I always told them that all things had to be equal.

Mr. MOSER. What do you mean, all things had to be equal?

Mr. ELLENSTEIN. It had to be the lowest bidder and one qualified to do the work.

Mr. MOSER. How much income have you had so far from people that you recommended to Anheuser-Busch?

Mr. ELLENSTEIN. Very little.

Mr. MOSER. Very little?

Mr. ELLENSTEIN. I had, about the Midwest Pipe, is about the—it is very difficult for me to remember—but Midwest is the bulk of it, anyway.

These other people will come into being if and when they can get a contract that Anheuser-Busch will give them, like the laundry people, Consolidated Laundry. They should get the contract for uniforms and towels, and laundry, why, it would be a substantial amount, sum of money.

The same way with the window cleaning company, and the floor, taking care of the floors, if they have that, and some of them do get that service.

Mr. MOSER. But you get about \$20,000 a year from various people that buy things that you recommend, I mean, that is the other way around.

Mr. ELLENSTEIN. The other way around. So things that I recommend.

Yes, they are very happy to do it. I can say that to you, Mr. Moser. In not a single instance do I solicit them.

Mr. MOSER. Do you have any feeling that there is an impression that if anybody wants to get work done without labor trouble, that he should come to you?

Mr. ELLENSTEIN. No.

Mr. MOSER. You never heard that said?

Mr. ELLENSTEIN. No. What I do, I have some people come to see me. I have had two or three experiences like that, where a man would come and say, "I want you to represent me."

I have had an experience like that, where a man doesn't want to become organized. I don't represent him. I don't represent anybody that doesn't want to be organized.

I have the confidence of labor generally. I may not have the confidence of some of these leaders. But of labor generally, I have their confidence.

Just to give you an idea, after being in office for 15 years, with 30 candidates running in the last city election, and I received 68,000 votes. There were 30 candidates running, I personally received

68,000 votes. Which meant that every other person who went into a booth, voted for me.

I only give you that—my position in Newark reads like an open book. And frankly, I don't know why I was subpoenaed to come here.

Mr. MOSER. Your presence here is for the purpose of helping us get information; that's all.

Mr. ELLENSTEIN. I understand. But at the same time let me say this, in all fairness—you go on with your questioning.

Mr. MOSER. Well, I think we have finished with our questioning. A lot of people think that just because they are subpoenaed here, we are after them; but that is not so. We are trying to find out how things were.

Mr. ELLENSTEIN. My position in Newark reads like an open book. You can't live in the city of Newark the length of time that I have, practicing dentistry, practicing law, and being in public office, and if you cut corners, you can't stay in public office that length of time.

Nor can you get, with 30 candidates in the field, all 29 running against me—because that is the way they run, individually—that I would get every other person to vote for me.

I think that in general. I have no quarrel with this committee.

Mr. MOSER. We are just trying to find out how things worked. You are one of the people that has to tell us.

Mr. ELLENSTEIN. There is no doubt in my mind that this committee has performed an excellent service, an excellent public service, generally.

But I will say this to you: The trouble is, I know that you are getting misinformation. I could tell that from the questions that that man asked me. He said that in one of the plants that I represented, in labor relations, that I brought strikebreakers in. There isn't anything more preposterous than that. I don't take any man's case if he is trying to gouge labor, for two reasons:

It doesn't meet with my principles, and, secondly, I would lose face with labor.

When I talk to labor, they listen to what I say; they have confidence in what I say. And it would be very foolish on my part to destroy that confidence, or destroy the reputation that I believe I have earned in the city of Newark.

Now, as I remember it, when the committee was functioning before, when a public official was called in, there was no publicity.

Why, they carried my name in headlines. I wasn't concerned about it. It was distasteful; I wasn't concerned about it. But my family was, because there are some people who are willing to be suspicious. And the impression of those people, you and I and the rest of you know that you don't judge anybody until you listen to his story. But that is not so with the public.

So the big black type was: "Ellenstein to appear at the Senate crime investigation."

That doesn't do any individual any good. And it could have been done—I say this, Mr. Moser: You are receiving misinformation. When a man will tell me that. There is a fellow that told me he appeared before the Kefauver Committee; not only you.

Mr. MOSER. I assure you that is information that we never received, what you are talking about.

Mr. ELLENSTEIN. This man, he didn't pick it out of the thin air. He wouldn't tell me who told him. When I got in, the plant was closed and the people were demolishing the plant with the intention of moving elsewhere.

Mr. MOSER. That is something we don't know.

Mr. ELLENSTEIN. Here is another instance: A man only told me, a friend of mine told me a few weeks ago, I don't know that he had appeared before the Kefauver committee. Everybody was called in to ask whether I know somebody. You would think I was some notorious character.

Mr. MOSER. We can't help that, you know. Every time we subpoena somebody, it gets into the headlines.

Mr. ELLENSTEIN. Yes. But you can help it by not publicizing the fact. This man that I know——

Mr. MOSER. What fact?

Mr. ELLENSTEIN. When you have an executive session. What is the purpose of an executive session?

Mr. MOSER. We found it impossible to conceal the fact that we are having an executive session. We also found it impossible to conceal the names of the people that we have subpoenaed. The press found it out. They usually find it out from the people that have been subpoenaed.

Mr. ELLENSTEIN. The very first time I was served, I offered to give you the information within 2 hours, immediately. And I offered that, I think, to Mr. Mulrain when the subpoena was brought. I gave it to Mr. Farrell a week ago. I offered to give him my personal income tax.

Mr. MOSER. Yes. But you understand——

Mr. ELLENSTEIN. And my law firm income tax. I had that all prepared for you.

Mr. MOSER. It is our procedure to get this——

Mr. ELLENSTEIN. And try to cooperate with this committee in every possible way.

Mr. MOSER. Mr. Ellenstein, nobody is saying that you are not. Our procedure is to take testimony, and that is what we are doing. We can't do anything else than that.

Mr. ELLENSTEIN. I understand that. But it would have avoided very distasteful things, and if it would have kept it in executive session, too, about my appearance here. If you are going to have a public hearing—you might just as well have had a public hearing instead of an executive session.

After all, a man is prominent in the city, Senator, you know, you come from a State that is just sparsely settled, why, they feature the things—newspapers like to condemn, they don't like to condone. They like to condemn, not commend.

Mr. MOSER. Mr. Ellenstein, it is not the fault of this committee that the newspapers think it is news that you are going to appear before us. How can we control that? They think it is news.

Mr. ELLENSTEIN. I don't know how you can control it, but it does a grave injustice to anyone.

I wasn't concerned, as I told you, because I have nothing to conceal. But certainly my family was.

Mr. MOSER. Well, that is all I want to ask.

Senator TOBEY. Just a moment. What I say is without any personal feeling. I never met you before, and I think kindly of you. But I am just asking now on the principal of what we call ethics, or what you want to call it.

Your official title in the city is what?

Mr. ELLENSTEIN. Director of Revenue and Finance.

Senator TOBEY. And for that they pay you \$8,500 a year?

Mr. ELLENSTEIN. That is right.

Senator TOBEY. In addition to that, you, I understand, are a labor-relations man and a public-relations man, and a lawyer practicing law; and what other?

Mr. ELLENSTEIN. That's all. That is quite enough.

Senator TOBEY. What I am getting at is, it seems to me from the standpoint of the city's charter, if I make a charter, I would compel any man that held a job to be solely that, and an all-time job.

Mr. ELLENSTEIN. I wouldn't be a commissioner, Senator.

Senator TOBEY. They would get plenty that would be.

Mr. ELLENSTEIN. They may.

Senator TOBEY. I can see, to my way of thinking, the overlapping of interest in these things, and in a hypothetical case, now, the collusion between income equations and increments on these different lines of endeavor, plus serving a city, and its very important basic and financial policies, I think presents problems and presents temptations and presents influences that aren't primarily for the good of the city, which the man is primarily serving.

So if I were making a city charter for my State of New Hampshire, I would compel it to be an all-time job.

I think it is a poor plan where a man can have so many irons in the fire that you have.

I congratulate you. Don't misunderstand me. But from the standpoint of the city, I think it is a poor plan.

Mr. ELLENSTEIN. Senator, I have been working since I was 13 years of age.

Senator TOBEY. I have been working since I was 15.

Mr. ELLENSTEIN. But I have been working, and at 13 I was working in the silk mills of Paterson. And we all live by our reputation.

Senator TOBEY. Some of us live by our wits.

Mr. ELLENSTEIN. I don't live by my wits; I live by what I do. And that is the only way that I have been able to be successful. And it is the principal—

Senator TOBEY. I am not criticizing you at all. I am just saying you are drawing a picture of a very far-flung empire of Mr. Ellenstein.

Mr. ELLENSTEIN. I have so many obligations in every way, and every one in the city will tell you that in charity I give more than I can afford to give.

Senator TOBEY. You take that off your income tax, don't you?

Mr. ELLENSTEIN. Yes. But still, not everybody gives more than they can afford. And I have gone over the 15 percent out of my personal.

Senator TOBEY. You don't regret that any?

Mr. ELLENSTEIN. No, I don't. If I had my life to live over again, I would have the very same thing, Senator, just as you would too.

Senator TOBEY. Did Anheuser-Busch pay you any money?

Mr. ELLENSTEIN. No, sir, not a cent.

Senator TOBEY. Have you any expectation of favors yet to come?

Mr. ELLENSTEIN. I have never approached them or given the slightest intimation.

I don't want anybody, unless they come to me of their own volition. I am that independent. And I can afford to be independent, because I turn down people that do come to me. If anybody comes to me, as I have had experiences, they want to gouge labor and not pay what their competitor is in the industry, I don't take this man, because I won't lend myself to have anyone get me to gouge labor.

Mr. MOSER. Thank you very much for coming.

(Witness excused.)

TESTIMONY OF JOSEPH STACHER, SOUTH ORANGE, N. J., ACCOMPANIED BY SAMUEL I. KESSLER, ATTORNEY, NEWARK, N. J.

Senator TOBEY. Do you solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. STACHER. I do.

Mr. MOSER. Is this your counsel?

Mr. STACHER. Yes, sir.

Mr. MOSER. Has he identified himself?

Mr. KESSLER. Samuel I. Kessler, 9 Clinton Street, Newark, N. J.

Mr. MOSER. Have you given your name and address to the stenographer?

Mr. STACHER. Yes, sir.

Mr. MOSER. You have given your residence address?

Mr. STACHER. Yes, sir.

Mr. MOSER. You have given the name of Joseph Stacher?

Mr. STACHER. Yes, sir.

Mr. MOSER. Do you have any nicknames?

Mr. STACHER. Yes.

Mr. MOSER. Or aliases?

Mr. STACHER. Yes, sir.

Mr. MOSER. Will you tell what they are?

Mr. STACHER. Doc Harris. Doc Rosen.

Mr. MOSER. Doc Stacher?

Mr. STACHER. Doc Stacher.

Mr. MOSER. How about Joey?

Mr. STACHER. Joey?

Mr. MOSER. Yes.

Mr. STACHER. Joseph is my right name. But they call me Joey.

Mr. MOSER. They do call you Joey?

Mr. STACHER. My name. My family.

Mr. MOSER. Baldy?

Mr. STACHER. Yes.

Mr. MOSER. Anybody call you that?

Mr. STACHER. Yes.

Mr. MOSER. Do you have a business address besides the home address you have just given us?

Mr. STACHER. Yes.

Mr. MOSER. What is that?

Mr. STACHER. 123 Runyon Street.

MR. MOSER. Do you know Ed Flynn?

MR. STACHER. Ed Flynn?

MR. MOSER. Yes.

MR. STACHER. Who is he?

SENATOR TOBEY. He lives in the Bronx.

MR. STACHER. The name doesn't register.

MR. MOSER. You don't know Ed Flynn, the political boss of the the Bronx?

MR. STACHER. No, sir.

MR. MOSER. Ever heard of him?

MR. STACHER. Oh, yes.

MR. MOSER. You heard of him?

MR. STACHER. Yes.

MR. MOSER. You never met him?

MR. STACHER. No, sir.

MR. MOSER. You have never seen him?

MR. STACHER. Maybe. I don't know.

MR. MOSER. You don't remember?

MR. STACHER. No. I might have seen him in a restaurant sometime. He is a tall, gray-haired, or something.

MR. MOSER. It sounds familiar.

SENATOR TOBEY. That isn't very definite.

MR. STACHER. Sir?

MR. KESSLER. He said it wasn't definite.

MR. STACHER. I don't think I was ever introduced to him. I never met him.

MR. MOSER. You say you might have seen him in a restaurant. Do you know what restaurant that might be?

MR. STACHER. I really couldn't tell you.

MR. MOSER. You wouldn't know?

MR. STACHER. No.

MR. MOSER. Have you ever seen him at Toots Shor's Restaurant?

MR. STACHER. I couldn't tell you.

MR. MOSER. Have you even been to Toots Shor's Restaurant?

MR. STACHER. Oh, many a time.

MR. MOSER. Is Toots Shor a good friend of yours?

MR. STACHER. No, sir.

MR. MOSER. Do you know him?

MR. STACHER. Sure.

MR. MOSER. Quite well?

MR. STACHER. Not too well. I know him from down at the shore. He had a home down there, and so did I.

MR. MOSER. What shore?

MR. STACHER. Asbury—Deal, N. J.

MR. MOSER. How long have you known him?

MR. STACHER. I don't know.

MR. MOSER. You don't remember?

MR. STACHER. No.

MR. MOSER. Well, roughly. Is it 2 years or 20 years?

MR. STACHER. I would say 10, 12, or something like that.

MR. MOSER. Do you go to Toots Shor's Restaurant to see him occasionally?

MR. STACHER. I haven't been there in 3 years. Maybe once in 3 years.

Mr. MOSER. Before that, did you go to his restaurant to see him?

Mr. STACHER. I went there—to see who, Toots?

Mr. MOSER. Yes.

Mr. STACHER. No.

Mr. MOSER. Never to see him?

Mr. STACHER. No.

Mr. MOSER. You just went to use the restaurant?

Mr. STACHER. Just to eat there.

Mr. MOSER. And did you talk with him while you were there?

Mr. STACHER. Yes.

Mr. MOSER. What did you talk about?

Mr. STACHER. "Hello," "How are you." Joke around with him. Call him a few names. He would call me a couple of names. Bald-headed so and so.

Mr. MOSER. You never talked business with him?

Mr. STACHER. No, sir.

Mr. MOSER. You never talked about anything except insignificant things?

Mr. STACHER. That's right, sir.

Mr. MOSER. You just returned from Reno?

Mr. STACHER. No. Just returned from Las Vegas.

Mr. MOSER. Las Vegas?

Mr. STACHER. Yes.

Mr. MOSER. What were you doing in Las Vegas?

Mr. STACHER. Business.

Mr. MOSER. What kind of business?

Mr. STACHER. I am sorry, I refuse to answer on the ground that it may incriminate me.

Mr. MOSER. End of quote.

Mr. STACHER. End of quote.

Mr. MOSER. You refuse to answer the question with regard to the business that you were doing in Las Vegas?

Mr. STACHER. That's right.

Mr. MOSER. On the ground it may incriminate you?

Mr. STACHER. That's right.

Mr. MOSER. When did you go there?

Mr. STACHER. To Las Vegas?

Mr. MOSER. Yes.

Mr. STACHER. Well, I went to Reno last June, about the end of June. I had a home there.

Mr. KESSLER. Last year, 1950?

Mr. STACHER. The last year of '50.

Mr. MOSER. Nineteen hundred and fifty?

Mr. STACHER. Yes. With my wife and child. And I left Reno about the end of September or some time in October. And I went to Las Vegas.

Mr. MOSER. In October?

Mr. STACHER. Yes. The end of September, or some early part of October.

Mr. MOSER. When did you return?

Mr. STACHER. To Reno?

Mr. MOSER. Did you return to Reno?

Mr. STACHER. I did not.

Mr. MOSER. When did you return here from Las Vegas?

Mr. STACHER. Well, I should say it would be some part of October. I don't know the dates.

Mr. MOSER. Yes. You say that you will not answer the question on the ground that it may tend to incriminate you.

Mr. STACHER. That's right.

Mr. MOSER. Have you filed your 1950 income-tax return?

Mr. STACHER. Yes, sir.

Mr. MOSER. Have you reported all income that you are required to report in that return?

Mr. STACHER. I hope I did. But I refuse to answer on the ground that it may incriminate me.

Mr. MOSER. You refuse to answer whether you have reported all your income?

Mr. STACHER. I refuse to answer on the ground that it may tend to incriminate me.

I have just been examined by a man by the name of Coyle, from the Tax Department.

Senator TOBEY. Federal Tax Department? Federal or State?

Mr. STACHER. Federal.

Mr. MOSER. What years was he examining?

Mr. STACHER. He was examining all years.

Mr. MOSER. He didn't examine the 1950 return, did he?

Mr. STACHER. I don't remember. But he told me—he called Reno, and asked for me, and I wasn't there. And I was in Las Vegas.

I called Reno and they told me that a man wanted to get in touch with me from the Tax Department. And we tried to get him on the phone, and he went fishing.

When we got him, he told us that a man by the name of Mr. Coyle wanted to see me in New York. He is a man from the Tax Department. I think it is Criminal Tax—

Mr. MOSER. The Federal Bureau of Internal Revenue?

Mr. STACHER. Fraud division. And I called my lawyer, Mr. Kessler, and asked him to make an appointment and call Mr. Coyle, and find out what he wanted.

Mr. Coyle told me that—told Mr. Kessler, rather, that he would like to see me at a certain date.

I left my business, and I come here and I meet Mr. Coyle.

Mr. Coyle told me that he was here for the Government's benefit, not for mine, in a third-party investigation.

He then examined me about the third-party investigation, but he told me before he examined me that I, under my rights, have no—should not answer questions about myself or my business.

And at the end of the questioning, he asked me what I did with my money in my business, and I refused to answer that question.

That was the 28th of last month. And he told me that he was going to take me to court to make me answer that question.

Senator TOBEY. What is your business, Mr. Stacher?

Mr. STACHER. Well, Senator, I am in the jukebox business. In the Runyon Sales Corp.

Mr. MOSER. Runyon Sales Corp.?

Mr. STACHER. That's right.

Senator TOBEY. What do they sell?

Mr. STACHER. Jukeboxes, balls, bowling alleys, all the things.

Mr. MOSER. And that business is carried on in corporate form, is it?

Mr. STACHER. Sir?

Mr. MOSER. I say, it is carried on through a corporation?

Mr. STACHER. We are three partners.

Mr. KESSLER. Is Runyon Sales a corporation, that is what he asked you?

Mr. STACHER. I don't know if it is or not.

Mr. MOSER. You call it Runyon Sales?

Mr. STACHER. Runyon Sales Co.

Mr. MOSER. Company. But you don't know whether it is incorporated or not?

Mr. KESSLER. Off the record. I can tell you if you want to know what it is.

Mr. MOSER. Tell him.

Mr. STACHER. I think it is.

Mr. MOSER. It is a corporation?

Mr. STACHER. There are three partners.

Mr. MOSER. I suppose they would be stockholders, wouldn't they?

Mr. STACHER. Yes. We have a third each.

Mr. MOSER. Advise him.

Mr. KESSLER. If you don't object, I will advise him.

Mr. STACHER. It is a corporation, and there are three stockholders.

Mr. MOSER. Mr. Kessler, we welcome counsel here, and we welcome your advising him anytime that you feel you should, as long as you let him do the answering.

Mr. KESSLER. I didn't know whether you wanted me to talk with him while you were questioning him.

Mr. MOSER. No reason why you shouldn't refresh his recollection, if you can.

Will you tell us the names of your stockholders?

Mr. STACHER. Mr. Abe Green, and Barnett Sugarman.

Mr. MOSER. Abe Green and what is the other?

Mr. STACHER. Barnett Sugarman.

Mr. MOSER. Do you each own an equal share of the stock?

Mr. STACHER. Yes, sir.

Mr. MOSER. Who are the officers of the company?

Mr. STACHER. Well, I was president up until a couple of months ago, when I have been away so much, and there are so many checks to be signed. So Mr. Sugarman became president, so he could sign, his wife, so he could sign checks while I was away.

Mr. MOSER. What about his wife?

Mr. STACHER. She signs the checks.

Mr. MOSER. So she is an officer of the corporation?

Mr. STACHER. She is an officer, yes.

Mr. MOSER. And are you all directors, all three of you?

Mr. STACHER. Yes, sir.

Mr. MOSER. Does that corporation carry on any business in Reno?

Mr. STACHER. In Reno?

Mr. MOSER. In Reno.

Mr. STACHER. No, sir.

Mr. MOSER. Does it sell any of its equipment out there?

Mr. STACHER. No, sir.

Mr. MOSER. Where does it sell its equipment?

Mr. STACHER. Right here.

Mr. Moser. Right here in Newark?

Mr. Stacher. In Newark, New York, Connecticut. It is an agency. There is an AMI agency that we have. The agency consists of buying machines from the factory, and then selling it to jobbers.

Senator Tobey. How are these machines made, slot machines?

Mr. Stacher. They are not slot machines.

Senator Tobey. I beg your pardon. I thought you said slot machines.

Mr. Stacher. No. They are music boxes. They have a twist on them. I guess you saw them.

Mr. Moser. Yes. Now, is there a man named Irving Zwillman who has the interest in that company?

Mr. Stacher. No, sir.

Mr. Moser. He doesn't have any interest in it at all?

Mr. Stacher. No, sir.

Mr. Moser. Direct or indirect?

Mr. Stacher. No, sir.

Mr. Moser. Does he work for it?

Mr. Stacher. No, sir.

Mr. Moser. Does he act as a salesman or anything else for it?

Mr. Stacher. No, sir.

Mr. Moser. Does that company do any business outside of the East, eastern part of the United States?

Mr. Stacher. Eastern part of the United States? Not that I know of, sir.

Mr. Moser. You just sell your machines around here?

Mr. Stacher. Yes.

Mr. Moser. It doesn't have any business in Las Vegas?

Mr. Stacher. No, sir.

Mr. Moser. That's something else?

Mr. Stacher. That is too far. Las Vegas, for a slot machine.

Senator Tobey. You make juke boxes; is that it?

Mr. Stacher. We don't make them.

Senator Tobey. You buy them and have them shipped somewhere to jobbers?

Mr. Stacher. No. We sell them here to jobbers, and we operate about 600 of them ourselves.

Senator Tobey. Where you drop a nickel in and get music?

Mr. Stacher. Yes, sir.

Senator Tobey. I am going to give you a suggestion, and I won't charge you for it. Have another place where you can put in a nickel and stop the damned things from playing.

Mr. Stacher. Then we would be out of business.

Senator Tobey. I don't think so. I think the public, as a whole, 9 or 10, would want it stopped.

Mr. Stacher. We have been stopped a lot by television, Senator, and we lost most of our business; and now we just got back to get a little of our business.

Senator Tobey. I have been in restaurants, and you can't get away from it.

Mr. Stacher. It is wonderful music; you will admit that.

Senator Tobey. Jazz.

Mr. Moser. Mr. Stacher, how long has this company been in the juke-box business?

Mr. STACHER. Ten years, twelve years.

Mr. MOSER. Was it in any business before that?

Mr. STACHER. I have been in it 7 years, since 1943—8 years, rather.

Mr. MOSER. Did it carry on any business besides juke boxes while you were in it?

Mr. STACHER. Not that I know of, sir.

Mr. MOSER. It never had any slot machines?

Mr. STACHER. Not that I know of, sir.

Mr. MOSER. Did it ever have any slot machines before you were in it?

Mr. STACHER. I don't know, sir.

Mr. MOSER. You don't know?

Mr. STACHER. No.

Mr. MOSER. Where were you brought up as a boy?

Mr. STACHER. Well, I was born on the other side, and I come to this country in about 1912.

Mr. MOSER. The other side; what country did you come from?

Mr. STACHER. Poland. Called Russia-Poland.

Mr. MOSER. You came here in 1912?

Mr. STACHER. I came here around 1911, 1912.

Mr. MOSER. Where did you live here; in Newark?

Mr. STACHER. I lived in Newark.

Mr. MOSER. Which part of Newark?

Mr. STACHER. Waverly Avenue in Newark. No. 96, I think. I am not sure.

Mr. MOSER. Have you ever been admitted to citizenship?

Mr. STACHER. Yes, sir.

Mr. MOSER. You are an American citizen?

Mr. STACHER. Yes, sir.

Mr. MOSER. When were you admitted?

Mr. STACHER. I don't know the year.

Mr. MOSER. Approximately?

Mr. STACHER. I don't know; '29, maybe '30. I got the citizenship, I can give you that.

Mr. MOSER. Just approximately?

Mr. STACHER. Around that time.

Mr. MOSER. '29 and '30?

Mr. STACHER. Yes.

Mr. MOSER. When you were young, did you know Abner or Irving Zwillman?

Mr. STACHER. Abner Zwillman. Irving is a brother of his.

Mr. MOSER. Well, did you know both of them?

Mr. STACHER. Yes, sure. I know the whole family.

Mr. MOSER. They are boyhood friends of yours?

Mr. STACHER. Yes, sir.

Mr. MOSER. Brought up in the same neighborhood?

Mr. STACHER. Yes, sir.

Senator TOBEY. Which is "the" Zwillman?

Mr. STACHER. Abner.

Senator TOBEY. He is it?

Mr. STACHER. Yes, sir.

Mr. MOSER. He was a boyhood friend of yours?

Mr. STACHER. Yes, sir.

Mr. MOSER. And you lived near each other?

Mr. STACHER. Around the corner.

Mr. MOSER. You knew each other all your life?

Mr. STACHER. Played ball together. Basketball; and I was a good one.

Mr. MOSER. You say you were a good one?

Mr. STACHER. Yes.

Mr. MOSER. No more?

Mr. STACHER. Well——

Mr. MOSER. What high school did you go to?

Mr. STACHER. I didn't go to high school.

Mr. MOSER. What school did you go to?

Mr. STACHER. Charlton Street School.

Mr. KESSLER. How long were you in school?

Mr. STACHER. Until about 1916.

Mr. KESSLER. What grade did you complete?

Mr. STACHER. Fourth or fifth.

Mr. MOSER. When you and Abner Zwillman grew up, did you go into business together?

Mr. STACHER. Did we go in business together?

Mr. MOSER. Yes.

Mr. STACHER. No, sir.

Mr. MOSER. He was quite a well-known bootlegger, wasn't he, at one time?

Mr. STACHER. I don't know what you mean, well-known.

Mr. KESSLER. But he was a bootlegger.

Mr. STACHER. He was a bootlegger. And so was I.

Mr. MOSER. Oh, you were too?

Mr. STACHER. Yes.

Mr. MOSER. Did you and he do business together?

Mr. STACHER. I refuse to answer that question on the ground it may incriminate me.

Mr. MOSER. That was a long time back.

Mr. STACHER. I refuse to answer that question on the ground it may incriminate me.

Mr. MOSER. You admit that you were a bootlegger?

Mr. STACHER. Yes.

Mr. MOSER. But you don't admit whether you and Zwillman were bootleggers together; is that correct?

Mr. STACHER. I refuse to answer that question on the ground it may incriminate me.

Mr. MOSER. We are speaking with respect to danger of incrimination of a Federal offense.

Mr. STACHER. Yes, sir. Of an income tax. Federal offense.

Mr. MOSER. And that offense refers to income tax.

Mr. STACHER. That's right.

Mr. MOSER. And that offense presumably carried before 1933, did it not?

Mr. STACHER. Sir?

Mr. MOSER. That offense that you are thinking of occurred before 1933.

Mr. STACHER. You mean, the bootlegging business?

Mr. MOSER. That is all I asked you about.

Mr. STACHER. That's right, sir.

Mr. MOSER. It occurred before 1933.

Mr. STACHER. Yes, sir.

Mr. MOSER. And you are afraid that you will be prosecuted for income tax for income received before 1933?

Mr. STACHER. Yes, sir.

Mr. MOSER. You are?

Mr. STACHER. Yes, sir. I don't know. Mr. Coyle told me that I should not answer any questions about myself or my business.

Mr. MOSER. Mr. Coyle told you that?

Mr. STACHER. Yes.

Mr. MOSER. Mr. Coyle told you not to answer any questions to this committee?

Mr. STACHER. No, no.

Mr. MOSER. To him?

Mr. STACHER. To him, about any business. He said that I don't have to answer any questions about my business, or money. And the last question that he asked me, "What did you do with the money in this business," and I refused to answer.

And he told me that he will take me to court on that question.

Mr. KESSLER. May I interrupt you just a minute, please?

Mr. MOSER. Yes, sure.

Mr. KESSLER. At this time I would like to put a statement on the record which would perhaps clarify the whole situation.

Senator TOBEY. With reference to what, sir?

Mr. KESSLER. In connection with his refusal to answer certain questions that have been propounded, and that probably will be propounded.

Mr. MOSER. May we look at it?

Mr. KESSLER. May I read it into the record?

Mr. MOSER. May I look at it?

Mr. KESSLER. I don't object to your looking at it, but I would like to read it into the record.

Mr. MOSER. Did he explain what he meant by a third-party investigation?

Mr. STACHER. Yes, sir.

Mr. MOSER. What did he say?

Mr. STACHER. Third-party investigation was Mr. Zwillman.

Mr. MOSER. Oh, he was examining you with respect to Mr. Zwillman's activities?

Mr. STACHER. That's right, sir. But then at the end—

Mr. KESSLER. Just hold it a minute.

Mr. MOSER. I would like to speak off the record for a moment.

(Discussion off the record.)

Mr. MOSER. Back on the record.

Mr. Kessler has asked to read a statement into the record, which Senator Tobey is willing to have received, at least on my assurance that there is no representative of the Treasury Department here.

Mr. KESSLER. And, therefore, I will eliminate a certain statement in connection with that from the statement I propose to read.

I would like to clarify the position that Mr. Stacher has taken in refusing to answer questions concerning his business or financial affairs. I believe it will be helpful at this time and may avoid unnecessary misunderstanding later.

Mr. Stacher, as the committee knows, was engaged in the liquor business during prohibition. Ever since that time, he has been the subject of attacks by one or another governmental agency.

Presently, the attack against him seems to be directed by the Treasury Department, for as recently as Thursday, June 28, 1951, he was examined by that Department.

Mr. Stacher appeared voluntarily for examination at that time and was informed that it was a third party investigation and that he would be under no obligation to answer any question concerning his business or financial affairs.

However, in the course of that examination, he was asked how he had disposed of a particular fund of money which they knew he had received, and which Mr. Stacher swore was his own money. Mr. Stacher refused to answer this question, as he had a right to do, not only under the Constitution, but under the assumption that the statement was made by the examining agent at the very beginning of the examination, namely, that he was not obliged to answer questions which would tend to incriminate him, was a correct statement of law and fact upon which he could rely.

My client refused to answer a particular question put to him which involved his finances, believing he was not required to do so, and in spite of the representations made by the Government as stated above, he was threatened with a court proceeding to compel him to do so.

In addition to this, Mr. Stacher believes that his name appears on the much publicized tax-evaders' list.

The treasury Department has publicly announced that the people whose names appear on this list will be thoroughly and constantly investigated and prosecuted.

Furthermore, it is generally known that representatives of the Penal Division of the Treasury Department attend the hearings of this committee. He further believes that information is exchanged between this committee and the Treasury Department.

This, of course, has created sufficient fear in Mr. Stacher's mind to cause him to feel that anything he says with reference to his business or financial affairs or such other activities that may involve income taxes would be tantamount to giving information against himself.

In view of the fact that in its third interim report, this committee referred to Mr. Stacher as one of a group of hoodlums who, having earned money from illegitimate sources, now control various legitimate businesses, such as juke boxes. The report of this committee also labels Mr. Stacher as a "well-known eastern gambler."

It is understandable that Mr. Stacher, who is in the juke-box business, believes that the foregoing statement taken from the report is a clear indication that this committee not only suspects him, but has prejudiced him and is unfriendly toward him.

From some of the questions which have been asked by this committee of other witnesses heretofore, it is quite apparent that information so obtained may be used against the witness giving it. Mr. Stacher feels that may happen to him here and, therefore, from time to time, he will refuse to answer questions concerning his business and financial affairs involving income, exercising his constitutional privilege.

There is a serious question in my mind as to how far a witness can go in giving information on a particular subject before he may assert his right to refuse to answer on the grounds of self-incrimination. This is so, particularly in the light of the opinion rendered in the case of *Rogers v. United States*.

My client knows that this committee, in view of the above decision, said, in effect, to a witness, that you have gone too far to stop now. So you see, Mr. Stacher is in a continual dilemma as to where to stop.

Under these circumstances, therefore, he must take the position that he cannot discuss or even answer any preliminary questions pertaining to his business or financial affairs which might involve him in an income tax problem or possible self-incrimination concerning any other Federal violation.

Regardless of this, I have counseled Mr. Stacher, and I am quite sure he will follow my advice, that he should answer all questions which are proper, which do not involve his constitutional rights, nor impinge upon him.

MR. MOSER. You were engaged in the bootlegging business at the time you were admitted to citizenship, I assume; were you not?

MR. STACHER. I don't remember. I can't answer that.

MR. MOSER. You don't remember?

MR. STACHER. No. I haven't got the papers with me.

SENATOR TOBEY. You know when you got your papers, don't you?

MR. STACHER. I don't know the year, Senator. I got them home some place. I know I have got it. It is in my books at home.

MR. MOSER. During that period prior to repeal, were you connected with the Reinfeld Syndicate?

MR. STACHER. Reinfeld Syndicate?

MR. MOSER. Yes.

MR. STACHER. I refuse to answer that question on the grounds it may incriminate me.

MR. KESSLER. Prior to the repeal. That means prior to 1933.

MR. MOSER. Prior to the repeal of prohibition.

MR. KESSLER. What do you call the Reinfeld Syndicate?

MR. MOSER. I suppose that is a nickname for the syndicate.

MR. STACHER. I refuse to answer that question on the ground that it may incriminate me.

SENATOR TOBEY. I might say to you, sir, that all these questions that you refuse to answer let it be understood that you do understand that the acting chairman orders you to answer these questions, and if you refuse, you do it in the light of the fact that you are countervailing the order of the chairman; is that correct?

MR. STACHER. Yes, sir.

MR. KESSLER. May we make a statement, Senator, so that it will save time and part of the record, that when he refuses to answer, it is based upon his constitutional rights on the ground that it will incriminate him, so we don't have to repeat the words every time.

MR. MOSER. I think we ought to make it clear that he is refusing to answer on the ground of income-tax incrimination.

MR. KESSLER. No; not entirely. If you notice in my statement, there are other things.

MR. MOSER. Is he afraid of being prosecuted under the prohibition law?

Mr. KESSLER. I can't go into that in detail because I don't know enough about his business in that connection. But I know that there are other crimes of Federal nature that he may be accused of.

Mr. MOSER. Do you know a man named Reinfeld?

Mr. STACHER. Yes, sir.

Mr. MOSER. Do you know him? Is he here now? Is he in Newark now?

Mr. STACHER. No. He is in New York.

Mr. MOSER. He is in New York?

Mr. STACHER. You mean Joseph Reinfeld, Sam Reinfeld? There are six or seven of them.

Mr. MOSER. Joseph Reinfeld.

Mr. STACHER. Joseph; yes.

Mr. MOSER. Do you have any business dealings with him now?

Mr. STACHER. No, sir. I had a stock interest in that company called the Brown Vintner Co.

Mr. MOSER. You had a stock interest in that?

Mr. STACHER. Yes, sir.

Mr. MOSER. When did you acquire that?

Mr. STACHER. I think it is 1933, or the beginning of 1934.

Mr. MOSER. Was that company organized right after repeal?

Mr. STACHER. Yes, sir.

Mr. MOSER. Who were the other people who organized it, besides yourself?

Mr. STACHER. Well, there was Mr. Reinfeld.

Mr. MOSER. Joseph Reinfeld.

Mr. STACHER. And some of the people with him.

Mr. MOSER. Do you know their names?

Mr. STACHER. Well, I know one or two, at the start. Lou Holtz.

Mr. MOSER. Lou Holtz.

Mr. STACHER. That is his family. Joseph Reinfeld's family.

Mr. MOSER. Joseph Reinfeld's family. But you don't remember all their names, I suppose?

Mr. STACHER. No.

Mr. MOSER. Give us several of them. Was Rutkin in that?

Mr. STACHER. Yes, sir.

Mr. MOSER. What is his full name?

Mr. STACHER. Jimmy Rutkin.

Mr. MOSER. James Rutkin?

Mr. STACHER. James.

Mr. MOSER. How about Abner Zwillman; was he in it?

Mr. STACHER. Yes.

Mr. MOSER. He was one of the stockholders?

Mr. STACHER. Yes.

Mr. MOSER. And that company has been sold, has it not?

Mr. STACHER. Yes.

Mr. MOSER. The assets of the company were sold?

Mr. STACHER. Yes.

Mr. MOSER. To whom?

Mr. STACHER. To Seagram's.

Mr. MOSER. When did that occur?

Mr. STACHER. 19—

Mr. KESSLER. May we make it clear, Mr. Chairman, that when he answers that they were all stockholders, I think the record, you prob-

ably have a pretty complete record on that, that they were not stockholders in their own names, but were stockholders by right of ownership, although the stock was not in their names.

Mr. MOSER. I appreciate your bringing that out, Mr. Kessler. Let's have the facts on that.

You said that Joseph Reinfeld and members of his family, and Rutkin and Zwillman and you and others.

Mr. STACHER. I guess there were some others.

Mr. MOSER. Were the organizers of this company.

Mr. STACHER. No. We were not the organizers. Mr. Reinfeld was the organizer.

Mr. MOSER. He was the organizer. And he persuaded you to put in some money; is that correct?

Mr. STACHER. He went to Europe, and he got the agencies.

Mr. MOSER. I see. And then he persuaded you people to put in some money?

Mr. STACHER. Yes, sir.

Mr. MOSER. And you owned stock, but not in your own names?

Mr. STACHER. That's right, sir.

Mr. MOSER. Do you want to tell us what names you owned it in?

Mr. STACHER. I didn't own it; Mr. Reinfeld did all that.

Mr. MOSER. You don't know the names?

Mr. STACHER. No, sir.

Mr. MOSER. You gave the money to Reinfeld, and he gave you a share in the company?

Mr. STACHER. He gave us stock.

Mr. MOSER. He gave you stock, but the stock was issued in other people's names.

Mr. STACHER. No. He held the stock for us in trust.

Senator TOBEY. Did you ever see it?

Mr. STACHER. No.

Mr. MOSER. He held it in trust?

Mr. STACHER. Yes.

Senator TOBEY. That is where the trust comes in.

Mr. STRACHER. We trusted him. And we still do.

Mr. MOSER. Does Mr. Rutkin still trust him?

Mr. STACHER. I don't think so.

Mr. MOSER. What percentage of the stock did you own?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Will you tell us how much money you put in?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Well, it seems to me that——

Mr. STACHER. That is the question before Mr. Coyle at this present time, just about what you are asking me.

Mr. MOSER. How much money you put in?

Mr. STACHER. Yes. And what I did with my money. And he told me that I didn't have to answer it. Then he asked me the question, and to take me to court.

Mr. MOSER. Don't let us worry about what Mr. Coyle is doing.

Mr. STACHER. I am worried about it.

Mr. MOSER. I don't care what Coyle said to you. We are concerned with getting information for our purposes, and not for Coyle's.

But there is a suit pending with respect to this, isn't there?

Mr. STACHER. A suit pending?

MR. MOSER. Between Reinfeld and Rutkin?

MR. STACHER. It has nothing to do with me, sir.

MR. MOSER. It has nothing to do with you, but there is such a suit pending?

MR. STACHER. That's right, sir.

MR. MOSER. And you have already told us that you had an interest.

MR. STACHER. That is not the same suit. That is not the same company. That is a distillery in Canada, which has nothing to do with me. I am not in the suit.

MR. MOSER. What is that distillery?

MR. STACHER. I don't know what it is. That is between them.

MR. MOSER. Will you tell us what percentage of Brown Vintners you own?

MR. STACHER. No, sir. I refuse to answer that question.

MR. MOSER. Will you tell us what percentage Mr. Joseph Reinfeld owns?

MR. STACHER. I wouldn't know, sir.

MR. MOSER. You don't know?

MR. STACHER. No, sir.

MR. MOSER. Do you know what percentage Rutkin owns?

MR. STACHER. No, sir; I wouldn't know that.

MR. MOSER. Weren't you told at the time?

MR. STACHER. At the time that Mr. Rutkin—how much he owned?

MR. MOSER. Yes.

MR. STACHER. No, sir. Mr. Rutkin was a friend of Mr. Reinfeld.

MR. MOSER. And you don't know what percentage anybody held?

MR. STACHER. No, sir.

MR. MOSER. Do you know what percentage you held?

MR. STACHER. I refuse to answer that question, sir.

MR. MOSER. You won't even tell me whether you know whether you knew at the time?

MR. STACHER. I refuse to answer that question.

Senator TOBEY. The thought comes to me, Mr. Counsel, and Mr. Stacher, and Mr. Kessler—and it may seem elementary—but here is a man that has been prosperous, evidently, and has made some money, and so forth; and like the rest of us has filed an income-tax return, and did what was demanded of him; and apparently they are suspicious of him, because apparently they come into conference.

What I am getting at is, sooner or later the Government is going to find out all these things. He only has one story to tell, and that is the truth.

If he puts his cards on the table, nobody is going to hurt him. It is a pretty good world. This ducking and draking all the time, and ducking from the Government, and Senate committees, how is his peace of mind going to be?

If he would come through clean and put his cards on the table, he would live a good life.

What is wrong with that philosophy?

MR. KESSLER. Senator, every bit of information concerning the Brown Vintners has been fully exploited by the Government. I am sure this committee knows everything about it. It is a matter of court record.

Senator TOBEY. Of course, they don't know what his proportions were.

Mr. KESSLER. That has been established.

Mr. STACHER. Yes, they do.

Mr. KESSLER. And I think there are complete records submitted to the Internal Revenue Department of his interest, as well as Zwillman's interest. That is as far as I know. Because that was an interest I had in seeing that the Government had that information, complete information.

Now, why he refuses to answer is a matter of his constitutional rights. And if he thinks that if he feels that that involves him in giving information that may incriminate him, he must think that way for himself.

But it is not something that is kept from you, because you can have that information, it is available to you, the Government has it. It has been set out in writing.

Mr. STACHER. We have paid the Government—the Government said that we have paid our taxes on that company fully. Mr. Reinfeld made a statement to that effect to the Government. And I don't know whether you have it, but the Government has it, all of it.

Still he asked me the question on what I did with my money. That has been a year ago, Senator, that we have paid our tax.

Mr. MOSER. Mr. Stacher, you are talking to us as though we were the Bureau of Internal Revenue, which we are not.

Mr. STACHER. But I am afraid that I will get in trouble with the Internal Revenue, from what the questions that the man asked me.

Mr. MOSER. You say that the questions I am asking you are matters of public record. You say it is a matter of public record what share you had in Brown Vintners.

Mr. STACHER. Not public, but the Government has it.

Mr. KESSLER. If I gave you the impression it is a public record, I didn't mean that. It is a record in the office of the Internal Revenue, of statements made as to the respective interests. I think there are statements made even as to who held the stock, unknown to Mr. Stacher. He would only have to give you hearsay, if he remembers it.

Mr. MOSER. You never stated to the Bureau what your interest is.

Mr. STACHER. I never stated—Mr. Reinfeld made a full statement to that effect.

Mr. KESSLER. He said, did you ever state.

Mr. STACHER. Did I ever state?

Mr. KESSLER. Yes. I don't think you ever did.

Mr. STACHER. I don't think so.

Mr. MOSER. Mr. Reinfeld made a full statement. Do you know what he said in his statement?

Mr. STACHER. I haven't read it, sir.

Mr. MOSER. Do you know what he said in the statement?

Mr. STACHER. No, sir.

Mr. MOSER. You said that the Bureau of Internal Revenue knew, that it has all the information that we are asking of you.

Mr. STACHER. I think they have all the information.

Mr. MOSER. Now I ask you if you know what was said, and you say you don't know?

Mr. STACHER. I don't know what was said. But I know that we were exonerated, and we paid our full tax, what the Government had coming; and the Government said that they had no grievance against us.

Mr. MOSER. Mr. Stacher, I understand that. We are not talking about income tax. We are trying to get information as to how certain activities operated.

Mr. STACHER. Mr. Moser, I am sorry, I will do the best I can. But I don't want to get involved, and I am afraid of getting involved in any income tax.

Mr. MOSER. Nobody blames you for that. But you said that it is a matter of record with the Bureau. You think Mr. Reinfeld has given the information to the Bureau; is that correct?

Mr. STACHER. Yes.

Mr. KESSLER. Mr. Moser, off the record.

(Discussion off the record.)

Senator TOBEY. Do you solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KESSLER. I do.

Mr. MOSER. Go right ahead and tell us.

Mr. KESSLER. As I understand, sometime in 1950 there was an investigation by the Internal Revenue Department concerning the Reinfeld and the Brown Vintners situation, and the sale of that business.

At that time there was a question of whether Abner Zwillman, Mr. Stacher, had paid their taxes.

There was a very careful investigation made at which time we appeared before the Internal Revenue Department and submitted certain statements. The statements were prepared not by my office, but prepared by the office of Arthur Garfield Hays, who represented Mr. Zwillman.

In that record it appears that when the company was originally organized in 1933, Mr. Stacher and Mr. Zwillman were supposed to have a half interest in the Brown Vintners Co.

And then, over the period of years between 1933 and 1940—and 1940 being the day on which the business was sold to the Seagram Co. for seven and a half million dollars net; I think the gross was around 15 million dollars, they took over a certain amount of liabilities; the net was seven and a half million dollars, which went to the stockholders.

But between 1933 and 1940, there was a number of stock issues engineered by Mr. Reinfeld. I don't say engineered in any way of criticism, but it was engineered to that extent whereby, when, at the conclusion in 1940, when the company was liquidated, Mr. Stacher and Mr. Zwillman wound up together with 16 percent, I think about 8 percent apiece—with 16 percent of the company. And as a result of that there was a settlement made.

Beginning in 1940, certain moneys were paid; 1941 or 1942, certain other moneys were paid, all of which I didn't know, and didn't represent him at that time.

But in 1943 there was a dispute arose between Stacher and Zwillman on the one side, and Rutkin on the same side, and Reinfeld on the other side, through his accountants.

We contended—at that time I came into the case; up until that time I was not in the case. I came into the case, and examined certain records with Mr. Cohn, who was the accountant for Reinfeld and for the Brown Vintners.

As a result of that, we made certain contentions that these men had not received all of their money from the stock transaction liquidations.

Mr. MOSER. Excuse me just a second. You mentioned the accountant for the Brown Vintners and Reinfield. What was his name?

Mr. KESSLER. Samuel Cohn.

As the result of a few conferences, we settled the case so far as Stacher and Zwillman were concerned, and these two people received the sum of \$358,000.

Mr. MOSER. Each?

Mr. KESSLER. No; together. Which was split, in my office, half and half.

Mr. MOSER. That was in addition to what they had received?

Mr. KESSLER. In addition to what they had received in 1940 and 1941.

Mr. MOSER. How much had they received in the prior settlement?

Mr. KESSLER. To the best of my recollection, they received pretty close to a million, between nine hundred thousand to a million dollars, between the two of them, split equally. But they had an equal interest at the time.

Now, that was the situation, where Rutkin had the same settlement, but he represented himself, got \$250,000.

You know the story of Rutkin. He was charged with having failed to report the receipt of the \$250,000.

Senator TOBEY. They each got about \$670,000?

Mr. KESSLER. Oh, no.

Senator TOBEY. You said a million—

Mr. KESSLER. The total was \$900,000, I think \$930,000, \$940,000, \$950,000; and they got half; about \$500,000.

Senator TOBEY. How about the second settlement?

Mr. KESSLER. That included everything.

Senator TOBEY. What did you originally put in, Mr. Stacher?

Mr. STACHER. I refuse to answer that statement, that question, sir.

Mr. KESSLER. The last payment that was made was \$358,000 in my office. That's all I know as to the amount of payment. The rest of it was hearsay as to what they received.

At that time we had to convince the Government that the \$358,000, which was in the indictable years, whether Zwillman and Stacher paid their taxes on it. And apparently, and I only judge this from results, not from what they said—Mr. Stacher indicated that they said something, I don't know what they said—but apparently we convinced the Government that Stacher and Zwillman had paid their taxes, because they turned around, if you remember, and they indicted Rutkin for having received \$250,000 at the same time, on the theory that he did not pay his taxes, nor were his taxes paid for him.

Senator TOBEY. That is the man they call "Nigger" Rutkin?

Mr. KESSLER. That is the fellow.

Mr. MOSER. You represented Mr. Stacher, and Hays represented Mr. Zwillman?

Mr. KESSLER. Which period?

Mr. MOSER. You tell me.

Mr. KESSLER. I represented Stacher and Zwillman in 1943, when they received \$358,000.

In 1949 or 1950, the early part of 1950, I think it was, when Rutkin was indicted—I mean, you can figure the date by the Rutkin indictment—I represented Stacher alone. And Zwillman was represented by Arthur Garfield Hays' office.

Mr. MOSER. Does Mr. Hays represent Zwillman now?

Mr. KESSLER. I wouldn't know. I wouldn't be surprised.

Mr. MOSER. He has——

Mr. KESSLER. I would guess at it that he does.

Mr. MOSER. He has represented him over the years, generally, hasn't he, as I understand it?

Mr. KESSLER. Well, only from hearsay, I understand that there was some transactions in the last 3 or 4 years that he represented them. But I don't know how long he represented them. I had no occasion to represent Mr. Zwillman after the 1943 transaction.

Mr. MOSER. We have no objection to the procedure that seems to have been developing here of having Mr. Kessler supply us with the information that we want, thereby——

Mr. KESSLER. I am through. You probably have no other information that I can supply you with.

Mr. MOSER. If you give the information that won't incriminate Mr. Stacher, he can answer the questions that he won't be incriminated by.

Mr. KESSLER. If I know them, I will be glad to tell you.

Mr. MOSER. We are not anxious to incriminate Mr. Stacher; we are anxious to get information. And whatever source it comes from is all right with us.

You don't mind that, do you?

Mr. STACHER. I don't mind anything you do.

Mr. MOSER. Tell me about the Calco Chemical Co.

Mr. STACHER. Sir?

Mr. MOSER. C-a-l-c-o.

Mr. STACHER. What is that? I am not trying to be fresh, or ask questions.

Mr. MOSER. Back in 1931, were you associated with a company called Calco Chemical Co.?

Mr. STACHER. Never heard of it.

Mr. MOSER. Never heard of it?

Mr. STACHER. Calco Chemical?

Mr. MOSER. They were in the business of manufacturing alcohol?

Mr. STACHER. Alcohol?

Mr. MOSER. Yes.

Mr. STACHER. No, sir.

Mr. MOSER. Never heard of that?

Mr. STACHER. No, sir.

Mr. MOSER. All right. Were you ever in the business of manufacturing alcohol?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. That won't affect your income tax. Why won't you tell us about that? You admitted you were a bootlegger; why not tell us about that?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Was Zwillman ever in that business?

Mr. STACHER. I wouldn't know, sir.

Mr. MOSER. You don't know whether he was or not?

Mr. STACHER. No.

Mr. MOSER. Are you sure about that?

Mr. STACHER. Positive.

Mr. MOSER. Did you ever hear of the Reo Distilling Co.?

Mr. STACHER. Reo Distilling Co.—yes, sir.

Mr. MOSER. Did you have a financial interest in that?

Mr. STACHER. No, sir.

Mr. MOSER. Did you have any connection with it at all?

Mr. STACHER. I knew the person that ran it.

Mr. MOSER. What was that?

Mr. STACHER. Benjamin Zuckerman.

Mr. MOSER. Was Zwillman connected with that?

Mr. STACHER. No, sir; I don't think so.

Mr. MOSER. You don't think so.

Mr. STACHER. I don't think so.

Mr. MOSER. Was Reinfeld?

Mr. STACHER. I don't think so.

Mr. MOSER. You don't think so?

Mr. STACHER. No.

Mr. MOSER. As far as you know, none of those people had any interest in it?

Mr. STACHER. I don't think so, they had any interest.

Mr. MOSER. But you just knew the man who ran it?

Mr. STACHER. Know him well.

Mr. MOSER. We have information to the effect that Zwillman and Reinfeld had \$1 million in that. Do you think that is wrong?

Mr. STACHER. I don't think there was \$1 million in the whole company. I don't think Mr. Zuckerman had a million dollars in his life.

Mr. MOSER. What kind of an operation was it?

Mr. STACHER. I don't know. I was there three or four times. They sold, you know, liquor.

Mr. MOSER. Bootlegger set-up?

Mr. STACHER. No; no. It was a legitimate business.

Mr. MOSER. Legitimate business?

Mr. STACHER. It was a distillery.

Mr. MOSER. Were you connected with the Eastern Credit Corp.?

Mr. STACHER. Yes.

Mr. MOSER. What is the nature of that?

Mr. STACHER. That was a finance business that I had with Mr. Lehrhoff in the Universal Motors, and when I went to the Army I sold that business.

Mr. MOSER. What is Mr. Lehrhoff's full name?

Mr. STACHER. Marty Lehrhoff.

Mr. MOSER. Where does he live?

Mr. STACHER. He lives at 25 Van Velsor Place.

Mr. MOSER. In Newark?

Mr. STACHER. Yes, sir.

Mr. MOSER. When did you organize that business?

Mr. STACHER. I would say—I don't know for sure, but I would say '36 or '37.

Mr. MOSER. Was it a corporation?

- MR. STACHER. I really couldn't tell you whether it was a corporation or a partnership.
- MR. MOSER. The name of it was Eastern Credit Corp. Does that indicate that it was a corporation?
- MR. STACHER. Yes. And the Universal Motors.
- MR. MOSER. It was that that was another corporation?
- MR. STACHER. I think so.
- MR. MOSER. Universal Motors?
- MR. STACHER. That was buying and selling used cars.
- MR. MOSER. Oh, you were in the business of buying and selling used cars?
- MR. STACHER. Yes.
- MR. MOSER. And Eastern Credit Corp. was a finance company that was used to finance the cars?
- MR. STACHER. That's right, sir.
- MR. MOSER. And the corporation, Eastern Credit Corp., was a company in which you and Lehrhoff both had financial interests?
- MR. STACHER. That's right, sir.
- MR. MOSER. What percentage did you own?
- MR. STACHER. I am sorry, I refuse to answer.
- MR. MOSER. Was anybody in that company with you besides Marty Lehrhoff?
- MR. STACHER. I think when we started his brother-in-law might have had a little interest.
- MR. MOSER. What was his name?
- MR. STACHER. Lehrhoff, too.
- MR. MOSER. His brother?
- MR. STACHER. Brother-in-law, I think.
- MR. MOSER. His brother-in-law was named Lehrhoff? It could have been his brother.
- MR. STACHER. It wasn't his brother. It was one of the family. I don't know his first name. I haven't seen him in a long time.
- MR. MOSER. Could it have been Abe?
- MR. STACHER. It could have been Abe; that's right; Lehrhoff.
- MR. MOSER. Abe Lehrhoff had a third interest; does that sound right?
- MR. STACHER. I don't remember, sir.
- MR. MOSER. Marty Lehrhoff had a third; does that sound right?
- MR. STACHER. I don't remember.
- MR. MOSER. Don't you remember that you each had a third?
- MR. STACHER. I wouldn't know, sir. I wouldn't be sure. It is so many years ago.
- MR. MOSER. When did you go in the Army?
- MR. STACHER. 1943.
- MR. MOSER. You surely can remember if you sold it; you can remember what percentage you got?
- MR. STACHER. I don't want to get at anything, sir.
- MR. MOSER. What was your position in that company?
- MR. STACHER. Just an investor.
- MR. MOSER. You didn't hold any position as officer?
- MR. STACHER. I think I did. I don't know whether I was secretary, or something.
- MR. MOSER. You might have been treasurer?
- MR. STACHER. Maybe. Could be.

Mr. MOSER. You got out of that and you went in the Army in 1943?

Mr. STACHER. 1943.

Mr. MOSER. Was the company still operating at that time?

Mr. STACHER. Yes, sir.

Mr. MOSER. Didn't it go out of business in 1942?

Mr. STACHER. I don't think so.

Mr. MOSER. You don't think so?

Mr. STACHER. May be the Eastern Credit did. But not the Universal Motors; I don't think so.

Mr. MOSER. Who owned the Universal Motors?

Mr. STACHER. Mr. Lehrhoff.

Mr. MOSER. The same three?

Mr. STACHER. No; I think the other fellow went out, the other Lehrhoff.

Mr. MOSER. So did you and Mr. Lehrhoff own it jointly?

Mr. STACHER. I think so.

Mr. MOSER. Fifty percent each?

Mr. STACHER. I don't remember, sir.

Mr. MOSER. You ran these two companies sort of as a single enterprise, did you?

Mr. STACHER. I couldn't tell you, sir. They were selling used cars and loaning out a little money on the cars.

Mr. MOSER. If somebody bought a car, you would finance it for them?

Mr. STACHER. That's right.

Mr. MOSER. So you sold it with one company and financed it with the other?

Mr. STACHER. Yes. We would make a little money.

Mr. MOSER. So when the automobile business went out of business, you discontinued the credit business, too, didn't you?

Mr. STACHER. I don't remember. It might be.

Mr. MOSER. What is the Royal Music Supply Co.?

Mr. STACHER. Well, we have five companies there; two in New York, two in Jersey, two Runyons, and we have a Worldwide Music, like we play in the restaurants, play in the factories. Worldwide, they call it.

Mr. MOSER. Worldwide Music?

Mr. STACHER. Yes.

Mr. MOSER. It is Teleflash?

Mr. STACHER. Teleflash? I don't understand.

Mr. MOSER. Well, it is a loud-speaker that is put in a tavern or store or factory, is it not?

Mr. STACHER. Yes.

Mr. MOSER. And you send music over the wires into that?

Mr. STACHER. That's right.

Senator TOBEY. Isn't that the same as Muzak put out?

Mr. STACHER. That's right. That is the same thing. We put the wires in, the telephone company puts them in, and we put the speakers in each place.

Mr. MOSER. Yes. And then you send the music to the telephone company over a wire, don't you?

Mr. STACHER. That's right.

Mr. MOSER. And from there it goes through their wires to these places?

Mr. STACHER. That's right.

Mr. MOSER. Now, that is called Worldwide News.

Mr. STACHER. Worldwide Music.

Mr. MOSER. And you own an interest in that, do you?

Mr. STACHER. It is all one company; the five of them are all one company. They are different companies.

Mr. MOSER. These are five companies operated under a single management; is that it?

Mr. STACHER. I think so.

Mr. MOSER. And can you name all five?

Mr. STACHER. Well, two Runyons, two Runyons, and one World-wide.

Mr. MOSER. What is the name of the Runyons?

Mr. STACHER. Runyon Sales New York. There is a New York Runyon Sales on Forty-third Street and Tenth Avenue. There is a Newark Runyon Sales in New Jersey at 122 Runyon Street. And there are two other Runyons. Runyon Co., and Runyon that runs something else, games.

Mr. MOSER. Well, tell us about the business, now, of each one. You have two Runyons in New York; one is in the music business?

Mr. STACHER. All in the same business.

Mr. MOSER. Do they have different territories?

Mr. STACHER. No. You see, New York sells to jobbers only. We sell to jobbers, and also have a route of our own. We have 600 music boxes in Newark, and around the different parts of New Jersey, that we run them ourselves. And we service them and records, and if anything is broken, and everything else. We try to put our jukeboxes in there, so we would have——

Mr. MOSER. Now you are on the jukeboxes?

Mr. STACHER. That is the same thing, sir.

Mr. MOSER. I was talking about this music thing.

Mr. STACHER. We have 95 accounts. About that; 90 or 95, 93. I don't remember.

Mr. MOSER. You say you have these different companies. Is each one a separate corporation?

Mr. STACHER. I wouldn't know, sir. I would have to look at the books.

Mr. MOSER. But they are all branches of the same business?

Mr. STACHER. That's right.

Mr. MOSER. Over this Teleflash we were talking about, you send music that is played on records, I suppose, don't you?

Mr. STACHER. That's right.

Mr. MOSER. And do you send any news events, sports news?

Mr. STACHER. No, sir.

Mr. MOSER. Nothing but music?

Mr. STACHER. Nothing but music. Dinner music, afternoon music, and nice concert music.

Mr. MOSER. But nothing but music. Absolutely nothing but music?

Mr. STACHER. Just music.

Mr. MOSER. No news of any kind?

Mr. STACHER. I don't remember. It might be; I don't know.

Mr. MOSER. No horse race results, or anything of that kind?

Mr. STACHER. No, sir.

Mr. MOSER. Nothing to do with the ponies?

Mr. STACHER. I didn't know what you were getting at, sir. No, sir.

Mr. MOSER. You say you have these five companies. You said "we." Who are the others in it with you?

Mr. STACHER. Mr. Green and Mr. Sugarman, and nobody else, sir.

Mr. MOSER. Mr. Zwillman has no interest, direct or indirect?

Mr. STACHER. No interest whatever.

Mr. MOSER. Direct or indirect?

Mr. STACHER. Positively not. No interest with me whatsoever.

Mr. MOSER. That music business is still going on?

Mr. STACHER. Yes, sir.

Mr. MOSER. Was that going on when you purchased into it or did you—

Mr. STACHER. Yes, sir. I know Mr. Green for 25 years. He is a friend of mine. We played in the playgrounds together. When I come out of the Army, he asked me what I was doing, and I said "Nothing much." He said, "I have got a good business, would you like to go partners with me?"

And I went partners with him. And we worked the business up from that day to today. And it is a very big business today.

Mr. MOSER. Did you take the place of another partner?

Mr. STACHER. No, sir.

Mr. MOSER. Wasn't there a fellow named Harry Goldberger who had been there?

Mr. STACHER. I think he is still there. He has a little route. I never took anybody's place.

Mr. MOSER. You didn't buy out his interest?

Mr. STACHER. No, sir.

Mr. MOSER. Didn't you pay him \$15,000 for his interest?

Mr. STACHER. No, sir. I bought Mr. Sugarman and Mr. Green.

Mr. MOSER. You bought a share from each of them, is that it?

Mr. STACHER. Well, I bought into the company with them. I don't know anything about Goldberger. I never pushed him out; I never did anything.

Mr. MOSER. I am not suggesting you pushed him out. I want to know where you got your interest?

Mr. STACHER. I bought my interest with them, sir, and I paid for it. And from then we worked up a very good business.

Mr. MOSER. Did you lend money to the company?

Mr. STACHER. Yes, sir.

Mr. MOSER. How much did you advance to it?

Mr. STACHER. I refuse to answer that.

Mr. MOSER. Do you want to tell us how much he put in it?

Mr. KESSLER. I don't represent the company. I don't know a thing about it.

Mr. MOSER. Would you be willing to confirm the fact that you loaned \$25,000?

Mr. STACHER. I loaned them money.

Mr. MOSER. But you wouldn't say whether it was \$25,000.

Mr. STACHER. I wouldn't say anything, sir. Anything in reference to money.

Mr. MOSER. How long were you in the Army?

Mr. STACHER. About 6 months.

Mr. MOSER. Went in in 1943 and out in 1943?

Mr. STACHER. Yes. Over the age limit.

Mr. MOSER. As I understand it, your business consisted of this automobile selling and financing business prior to the time you went in the Army?

Mr. STACHER. Yes, sir.

Mr. MOSER. And did you work at anything else?

Mr. STACHER. Well, when I was a boy I sold newspapers until I was 16 years old. From then, I worked in the Edison Co., on Boyd Street.

Mr. MOSER. Edison Co.?

Mr. STACHER. Thomas Edison, on Boyd Street. I don't know how long I worked there. I couldn't tell you, sir. From there I worked for the Government in a leather factory, on Frelinghausen Avenue. I tried to get into the Army. I was too skinny. I ate some bananas and got sick.

Mr. MOSER. This was the First World War?

Mr. STACHER. That's right, sir. From there I worked for the Government in a shipyard. Then, from there, I worked in a factory, I think it is a fur factory. I don't know if it has anything to do with the Hollander. I can't remember, but it was on Johnson Avenue some place.

From there I went to work in the rabbit factories.

Mr. MOSER. Rabbit factory?

Mr. STACHER. Yes, sir; shaving rabbits.

Senator TOBEY. You mean shaving the hair off the rabbits?

Mr. STACHER. Yes. Rabbit skins. I worked there until, oh, I don't remember. I worked there—that was the last—I think that was the last place I worked.

And then from there I went in business for myself.

Mr. MOSER. That was bootlegging?

Mr. STACHER. No, sir.

Mr. MOSER. That was later?

Mr. STACHER. I didn't come to that yet. That is after.

I don't mean to be fresh, but I went in the fruit and vegetable business. I used to buy and sell fruit and vegetables to places. Buy them off the farmers, rent a wagon, horse and wagon, paid \$3 for it, and buy all the merchandise I could, and go out and sell it, and see how much I could make. Sometimes I would make good, sometimes I wouldn't.

Then from there I was in the bootlegging business.

Mr. MOSER. That was over in 1933; the bootlegging business was over in 1933?

Mr. STACHER. That's right, sir.

Mr. MOSER. And after that you worked at what?

Mr. STACHER. After that I didn't do anything for a while.

Mr. MOSER. No work at all for a while?

Mr. STACHER. I didn't do anything for a while.

Mr. MOSER. I should think after that you wouldn't have to.

Mr. STACHER. Sir?

Mr. MOSER. I should think after that you wouldn't have to work for a while.

Then you went into this automobile business, didn't you?

Mr. STACHER. That's right.

Mr. MOSER. And while you were working in the automobile business, was that your sole working business, sole work you did?

Mr. STACHER. I think so.

Mr. MOSER. You didn't work at anything else?

Mr. STACHER. No. That was 1936, I think.

Mr. MOSER. Yes. And then right up to the time you went in the Army, that is all you worked at?

Mr. STACHER. That's right.

Mr. MOSER. That's correct; isn't it? You didn't work at anything else?

Mr. STACHER. I think so. I don't remember. I think 1935, maybe 1936, in around that time, where I bought the Public Service Tobacco Co. with Mr. Lascari, and then sold it to Mr. Zwillman, I think, 2 years after. I think that's the time I bought into Mr. Lehrhoff. I don't remember.

Mr. MOSER. Let's talk about Public Service Tobacco Co. You and Mr. Lascari bought it together?

Mr. STACHER. That's right.

Mr. MOSER. In about 1937?

Mr. STACHER. If it is 1937, I don't remember the year.

Mr. MOSER. Well, about that?

Mr. STACHER. 1936, 1937.

Mr. MOSER. I have a figure of 1937. Does that sound about right?

Mr. STACHER. That's all right.

Mr. MOSER. And you each bought a half interest?

Mr. STACHER. No. Mr. Catena bought.

Mr. MOSER. Mr. Catena?

Mr. STACHER. Yes.

Mr. MOSER. He stayed in the business?

Mr. STACHER. No. He sold out too when I sold out.

Mr. MOSER. I am talking about when you bought it.

Senator TOBEY. What Catena was that?

Mr. STACHER. Jerry Catena. It is so long ago, that I don't remember.

Mr. MOSER. You said a few minutes ago that Lascari was in with you.

Mr. STACHER. Lascari was in. And I think Mr. Catena was.

Mr. MOSER. The three of you together?

Mr. STACHER. I think so.

Mr. MOSER. What shares did you each have?

Mr. STACHER. I don't remember. If you have the papers, tell me, and it will be all right.

Mr. MOSER. I don't know; I don't have any idea.

Mr. STACHER. I don't remember.

Mr. MOSER. I just wonder if you all went in equally.

Mr. STACHER. I don't remember.

Mr. MOSER. Were you partners?

Mr. STACHER. Partners in that business; yes, sir.

Mr. MOSER. Was it a corporation or a partnership?

Mr. STACHER. I think it was a corporation.

Mr. MOSER. Who was in with you besides Lascari and Catena? Anybody else?

Mr. STACHER. No, sir.

Mr. MOSER. How about a fellow named Al Lillian?

Mr. STACHER. No, sir.

Mr. MOSER. He was not in it?

Mr. STACHER. No, sir.

Mr. MOSER. You said that you sold out to Zwillman. When did this occur?

Mr. STACHER. Oh, it must have been about 2 years, a year and a half; I just can't remember.

Mr. KESSLER. A year and a half of what?

Mr. STACHER. A year and a half since the time we bought it.

Mr. KESSLER. After you bought it?

Mr. STACHER. Yes.

Mr. MOSER. A year and a half or 2 years later you sold it to him?

Mr. STACHER. Yes.

Mr. MOSER. About a year and a half, was it?

Mr. STACHER. Maybe a year and a half, 2 years; I can't remember.

Mr. MOSER. Did you all sell out?

Mr. STACHER. No. I sold out, Mr. Catena sold out, Mr. Lascari stayed with Mr. Zwillman.

Mr. MOSER. Why did you get out of that?

Mr. STACHER. Well, I wanted the money to use for some business, and I sold out.

Mr. MOSER. What was the business?

Mr. STACHER. I am sorry, I can't answer that question.

Mr. MOSER. And you sold out in about 1939 or 1940—1938 or 1939?

Mr. STACHER. It might be 1938. I don't remember.

Mr. MOSER. You wanted the money for another purpose, so you sold out?

Mr. STACHER. That's right, sir.

Mr. MOSER. You are not willing to tell why you wanted to get out, and why you wanted the money?

Mr. STACHER. No, sir.

Mr. MOSER. What is the Passaic Music Co.?

Mr. STACHER. That is one of our companies.

Mr. KESSLER. What is the name of that?

Mr. MOSER. Passaic Music Co.

Mr. STACHER. The Runyon Co. had an interest in the Passaic Co.

Mr. MOSER. I see. And does it own all the stock?

Mr. STACHER. Does who own all the stock?

Mr. MOSER. Does the Runyon Co. own all the stock?

Mr. STACHER. No, sir. There is another gentleman in the company.

Mr. MOSER. Does it own a controlling interest?

Mr. STACHER. I think two-thirds.

Mr. MOSER. Two-thirds?

Mr. STACHER. I think so.

Mr. MOSER. What is the business of the Passaic Music Co.?

Mr. STACHER. The same thing. It is a route.

Mr. MOSER. A route, that is, you put jukeboxes in and service them; is that right?

Mr. STACHER. That's right. I think they have over 100.

Mr. MOSER. You say that Zwillman had no interest in the Runyon outfit; is that correct?

Mr. STACHER. No, sir.

Mr. MOSER. How about his brother Irving, did he ever have anything to do with it?

Mr. STACHER. No, sir.

Mr. MOSER. Never did?

Mr. STACHER. No, sir.

Mr. MOSER. And Abner never did have?

Mr. STACHER. No, sir. Positively not.

Mr. MOSER. Did you ever have any business association with Irving Zwillman?

Mr. STACHER. Business association?

Mr. MOSER. Yes.

Mr. STACHER. Well, we sold them—we had an interest in a company that was operating bowling alleys, little bowling alleys. And we sold Irving our share of it. That's the R. & H. Is that right?

Mr. MOSER. R. & H. Could it have been the G. & R.?

Mr. STACHER. G. & R. is right.

Mr. MOSER. What did G. & R. stand for?

Mr. STACHER. I don't know. G. & R.; that's it. We sold him our share.

Mr. MOSER. G. & R. Trading Co. was a company that the Runyon outfit owned; was that it?

Mr. STACHER. No; they owned part of it, sir. One-third, I think.

Mr. MOSER. And you sold your interest to Irving Zwillman?

Mr. STACHER. That's right. Our company sold the interest to Irving Zwillman.

Mr. MOSER. Did you ever have any interest in any company that you sold to Abner Zwillman other than this Public Service Tobacco Co.; is that the only company you ever sold to him?

Mr. STACHER. It is not Abner; that is his brother Irving.

Mr. MOSER. But you sold Public Service Tobacco to Abner?

Mr. STACHER. Yes, sir.

Mr. MOSER. Did you sell anything else to Abner, any other business?

Mr. STACHER. No, sir.

Mr. MOSER. You say that the business of the G. & R. Trading Co. was jukeboxes?

Mr. STACHER. No.

Mr. MOSER. Bowling alleys?

Mr. STACHER. Bowling alleys, and pin games, and things like that.

Mr. MOSER. Did it sell that equipment?

Mr. STACHER. No. It operates it.

Mr. MOSER. It operates it?

Mr. STACHER. It still does today. It is still a company at the present time.

Mr. MOSER. Who was in that business with you?

Mr. STACHER. There was a man by the name of Mr. Steinberg. The other man's name, Lieb, Leibowitz.

Mr. MOSER. Lieb, L-i-e-b?

Mr. STACHER. No. I just can't remember his name. You tell me, and I will tell you if it is right.

Mr. MOSER. I don't know. You sold out to Irving?

Mr. STACHER. Yes.

Mr. MOSER. In what year?

Mr. STACHER. I don't remember, sir.

Mr. KESSLER. How long ago?

Mr. STACHER. I don't remember, Sam. I didn't do the business with them. Abie Green did the business with them. He was very friendly. He knows the kid since he was a boy.

Mr. MOSER. I am wondering whether you sold out in the last 4 or 5 years, or whether it was before that.

Mr. STACHER. It might be 4, 5 years. It might be that, I think so.

Mr. MOSER. Did you own the business in 1946, do you think?

Mr. STACHER. I can't remember. Might have.

Mr. MOSER. That company, G. & R. Trading Co., reported in its income-tax returns that it made payments to various people. What would those payments have been for?

Mr. STACHER. How would I know, sir?

Mr. MOSER. You don't know?

Mr. STACHER. No, sir. I never was there. Maybe once, passed there.

Mr. MOSER. Who would know?

Mr. STACHER. I don't know, sir.

Mr. MOSER. Steinberg?

Mr. STACHER. Steinberg?

Mr. MOSER. Was he running it?

Mr. STACHER. I think he was.

Mr. MOSER. He was running it. What is his first name?

Mr. STACHER. There are four brothers. I don't know which one it is. Harry.

Mr. MOSER. Harry Steinberg?

Mr. STACHER. That's right.

Mr. MOSER. Is he still in it?

Mr. STACHER. I think so.

Mr. MOSER. And he ran the operation, and you had money in it; is that right?

Mr. STACHER. Yes. I guess he did. I never took any interest in it.

Mr. Green ran it with—I know we had an interest, and we sold it to Irving.

Mr. MOSER. Mr. Green supervised that?

Mr. STACHER. Mr. Green; yes, sir. Abe Green.

Mr. MOSER. There was a firm called Billitz and Stacher?

Mr. STACHER. Yes, sir.

Mr. MOSER. Do you know anything about that outfit?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Who was Mr. Billitz?

Mr. STACHER. I know Mr. Billitz.

Mr. MOSER. What is his name?

Mr. STACHER. Isidore Billitz.

Mr. MOSER. Does he live in Newark?

Mr. STACHER. Yes, sir.

Mr. MOSER. Where does he live?

Mr. STACHER. 25 Van Velsor Place, Newark.

Mr. MOSER. You have given the address of Billitz. Is the address you have given the same as the address of Runyon Sales Corp?

Mr. STACHER. No, sir. Runyon Sales is 123 Runyon Street. Mr. Billitz lives in 25 Van Velsor Place, Newark. Mr. Lehrhoff lives in the same building. I used to live in the same building. And I just moved.

Mr. MOSER. Is Billitz and Stacher a partnership or a corporation?

Mr. STACHER. Partnership.

Mr. MOSER. Partnership?

Mr. STACHER. Yes, sir.

Mr. MOSER. You don't want to tell me what business it is in?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Is it in business now?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Did Abner Zwillman have the interest in that at any time?

Mr. STACHER. No, sir.

Mr. MOSER. Never had any interest?

Mr. STACHER. No, sir.

Mr. MOSER. He doesn't have any now?

Mr. STACHER. No, sir.

Mr. MOSER. Whether direct or indirect?

Mr. STACHER. No, sir.

Mr. MOSER. There was an organization called the H. and S. Amusement Co.

Mr. STACHER. H. & S. what?

Mr. MOSER. H. & S. Amusement Co. Have you ever heard of that?

Mr. STACHER. No, sir.

Mr. MOSER. Are you sure about that?

Mr. STACHER. Yes, sir.

Mr. MOSER. You are sure you are not a partner in an organization called H. & S. Amusement Co.?

Mr. STACHER. Amusement company?

Mr. MOSER. H. & S. Amusement Co.

Mr. STACHER. I don't think so, sir. Unless it has something to do with the Runyon. Runyon had a company under that name, it might be. But I don't think so. We have five companies. That couldn't, I don't think so, unless you showed me.

Mr. MOSER. Runyon Realty Co. is another company in that group?

Mr. STACHER. Runyon Realty, that is one of the five.

Mr. MOSER. Is that still in existence, Runyon Realty?

Mr. STACHER. I don't think so, sir. I would have to look at the books.

Mr. MOSER. You don't know?

Mr. STACHER. No, sir.

Mr. MOSER. Who would know; the books?

Mr. STACHER. The books. Mr. Green would know. You could ask Mr. Green.

Mr. MOSER. Mr. Green runs this operation?

Mr. STACHER. Most of it. Mr. Sugarman does. He is in New York; Mr. Green is in Jersey.

Mr. MOSER. Were you active in this Runyon outfit?

Mr. STACHER. I was pretty active, yes.

Mr. MOSER. You still are?

Mr. STACHER. Up until the time—yes.

Mr. MOSER. Until you went out to Reno last year?

Mr. STACHER. Yes, sir.

Mr. MOSER. Would you have any objection to our examining the books and records of the Runyon group?

Mr. STACHER. No, sir.

Mr. MOSER. No objection?

Mr. STACHER. No objection.

Mr. MOSER. Well, then, if we send a man around to do that, you will make them available to him?

Mr. STACHER. Oh, positively. Why, certainly.

Mr. MOSER. That is an open book, is it?

Mr. STACHER. They are there. They have been.

Mr. MOSER. You wouldn't want to let us see the books of G. & R Trading Co., would you?

Mr. STACHER. Sir?

Mr. MOSER. You wouldn't want to let us see the books of Billitz & Stacher, would you?

Mr. STACHER. I refuse to answer that question, sir

Mr. MOSER. Who is Thum?

Mr. STACHER. A friend of mine.

Mr. MOSER. Is there a firm called "Thum & Stacher"?

Mr. STACHER. Yes.

Mr. MOSER. How long have you known Mr. Thum?

Mr. STACHER. Twenty years.

Mr. MOSER. And are you and he in business together?

Mr. STACHER. We were.

Mr. MOSER. You were?

Mr. STACHER. Yes.

Mr. MOSER. But you are not any more?

Mr. STACHER. No, sir.

Mr. MOSER. What was the business?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. When did you discontinue the business?

Mr. STACHER. I don't remember, sir.

Mr. MOSER. Nineteen hundred and forty-six, perhaps?

Mr. STACHER. Maybe.

Mr. MOSER. What is Thum's name, full name?

Mr. STACHER. Charles.

Mr. MOSER. Charles Thum?

Mr. STACHER. Yes.

Mr. MOSER. Where does he live?

Mr. STACHER. Oh, he is in Vegas.

Mr. MOSER. He is in Las Vegas?

Mr. STACHER. Yes.

Mr. MOSER. What is he doing out there?

Mr. STACHER. Trying to do business.

Mr. MOSER. What kind of business?

Mr. STACHER. I don't know, sir.

Senator TOBEY. There is only one kind of business in Las Vegas.

Mr. STACHER. Well, Senator, there is a lot of other business there, too.

Senator TOBEY. When I was out there, all I could see was the gambling business.

Mr. STACHER. Well, there are lots of other businesses there.

Mr. MOSER. Did Abner Zwillman have any interest in Thum & Stacher?

Mr. STACHER. No, sir.

Mr. MOSER. Direct or indirect?

Mr. STACHER. No, sir.

MR. MOSER. What is L. & L. Co.?

MR. STACHER. L. & L.?

MR. MOSER. Yes.

MR. STACHER. I don't know, sir.

MR. MOSER. You never heard of L. & L.?

MR. STACHER. No, sir.

MR. MOSER. It is a company in Saratoga Springs.

MR. STACHER. Company in Saratoga Springs?

MR. MOSER. Yes. Does that help you remember?

MR. STACHER. It helps me remember, sir.

MR. MOSER. What do you remember now?

MR. STACHER. I refuse to answer the question on the grounds that it might incriminate me.

MR. MOSER. What does L. & L. stand for?

MR. STACHER. I don't know, sir.

MR. MOSER. What does the first L stand for?

MR. STACHER. I don't know.

MR. MOSER. You don't know what the second L stands for?

MR. STACHER. I don't know the first or the second.

MR. MOSER. Is that a partnership or a corporation?

MR. STACHER. I refuse to answer that question.

MR. MOSER. Do you know?

MR. STACHER. No, I don't.

MR. MOSER. I can't hear you.

MR. STACHER. No, I don't.

MR. MOSER. You don't know. Then why don't you answer?

MR. STACHER. Thank you.

MR. MOSER. The address of L. & L. Co. is given as Joe Stacher, 25 Russell Place, Newark, N. J. Is that your address?

MR. STACHER. No, sir.

MR. MOSER. What is at 25 Russell Place?

MR. STACHER. I wouldn't know, sir.

MR. MOSER. Do you know who lives there?

MR. STACHER. I never heard of the street.

MR. MOSER. You never heard of Russell Place?

MR. STACHER. No.

MR. MOSER. In Newark?

MR. STACHER. No, sir. Is there?

MR. MOSER. Do you know an outfit called the Bank Club?

MR. STACHER. The Bank Club?

MR. MOSER. Yes.

MR. STACHER. Yes.

MR. MOSER. Where is that?

MR. STACHER. In Reno, Nev.

MR. MOSER. Did you buy an interest in that?

MR. STACHER. I refuse to answer that question, sir.

MR. MOSER. But there is nothing illegal about that.

MR. STACHER. I refuse to answer that question.

MR. MOSER. Gambling is legal in Nevada, you know.

MR. STACHER. I refuse to answer.

MR. KESSLER. I think he has made it pretty clear, Mr. Moser, that it involves finances.

MR. STACHER. It involves finances and my memory.

Mr. MOSER. Did you take any part in the activities of the Bank Club?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Did you attempt to become a member of it?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Or a part owner?

Mr. STACHER. I refuse to answer.

Mr. MOSER. Did you buy a piece of real estate in Reno?

Mr. STACHER. Real estate in Reno?

Mr. MOSER. Yes.

Mr. STACHER. No.

Mr. MOSER. What is the Greenfield tract?

Mr. STACHER. I lived there. That was my home. I lived there with my wife and child.

Mr. MOSER. And that's just a place where you owned a home?

Mr. STACHER. No; I just rented it.

Mr. MOSER. You rented the place?

Mr. STACHER. Yes.

Mr. MOSER. Was the place called the Greenfield tract, or was your house just a place in there?

Mr. STACHER. No. 1 Greenfield, they called it.

Mr. MOSER. There were others in Greenfield besides?

Mr. STACHER. Oh, sure. It is just the address of the man that owned the house.

Mr. MOSER. It was a development, and you had one house of it?

Mr. STACHER. Yes; a little house.

Mr. MOSER. Did you ever hear of the Golden Nugget Hotel at Las Vegas?

Mr. STACHER. Golden Nugget? Sure.

Mr. MOSER. Did you ever stay there?

Mr. STACHER. Golden Nugget Hotel in Las Vegas? No, sir.

Mr. MOSER. Do you own any interest in it?

Mr. STACHER. No, sir.

Mr. MOSER. None whatever?

Mr. STACHER. No, sir.

Mr. MOSER. Have you ever?

Mr. STACHER. No, sir.

Mr. MOSER. Never did own an interest in it, directly or indirectly?

Mr. STACHER. You are talking about Las Vegas?

Mr. MOSER. Yes.

Mr. STACHER. The Golden Nugget?

Mr. MOSER. Yes.

Mr. STACHER. Hotel in Las Vegas?

Mr. MOSER. Yes.

Mr. STACHER. No, sir.

Mr. MOSER. Do you know the place?

Mr. STACHER. Yes, sir.

Mr. MOSER. But you never had any interest in it?

Mr. STACHER. In Las Vegas; no, sir.

Mr. MOSER. Did you ever hold any interest in it in behalf of anybody else?

Mr. STACHER. I never had an interest in it.

Mr. MOSER. Not even for somebody else?

Mr. STACHER. Never.

Mr. MOSER. There is a place called the Golden Nugget. Is there a Golden Nugget Hotel?

Mr. STACHER. It is not a hotel. It is a gambling place in Las Vegas.

Mr. MOSER. The Golden Nugget is a gambling place?

Mr. STACHER. Yes.

Mr. MOSER. Is that what you meant when you said you had no interest in the Golden Nugget Hotel?

Mr. STACHER. That's right.

Mr. MOSER. You meant the Golden Nugget Hotel?

Mr. STACHER. Both. I think it might be a few rooms upstairs.

Mr. MOSER. But you never had any interest in the Golden Nugget?

Mr. KESSLER. Whether it was a hotel or a gambling place, he wants to know.

Mr. STACHER. No, sir.

Mr. MOSER. The same answers apply?

Mr. STACHER. No, sir.

Mr. MOSER. Why did you get out of the Army?

Mr. STACHER. Why did I get out of the Army?

Mr. MOSER. On what grounds were you let out of the Army?

Mr. STACHER. Over the age. I was over 42.

Mr. KESSLER. That was the time when they changed the law. Anybody over 40 would be eliminated from the Army.

Mr. STACHER. I have an honorable discharge.

Mr. MOSER. You weren't let out because of defense activity, or anything like that?

Mr. STACHER. Over age.

Mr. MOSER. Solely because of that?

Mr. STACHER. I think so. I don't remember, it is so many years ago.

Mr. MOSER. Did you make application to get out?

Mr. STACHER. I might have. All the boys got together there, and they said that the over-age limit has come through, who is over 38 years old. And everybody put up their hands, and they all—you don't need an application for that.

Mr. MOSER. Now tell us who Michael Lascari is.

Mr. STACHER. Michael Lascari, I know Michael Lascari. I met him, and we come over to Newark, and we bought into the Public Service Tobacco Co., and I went there a few times.

Mr. MOSER. Where did you meet him?

Mr. STACHER. I sold the—I couldn't remember now. It is so many years ago.

Mr. MOSER. How many years ago?

Mr. STACHER. Oh, it must be 15.

Mr. MOSER. Fifteen years ago?

Mr. STACHER. It must be, easily, 15.

Mr. MOSER. Did you have any business relationships with Lascari besides the Public Service Tobacco?

Mr. STACHER. No, sir.

Mr. MOSER. Those were the only dealings you had with him?

Mr. STACHER. That one deal.

Mr. MOSER. Just that one deal?

Mr. STACHER. Yes, sir.

Mr. MOSER. Never had any liquor tie-ins with him?

Mr. STACHER. No, sir.

Mr. MOSER. He had no interest in the G. & R. Trading Co.?

Mr. STACHER. I don't know who the G. & R. Trading Co. is, sir. He had no interest with me outside of the business that I had with him.

Mr. MOSER. Jack Friedlander, do you know him?

Mr. STACHER. Sure.

Mr. MOSER. Have you known him a good many years?

Mr. STACHER. Oh, many years.

Mr. MOSER. What is his business?

Mr. STACHER. Restaurant in Florida.

Mr. MOSER. Restaurant in Florida?

Mr. STACHER. Yes.

Mr. MOSER. Is he a gambler?

Mr. STACHER. I can't answer that question.

Mr. MOSER. You can't answer that. Why not?

Mr. KESSLER. Do you know whether he is or not?

Mr. STACHER. Do I know whether he is a gambler or not?

Mr. MOSER. Do you?

Mr. STACHER. What I read in the papers.

Mr. MOSER. But you don't know otherwise?

Mr. STACHER. I refuse to answer.

Mr. MOSER. Is he a gambler?

Mr. STACHER. Yes; he is a gambler.

Mr. MOSER. That doesn't incriminate you.

Mr. STACHER. All right.

Mr. MOSER. But he is a gambler.

Mr. STACHER. I don't want to get into no argument with you, counsel.

Mr. MOSER. You have had no business dealings with Friedlander whatever?

Mr. STACHER. Business dealings with Friedlander? No.

Mr. MOSER. When I say "business," I mean any kind of business; gambling, any kind, music, monkey business, anything, any kind of of business?

Mr. STACHER. No.

Mr. MOSER. No financial dealings of any kind with him?

Mr. STACHER. I don't remember, sir.

Mr. MOSER. You don't remember?

Mr. STACHER. No, sir.

Mr. MOSER. Did you know him during prohibition time?

Mr. STACHER. I think so. We were kids.

Mr. MOSER. Did you have business dealings with him during prohibition?

Mr. STACHER. I don't think so.

Mr. MOSER. You don't think you did any bootlegging?

Mr. STACHER. I don't think so. It is so many years ago. I couldn't say.

Mr. MOSER. The most important period of your life, wasn't it?

Mr. STACHER. I don't think so. This is it.

Mr. MOSER. Do you have any interest in the Club Greenacres?

Mr. STACHER. Greenacres; no, sir.

Mr. MOSER. In Florida?

Mr. STACHER. No, sir.

Mr. MOSER. Have you ever had any interest in it?

Mr. STACHER. No, sir.

Mr. MOSER. Do you know who does?

Mr. STACHER. No, sir.

Mr. MOSER. You don't know.

Mr. STACHER. No.

Mr. MOSER. How about the Teepee Barand Grill?

Mr. STACHER. It doesn't register.

Mr. MOSER. You never heard of it?

Mr. STACHER. I don't remember.

Mr. MOSER. It is a place on the Tamiami Trail in Florida?

Mr. STACHER. I never was there, I don't think. Teepee? I don't think I ever was there.

Mr. MOSER. T-e-e-p-e-e.

Mr. STACHER. No, sir.

Mr. MOSER. Do you know Meyer Lansky?

Mr. STACHER. Yes.

Mr. MOSER. Have you had any dealings with him?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. You refuse to answer?

Mr. STACHER. Yes.

Mr. MOSER. You refuse to answer on the ground of incrimination?

Mr. STACHER. Yes.

Mr. MOSER. Is the incrimination that you are thinking of in relation to something that occurred more than 10 years ago?

Mr. STACHER. I refuse to answer.

Mr. MOSER. Five years ago?

Mr. STACHER. I refuse to answer.

Mr. MOSER. Is he a gambler?

Mr. STACHER. I don't know, sir.

Mr. MOSER. You don't know?

Mr. STACHER. No.

Mr. MOSER. That doesn't incriminate you. Do you know whether he is a gambler?

Mr. STACHER. I don't know whether he is a gambler. I know he has been in business.

Mr. MOSER. What business?

Mr. STACHER. Jukebox business.

Mr. MOSER. He has been in the jukebox business?

Mr. STACHER. Yes.

Mr. MOSER. Has he been in the slot-machine business?

Mr. STACHER. I don't know, sir.

Mr. MOSER. Has he been in any business with you?

Mr. STACHER. I refuse to answer that question.

Senator TOBEY. Do you know Al Capone?

Mr. STACHER. No, sir.

Mr. MOSER. Do you know Frank Costello?

Mr. STACHER. I know him; yes.

Senator TOBEY. How well?

Mr. STACHER. Oh, not well.

Senator TOBEY. Have you been to his house?

Mr. STACHER. No, sir.

Senator TOBEY. Has he been to yours?

Mr. STACHER. No, sir.

Senator TOBEY. Have you had any business relations with him?

Mr. STACHER. No, sir.

Mr. MOSER. None whatever?

Mr. STACHER. None whatever.

Mr. MOSER. None whatever?

Mr. STACHER. None whatever.

Mr. MOSER. Do you know Waxey Gordon?

Mr. STACHER. No, sir. I know the name, but I never had known——

Mr. MOSER. What is Waxey Gordon's real name?

Mr. STACHER. Wexler.

Mr. MOSER. Do you know him?

Mr. STACHER. If I see him passing acquaintance. I never had no business with him. Never met him.

Mr. MOSER. No dealings with him?

Mr. STACHER. Never had a drink with him.

Mr. MOSER. Did you ever take any business over from him?

Mr. STACHER. No, sir.

Mr. MOSER. Did you ever take over any of the business that he gave up?

Mr. STACHER. No, sir.

Mr. MOSER. You did not?

Mr. STACHER. No, sir.

Mr. MOSER. Do you know Charles Handler?

Mr. STACHER. Yes.

Mr. MOSER. Who is he?

Mr. STACHER. He is a lawyer in Newark.

Mr. MOSER. Has he ever represented you?

Mr. STACHER. I think so.

Mr. MOSER. In what connection?

Mr. STACHER. I don't know. Some matter I had. Real-estate deal. I know him all my life.

Mr. MOSER. Did you know him when you were a boy?

Mr. STACHER. Yes.

Mr. MOSER. Did you know his father?

Mr. STACHER. Yes.

Mr. MOSER. Did you ever hang out in his father's saloon?

Mr. STACHER. Yes.

Mr. MOSER. Is that where all you boys hung out?

Mr. STACHER. Yes.

Senator TOBEY. Do you know either of the Morettis?

Mr. STACHER. Willie and Solly?

Senator TOBEY. Yes.

Mr. STACHER. Yes, sir.

Senator TOBEY. Did you do any business with them?

Mr. STACHER. I refuse to answer that question, Senator.

Senator TOBEY. Do you know Joe Doto?

Mr. STACHER. Joe Doto; yes, sir.

Senator TOBEY. Did you ever do business with him?

Mr. STACHER. I refuse to answer that question, Senator.

Senator TOBEY. Is it a fact—and you may not like this question—that you have been particularly prosperous, I should think, as far as amassing this world's goods; you are still a comparatively young man; you have made money and have been successful according to the

standards of certain groups in this country; but is it a fact that a large part of your business has been illegitimate, breaking the law in the State of New Jersey?

Mr. STACHER. I refuse to answer that question, Senator.

Mr. MOSER. Was Handler counsel for the Public Service Tobacco Co. when you were in it?

Mr. STACHER. I don't think so.

Mr. MOSER. Do you remember who was counsel for it, who did the legal work for it?

Mr. STACHER. I think Mr. Simandl.

Mr. MOSER. Mr. who?

Mr. STACHER. Counsel Simandl. When we sold the company, Mr. Simandl was our attorney. I am sure that was Mr. Simandl.

Mr. MOSER. How did you meet Handler when you first met him?

Mr. STACHER. When I was a boy.

Mr. MOSER. You knew him when he was a boy?

Mr. STACHER. We played in the playground together. When he went to college.

Mr. MOSER. What?

Mr. STACHER. Before he went to college.

Mr. KESSLER. You didn't meet him in college, did you?

Mr. STACHER. No; I did not. I didn't go there.

Mr. MOSER. Jerry Silverman, did you know him?

Mr. STACHER. Jerry Silverman; yes.

Mr. MOSER. Is his name also Zilverman?

Mr. STACHER. I don't think so.

Mr. MOSER. Just Silverman?

Mr. STACHER. Yes.

Senator TOBEY. Mr. DeSapio?

Mr. STACHER. Doesn't register.

Senator TOBEY. Mayor of the city down here, DeSapio?

Mr. STACHER. City of Newark?

Senator TOBEY. I think a relative of his, mayor of the city of—

Mr. STACHER. I don't remember the name.

Mr. MOSER. What is J. & J. Distributors, do you know that company?

Mr. STACHER. J. & J. Distributing Co.?

Mr. MOSER. Yes.

Mr. STACHER. That is a liquor company.

Mr. MOSER. Is Jerry Silverman in that?

Mr. STACHER. Yes, sir.

Mr. MOSER. Does he own it?

Mr. STACHER. Yes, sir.

Mr. MOSER. Do you know who else is in that?

Mr. STACHER. No, sir.

Mr. MOSER. You know that Silverman is. You must know some of the others.

Mr. STACHER. His brother and his family.

Mr. MOSER. It is a family outfit?

Mr. STACHER. I think so.

Mr. MOSER. Does Abner Zwillman own anything in it?

Mr. STACHER. I don't think so.

Mr. MOSER. He has no connection with it?

Mr. STACHER. I don't think so.

Senator TOBEY. Do you know Frank Hague?

Mr. STACHER. No, sir. I know of him.

Mr. MOSER. Who is Al Schwab?

Mr. STACHER. Oh, he works there.

Mr. MOSER. He works where?

Mr. STACHER. In the J. & J.

Mr. MOSER. You mean, he is a clerk behind the counter?

Mr. STACHER. No. He is a salesman.

Mr. MOSER. Does he have an interest in the company?

Mr. STACHER. I don't think so.

Mr. MOSER. You don't know?

Mr. STACHER. I don't know.

Mr. MOSER. Do you know Meyer Ellenstein?

Mr. STACHER. Yes.

Mr. MOSER. Do you know him well?

Mr. STACHER. I wouldn't say that. I know him better than he knows me. I know him for 20 years, being in the city, the mayor. I see him in every restaurant, like I see 1,000 of other people. He is only in three restaurants in this whole town.

Mr. MOSER. Does he know you?

Mr. STACHER. He says "Hello" when he sees me.

Mr. MOSER. Did you have an interest in the building known as the Industrial Office Building at 1060 Broad Street?

Mr. STACHER. Me?

Mr. MOSER. Yes.

Mr. STACHER. No, sir.

Mr. MOSER. It is a corporation called the 1060 Broad Street Corp. Do you have any interest in that?

Mr. STACHER. The building in 1060 Broad Street; no, sir.

Mr. MOSER. Do you have any interest in a corporation called 1060 Broad Street Corp.?

Mr. STACHER. I don't know, sir. Who is that company, sir? Is that the——

Mr. KESSLER. That is the Industrial Building down there.

Mr. STACHER. Of course not.

Mr. KESSLER. You answer his question.

Mr. STACHER. The building, I said, "No, sir."

Mr. MOSER. But the corporation, I said perhaps there was a corporation by that name that you had an interest in.

Mr. STACHER. I don't think so.

Mr. KESSLER. What do you mean, you don't think so?

Mr. STACHER. No; I don't know. Is there a corporation by that name that I have an interest in?

Mr. MOSER. Yes. I am asking you that.

Mr. STACHER. I don't know, sir. I don't think so.

Senator TOBEY. Do you know Irving Sherman?

Mr. STACHER. Yes, sir.

Senator TOBEY. How well do you know him?

Mr. STACHER. I know him well.

Senator TOBEY. When did you see him last?

Mr. STACHER. I don't remember.

Senator TOBEY. Within a year?

Mr. STACHER. I don't remember.

Senator TOBEY. Have you had any business dealings with him?

Mr. STACHER. No, sir.

Senator TOBEY. Political dealings with him?

Mr. STACHER. No, sir.

Senator TOBEY. Ever contribute to a campaign through him?

Mr. STACHER. No, sir. Never contributed to any campaign any place, here or any place else.

Mr. MOSER. Do you know Smiley Simonkoff?

Mr. STACHER. You mean Al Smiley?

Mr. MOSER. Al Smiley; is that his nickname?

Mr. STACHER. I don't know his last name. Yes; I know him.

Mr. MOSER. Who is he?

Mr. STACHER. He is in jail.

Mr. MOSER. I know. But who is he?

Senator TOBEY. He has a number, but he also has a name.

Mr. MOSER. What is he in jail for?

Mr. STACHER. Something about a trial. I was out on the coast at the time. You tell me, and I can tell you if it is the truth or not. Something about an officer that he swore, went to the Army or something like that; is that what you mean?

Mr. MOSER. I don't know. I thought you could tell me.

Mr. STACHER. I don't know.

Mr. MOSER. Have you ever had any business dealings with him?

Mr. STACHER. No, sir.

Mr. MOSER. None whatever?

Mr. STACHER. No, sir.

Mr. MOSER. You know him personally?

Mr. STACHER. Yes.

Mr. MOSER. How long have you known him?

Mr. STACHER. Maybe 10 years.

Mr. MOSER. Ten years?

Mr. STACHER. Yes.

Mr. MOSER. Speaking of going to jail, have you ever been convicted of a crime?

Mr. STACHER. No, sir.

Mr. MOSER. Never have?

Mr. STACHER. No, sir.

Mr. MOSER. You have no police record whatever?

Mr. STACHER. Yes, I have.

Mr. MOSER. Well, I mean, you have been arrested?

Mr. STACHER. Yes, sir.

Mr. MOSER. But never convicted?

Mr. STACHER. Yes, sir.

Mr. MOSER. Is that correct?

Mr. STACHER. That's correct, sir.

Mr. MOSER. Do you want to tell us what your police record is?

Mr. STACHER. I wouldn't know it, sir; it is so long ago. I haven't been arrested in the last 20 years. I wouldn't know, sir.

Mr. MOSER. Do you know Bugsy Siegel?

Mr. STACHER. Yes, sir; I do.

Mr. MOSER. Did you know anything about his death?

Mr. STACHER. No, sir.

Mr. MOSER. You knew about it, though, didn't you?

Mr. STACHER. Oh, sure.

Senator TOBEY. Do you know Virginia Hill?

Mr. STACHER. No; I never met her, sir.

Mr. MOSER. Do you know the circumstances of Bugsy Siegel's death?

Mr. STACHER. What do you mean, sir?

Mr. MOSER. Do you know how he was killed, and where, and so forth?

Mr. STACHER. No, sir.

Mr. MOSER. You just know he was killed?

Mr. STACHER. I just know he was killed.

Mr. MOSER. You know that Smiley was there, don't you?

Mr. STACHER. Yes, sir.

Mr. MOSER. At his house?

Mr. STACHER. Yes, sir.

Mr. MOSER. How do you know that?

Mr. STACHER. Well, Al told me. He never spoke about it, but we were in Vegas one time, and he told me about the tragic thing that happened.

Mr. MOSER. Did he think it was tragic?

Mr. STACHER. That is what he thought.

Mr. MOSER. He said as much? He said it was?

Mr. STACHER. Yes.

Mr. MOSER. Have you ever been to French Lick?

Mr. STACHER. No, sir.

Mr. MOSER. You have never been to French Lick, Ind.?

Mr. STACHER. No, sir.

Mr. MOSER. Weren't you there in January 1951?

Mr. STACHER. No, sir.

Mr. MOSER. You are sure?

Mr. STACHER. Positive.

Mr. MOSER. And you have never been there?

Mr. STACHER. I have never been there.

Mr. MOSER. Well, that is the end of my questions.

Senator TOBEY. I don't know whether it is a fair commentary, but underneath all the undertones of your testimony here today, and what has been asked by the questions, and your answers or lack of answers, I would assume it wasn't an unfair statement to say that you have been engaged in breaking laws of the country, gambling and affiliations and so forth among other things. And just without any personal application, let me ask you:

You are here as a citizen of this country, with all the rights and benefits to every American citizen, and if, in order to make money, good profits, you and others engaged in illegitimate business, contravened the laws of the State and of the Nation, how do you justify that to yourself?

Mr. STACHER. I didn't quite understand you, Senator, I am sorry.

Senator TOBEY. Just this: If I am correct, you have been engaged in many lines of business that wouldn't stand the test of legality; they would be against the laws of the State and the Nation.

If I am correct in that, the question is this: You are an American citizen, you were naturalized here, and you love this country. You got all the benefits that come to all of us under the Bill of Rights and the Constitution.

How do you then, as an individual citizen, justify your adventures and things that are illegal against the State and Nation to make

money, when you are an American citizen and have the obligation that we all have to obey the laws of the country?

Mr. STACHER. I am sorry, Senator, I don't want to be disrespectful, but I refuse to answer that question.

Mr. MOSER. Have you any connections with any labor unions?

Mr. STACHER. Labor unions?

Mr. MOSER. Yes.

Mr. STACHER. No, sir.

Mr. MOSER. None whatever?

Mr. STACHER. No, sir.

Mr. MOSER. You don't have any dealings with them?

Mr. STACHER. No.

Mr. MOSER. Or associations with them?

Mr. STACHER. No, sir.

Mr. MOSER. Have you ever been to Mexico?

Mr. STACHER. Mexico City?

Mr. MOSER. Yes.

Mr. STACHER. Yes, sir.

Mr. MOSER. When were you last there; what year?

Mr. STACHER. Oh, I don't remember. I went there with my wife.

Mr. MOSER. Were you there in 1948?

Mr. STACHER. I might have been.

Mr. MOSER. Have you been there more than once?

Mr. STACHER. I don't remember, but I might have.

Mr. MOSER. Do you remember?

Mr. STACHER. I don't remember. Maybe I was there twice.

Mr. MOSER. Were you there once in 1948 and once in '49?

Mr. STACHER. Could be, sir.

Mr. MOSER. But both those years?

Mr. STACHER. Could be, sir.

Mr. MOSER. Where did you stay. What hotel?

Mr. STACHER. Reforma.

Mr. MOSER. There is one called the Hotel Reforma; is that where you stayed?

Senator TOBEY. He wouldn't stop there.

Mr. MOSER. While you were there, did you——

Mr. KESSLER. You mean, Senator, it wouldn't affect him if he did.

Mr. MOSER. Did you ever see Tony Parra there?

Mr. STACHER. I don't remember the name.

Mr. MOSER. You don't know Tony Parra?

Mr. STACHER. No.

Mr. MOSER. Anthony Parra?

Mr. STACHER. I don't remember the name.

Mr. MOSER. You don't remember anybody by that name?

Mr. STACHER. Tony Parra?

Mr. MOSER. Yes.

Mr. STACHER. I might have. I don't know who he is.

Mr. MOSER. But you don't remember?

Mr. STACHER. No.

Mr. MOSER. Did you ever hear of a fellow named Harold Meltzer?

Mr. STACHER. No.

Mr. MOSER. You never heard of Harold Meltzer?

Mr. STACHER. I never heard of Harold Meltzer.

Mr. MOSER. Wait a minute. Think a bit. See if you can't remember.

Mr. STACHER. The name doesn't register, sir. Harold Meltzer.

Mr. MOSER. Harold Meltzer.

Mr. STACHER. The name doesn't register.

Mr. MOSER. Think back to your trip to Mexico City. Did you ever run across—do you remember the name Harold Meltzer, or Happy Meltzer, back then?

Mr. STACHER. No.

Mr. MOSER. You don't remember seeing anybody in Mexico City named Happy Meltzer?

Mr. STACHER. I have seen a lot of people. What is his nickname?

Mr. MOSER. Happy.

Mr. STACHER. I never heard of him. What does he do?

Mr. KESSLER. Don't ask questions.

Mr. STACHER. No; I am trying to—I know a lot of people, sir.

Mr. MOSER. What is he doing?

Mr. STACHER. What is he doing?

Mr. MOSER. He refused to answer on the ground that it would incriminate him. He is now in jail.

Mr. STACHER. I wouldn't know him, sir, if he is in jail.

Mr. MOSER. Al Blumenthal; does that name mean anything to you?

Mr. STACHER. I was in his restaurant. He is downstairs. He owns a restaurant, do you mean?

Mr. MOSER. In this building?

Mr. STACHER. No.

Mr. MOSER. The Reforma Hotel?

Mr. STACHER. Yes.

Mr. MOSER. Did you ever have any business dealings with Al Blumenthal?

Mr. STACHER. No, sir.

Mr. MOSER. None whatever?

Mr. STACHER. No, sir.

Mr. MOSER. You just went to his restaurant?

Mr. STACHER. Yes, downstairs.

Mr. MOSER. Were you in Mexico City during the Christmas week of 1947?

Mr. STACHER. No.

Mr. MOSER. Did you and your wife spend Christmas down there in 1947?

Mr. STACHER. 1947; might be.

Mr. MOSER. You would remember it if you went there for Christmas, wouldn't you?

Mr. STACHER. I don't think so. Christmas week, 1947—I don't think so.

Mr. MOSER. Were you in Mexico City during the last week in December and the first part of January 1947 and '8?

Mr. STACHER. I wouldn't remember, sir.

Mr. MOSER. Do you know Irving Glasser?

Mr. STACHER. Irving Glasser; yes, sir.

Mr. MOSER. Where do you know him from?

Mr. STACHER. I know him from Los Angeles.

Senator TOBEY. He is a bail commissioner out there, isn't he?

Mr. STACHER. He is a bail commissioner out there.

- Mr. MOSER. Have you had any business dealings with him?
- Mr. STACHER. No, sir.
- Mr. MOSER. None whatever?
- Mr. STACHER. No, sir.
- Mr. MOSER. Did you ever need bail?
- Mr. STACHER. Me?
- Mr. MOSER. Yes.
- Mr. STACHER. No, sir.
- Senator TOBEY. Do you know Mickey Cohen?
- Mr. STACHER. No, sir. Never met him.
- Mr. MOSER. Do you know Eddie Nealis?
- Mr. STACHER. Yes, sir.
- Mr. MOSER. Who is he?
- Mr. STACHER. I know him from Los Angeles.
- Mr. MOSER. How do you know Eddie Nealis and Irving Glasser?
- Mr. STACHER. How do I know them?
- Mr. MOSER. Yes.
- Mr. STACHER. I met them in Los Angeles years ago.
- Mr. MOSER. Years ago?
- Mr. STACHER. I met them at the race track. I met them all over. I know Eddie Nealis for a long time.
- Mr. MOSER. Is the same true of Glasser?
- Mr. STACHER. I know Glasser not that long, I don't think.
- Mr. MOSER. Did you ever see them in Mexico?
- Mr. STACHER. Yes, sir.
- Mr. MOSER. When you were visiting there with your wife?
- Mr. STACHER. Yes.
- Mr. MOSER. In '48 and '49?
- Mr. STACHER. I don't know the years. But if you say so.
- Mr. MOSER. You saw them when you were there; when you saw them there, what dealings did you have with them?
- Mr. STACHER. I refuse to answer that question, sir.
- Mr. MOSER. On the ground that it might incriminate you?
- Mr. STACHER. Yes, sir.
- Mr. MOSER. Your activities occurred in Mexico.
- Mr. STACHER. Yes, sir.
- Mr. MOSER. Are you thinking that it might incriminate you under the laws of the United States?
- Mr. STACHER. I refuse to answer that question.
- Mr. KESSLER. Answer that question.
- Mr. STACHER. Yes, sir.
- Mr. MOSER. Is your refusal applying to both Irving Glasser and Eddie Nealis?
- Mr. STACHER. Irving Glasser and Eddie Nealis? Yes.
- Mr. MOSER. About your dealings in Mexico?
- Mr. STACHER. Yes.
- Mr. MOSER. How about Jake Barrett?
- Mr. STACHER. Never met him. Don't recognize the name.
- Mr. MOSER. B-a-r-r-e-t-t.
- Mr. STACHER. Never met him.
- Mr. MOSER. Do you know Frank Costello?
- Mr. STACHER. Do I know Frank Costello? Yes.
- Mr. MOSER. Did you see him in Mexico while you were there?
- Mr. STACHER. No, sir.

Mr. MOSER. You are sure you didn't see him?

Mr. STACHER. Positive.

Mr. MOSER. On either occasion?

Mr. STACHER. Positive.

Mr. MOSER. Do you know who Teddy Hays is?

Mr. STACHER. Yes, sir; I know him 20 years.

Mr. MOSER. How do you know him?

Mr. STACHER. I know him from the Coast.

Mr. MOSER. From the Coast?

Mr. STACHER. Yes, sir.

Mr. MOSER. You spent some time on the Coast?

Mr. STACHER. Yes, sir.

Mr. MOSER. When was that?

Mr. STACHER. Lots of times.

Mr. MOSER. When?

Mr. STACHER. I went out, many years. I used to go out there.

Mr. MOSER. You mean you went out to visit?

Mr. STACHER. No; I went out for vacations. I like it out there.

Mr. MOSER. Did you see Teddy Hays in Mexico City when you were there?

Mr. STACHER. Yes, sir.

Mr. MOSER. On both trips?

Mr. STACHER. I don't know.

Mr. MOSER. What was he doing there?

Mr. STACHER. I don't know, sir.

Mr. MOSER. Did you talk to him about his business at all?

Mr. STACHER. No, sir.

Mr. MOSER. Did you have any business dealings with him yourself?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Have you ever been held up?

Mr. STACHER. Have I ever been held up?

Mr. MOSER. Yes.

Mr. STACHER. No, sir.

Mr. MOSER. Never been held up?

Mr. STACHER. No, sir.

Mr. MOSER. Not even in Mexico?

Mr. STACHER. No, sir.

Mr. MOSER. You are sure?

Mr. STACHER. Positive.

Senator TOBEY. Do you go to bullfights?

Mr. STACHER. I did, once. It was terrible.

Mr. MOSER. Was Eddie Nealis held up?

Mr. STACHER. I don't know, sir.

Mr. MOSER. You never heard that?

Mr. STACHER. No.

Senator TOBEY. Did you see Mayor O'Dwyer in the paper this morning; he was at the bullfights. He ought to know.

Mr. MOSER. Do you know a fellow named Reiner?

Mr. STACHER. I don't recollect the name.

Mr. MOSER. Did you ever hear of a fellow named Cossman?

Mr. STACHER. No.

Senator TOBEY. Do you know Mayor O'Dwyer?

Mr. STACHER. No, sir. I know him from a picture.

Mr. MOSER. Did you answer my question about Cossman?

Mr. STACHER. Cossiman, I don't know the name, sir.

Mr. MOSER. We have information that a man named Reiner and a man named Cossiman attempted a holdup in Mexico at the time you were there.

Mr. STACHER. Attempted a holdup in Mexico at the time I was there?

Mr. MOSER. Yes. Did you ever hear of it?

Mr. STACHER. No, sir.

Senator TOBEY. You see, you have escaped some things you didn't know about.

Mr. MOSER. Did you ever hear of the Mexican Sweepstakes?

Mr. STACHER. Did I ever hear of it?

Mr. MOSER. Yes.

Mr. STACHER. Yes.

Mr. MOSER. You did?

Mr. STACHER. Yes, sir.

Mr. MOSER. What was that?

Mr. STACHER. I don't know, sir.

Mr. MOSER. Wasn't it a project to sell Mexican Sweepstakes tickets in this country?

Mr. STACHER. I refuse to answer that question, sir.

Mr. MOSER. Did you have anything to do with it?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Did Eddie Nealis have anything to do with it?

Mr. STACHER. I don't know, sir. I refuse to answer that question.

Mr. MOSER. Which; you don't know?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. You refuse to answer that question?

Mr. STACHER. That's right.

Mr. MOSER. Did Irving Glasser have anything to do with it?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Irving Sherman?

Mr. STACHER. Irving Sherman?

Mr. MOSER. Yes.

Mr. STACHER. Never seen him.

Mr. MOSER. Was an attempt made to hold up a sweepstakes office, or get their money?

Mr. STACHER. I don't know anything about it, sir.

Mr. MOSER. You never heard of that?

Mr. STACHER. No.

Mr. MOSER. Do you know what share anybody had in the sweepstakes?

Mr. STACHER. No, sir.

Mr. MOSER. You don't know?

Mr. STACHER. No.

Mr. MOSER. Do you know if Teddy Hays had anything to do with the sweepstakes?

Mr. STACHER. I don't know, sir.

Mr. MOSER. You don't know?

Mr. STACHER. No, sir.

Mr. MOSER. Did you bring any sweepstakes tickets into the United States when you came back?

Mr. STACHER. Did I?

Mr. MOSER. Yes.

Mr. STACHER. Did I bring sweepstakes tickets into the United States when I come back?

Mr. MOSER. Yes.

Mr. STACHER. What do you mean, sir; did I bring sweepstakes tickets?

Mr. MOSER. You came back into the United States from Mexico?

Mr. STACHER. Yes.

Mr. MOSER. Did you bring any sweepstakes tickets with you?

Mr. STACHER. You mean a couple of tickets?

Mr. MOSER. Any at all.

Mr. STACHER. I refuse to answer that question, sir.

Mr. MOSER. Did you bring a couple?

Mr. STACHER. I might have brought a couple, and had them in my pocket, if that's what you mean.

Mr. MOSER. Well, I will ask you that: Do you think you did have a couple in your pocket?

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. You asked me if I meant a couple. Do you want to——

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Did you have a suitcase with you full of sweepstakes tickets?

Mr. STACHER. No, sir.

Mr. MOSER. Did you have any at all?

Mr. STACHER. I don't remember, sir.

Mr. MOSER. Wait a minute.

Mr. STACHER. I refuse to answer that question.

Mr. MOSER. Who is Earl Majors?

Mr. STACHER. I don't know, sir.

Mr. MOSER. You don't know?

Mr. STACHER. No.

Mr. MOSER. Never heard of him?

Mr. STACHER. I might have met him. I don't know.

Mr. MOSER. Who is Charles E. Muehller?

Mr. STACHER. I know him.

Mr. MOSER. You know him?

Mr. STACHER. He is a baseball player.

Mr. MOSER. Was he in Mexico while you were there?

Mr. STACHER. Yes, sir.

Mr. MOSER. He was?

Mr. STACHER. Yes, sir.

Mr. MOSER. Did you talk to him at all?

Mr. STACHER. Yes, sir.

Mr. MOSER. Did you talk to him about the sweepstakes?

Mr. STACHER. I refuse to answer that question, sir.

Mr. MOSER. Do you know whether anybody was indicted from Mexico in connection with sweepstakes?

Mr. STACHER. No, sir.

Mr. MOSER. You don't know?

Mr. STACHER. No.

Mr. MOSER. Do you know that there were two sweepstakes?

Mr. STACHER. I refuse to answer that question, sir.

Mr. MOSER. Do you know a Jerry Giesler?

Mr. STACHER. Yes, sir.

Mr. MOSER. You do know him?

Mr. STACHER. Yes, sir.

Mr. MOSER. Did you see him in Mexico when you were there?

Mr. STACHER. No, sir.

Mr. MOSER. Did he have anything to do with the sweepstakes?

Mr. STACHER. I don't know, sir.

Senator TOBEY. He was supposed to work for divorced women, wasn't he?

Mr. STACHER. Yes, sir.

Mr. MOSER. That is all I have.

(Witness excused.)

(Whereupon, at 2:05 p. m., the hearing recessed for lunch.)

AFTERNOON SESSION

TESTIMONY OF JULES ENDLER, ORANGE, N. J.

Senator TOBEY. Do you solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. ENDLER. I do.

Mr. MOSER. This gentleman is your attorney?

Mr. ENDLER. Yes, sir.

Mr. MOSER. What is your name?

Mr. CLANCY. John J. Clancy, 11 Commerce Street, Newark, N. J.

Mr. MOSER. You have given your residence address?

Mr. ENDLER. That's correct.

Mr. MOSER. What is your business address?

Mr. ENDLER. 218-220 Market Street, Newark, N. J.

Mr. MOSER. We would like to ask you some questions regarding your relationship with Abner Zwillman.

Mr. ENDLER. I will be very happy to answer that.

Mr. MOSER. Is he a friend of yours?

Mr. ENDLER. I have known Mr. Zwillman, I think it dates back to 1940.

Mr. MOSER. 1940?

Mr. ENDLER. I have known of him a good deal longer than that. But I got to know him about 1940.

Mr. MOSER. What were the circumstances under which you got to know him?

Mr. ENDLER. Well, I have probably the largest restaurant in this State.

Mr. MOSER. What is the name of that?

Mr. ENDLER. Novelty Bar and Grill.

Mr. MOSER. Yes.

Mr. ENDLER. And we handle about 6,000 people a day. We used to handle considerably more than that.

Mr. MOSER. Is the address, the business address that you gave me, the same as the address of the restaurant?

Mr. ENDLER. That's correct. I have been there going on—I think it is 20 years next month.

Mr. MOSER. And you met him at your restaurant?

Mr. ENDLER. No. I met him originally on a drive for the Beth Israel Hospital. I mean, they had some sort of a big affair here in

town, and I was formally introduced to him at that time for the first time, although I had known him the same as I know thousands of people in town, to say "Hello" when I go by, and I do, as I go by merchants, and I don't even know their last names.

MR. MOSER. Mr. Zwillman had some position in connection with that drive, did he? Was he working on the drive?

MR. ENDLER. Whether he was or not, I do not know. I know I went to some large affair. They had it down here.

It was sort of a charity carnival of some kind, where they had all sorts of dolls and different things. I just don't recall exactly what it was. I met him there.

MR. MOSER. That is the first time you met him personally?

MR. ENDLER. The first time I was formally introduced to him.

MR. MOSER. After you had met him on that occasion, did you have any other dealings with him?

MR. ENDLER. Well, once in a while he would come in to the place to eat.

MR. MOSER. You are quite certain that you never had had any business dealings with Zwillman before that date?

MR. ENDLER. Oh, I did not say—quite certain I had no business relations?

MR. MOSER. Yes.

MR. ENDLER. No; I did not.

MR. MOSER. Before that date?

MR. ENDLER. No.

MR. MOSER. Not of any kind?

MR. ENDLER. No.

MR. MOSER. Subsequent to that date, did you have any business dealings with him?

MR. ENDLER. Now, your subpoena called for 1947, but I am going to test my memory with you, Mr. Moser, because I don't want to duck under any constitutional laws or anything else.

This thing has made me sicker than anything I know of. I mean, I have been suffering with a heart condition for 10 years. But in the past 3, I have gone through something with the Intelligence Unit that I never want to go through.

And I am ducking under nothing. I mean, because I got into something, and you ask me anything you want, and I will tell you.

MR. MOSER. Mr. Endler, you know we are not trying to get you into any trouble.

MR. ENDLER. No, no. It isn't a question of trouble, Mr. Moser.

MR. MOSER. We just want information.

MR. ENDLER. This is not my field, and the inferences that are left with the public in a crime hearing, in spite of the fact that I have the highest regard for what this committee has accomplished, and what will come out of it.

MR. MOSER. All right. Well now, I would like to know what dealings you have had with Zwillman since the first time you met, were introduced, in 1940.

MR. ENDLER. I think, Mr. Moser, in 1944—now, I am trusting to my memory now, Mr. Moser.

MR. MOSER. That is all right.

MR. ENDLER. Because the Treasury Department has these records.

It is unfortunate for me that my counsel is away on vacation, Mr. Gutkin. And he has a good part of my records.

Mr. MOSER. All right. Just give us the information.

Mr. ENDLER. In 1944, I had a very dear friend named Walter Batchellor, who was the manager of Fred Allen, who is a great radio star. And he wanted to do a series of pictures with Fred Allen and form a company.

Well, I knew nothing about this sort of business. And while the money involved wasn't a great sum, nevertheless it was, to me, any show business or picture business was of a gambling nature, although I have been reading in the trade papers where they have made millions of dollars with Bing Crosby and the rest of them.

So I said to Walter, "I will see if I can get the necessary funds."

The funds that were required for the stocks was a very nominal amount, was 18 percent of the company. It only required \$1,800.

But, I think, to the best of my recollection, \$75,000 had to be put up with the Bank of America in California as a completion fund.

When an independent producer produces a picture, and if his budget calls for \$500,000, or \$600,000, or whatever it may be, I think it is 15 percent that is required by the bank as a completion bond in case they run over their budget; the bank may have sufficient funds for the completion of it.

Now, he went into this transaction for 6 percent of it.

Mr. MOSER. Who is "he"?

Mr. ENDLER. Mr. Zwillman.

Mr. MOSER. Yes.

Mr. ENDLER. With Arthur Garfield Hays as his trustee. He took me over to his lawyer's office, Mr. Hays, he was Mr. Zwillman's lawyer.

Arthur Garfield Hays acted as his nominee in this transaction. The balance of—6 percent was mine, and the other 6 percent went to an accountant in this city by the name of Israel Pogash, Jerome Blumberg, Julius Silverman, and Jerome L. Silverman. They comprised the other 6 percent.

Mr. MOSER. Pogash held his stock personally, or he held it as trustee for the other one?

Mr. ENDLER. Oh, no. He held it personally. This other 6 percent was divided.

Mr. MOSER. You had 6 percent?

Mr. ENDLER. I had 6 percent, and Arthur Garfield Hays had 6 percent, which was Zwillman's.

Mr. CLANCY. And six other men had the other six.

Mr. ENDLER. And the balance of the partners there was Fred Allen, Maurie Riskind, I think Jack Benny had a few percent of it. A newspaperman by the name of Bruce Manning, who was the writer of the story; and Jack Skirball, the producer.

It was all divided that way.

Mr. MOSER. What year did that occur?

Mr. ENDLER. That, to my best recollection, I think—I am sure it was in 1944.

Mr. MOSER. 1944?

Mr. ENDLER. Yes.

Mr. MOSER. What was the name of the corporation?

Mr. ENDLER. Manhattan Productions, Inc.

Mr. MOSER. You mentioned a man named Silverman. Do you happen to know if he is the same Silverman who was connected with J. & J. Distributing Co.?

Mr. ENDLER. That's correct. That's correct.

Mr. MOSER. Do you happen to know whether Zwillman had any interest in J. & J. Distributing Co. with him?

Mr. ENDLER. That I do not know. I have heard in the past year of a lot of interests that Mr. Zwillman has had.

Mr. Moser, he is not what I call a social friend of mine. I don't ignore him if I see him.

And since June 13, I want no part of any names, because I resigned as a nominee on that day, after the Kefauver committee was formed, and I read a lot of things in the newspapers.

Mr. MOSER. You resigned as nominee for what?

Mr. ENDLER. I mean, in another transaction that I am coming to.

Mr. MOSER. Why don't you tell us about that transaction now.

Mr. ENDLER. I am going to. I just wanted to let you finish the one.

Mr. CLANCY. Tell him about the other one where you were the nominee.

Mr. ENDLER. In this transaction, this company was to make six or eight pictures. But they became involved in a lot of disputes between actors and producers, and I don't know of anything of that kind of business.

So that—so a meeting was held by the producer and the majority of the stockholders. In fact, I wasn't at that meeting at all. And they received an appraisal from three outstanding picture companies in California as to the approximate return this picture would make, or gross, which it has never hit.

And they dissolved this company, because they couldn't get along.

A short time after that, this Jack Skirball, the same producer, said to me, "Jules, I think we have some sound people now." He says, "If you like this venture"—and this picture, by the way, made some money. I think it made a few hundred thousand dollars.

Senator TOBEY. What was the name of the picture?

Mr. ENDLER. It was called "It's In the Bag," with Fred Allen, Jack Benny. Binnie Barnes was in it. And any number of stars. Victor Moore.

Mr. MOSER. Was there another movie they produced?

Mr. ENDLER. There was another movie after that.

Mr. MOSER. What was the name of that?

Mr. ENDLER. Not this company. This company was dissolved.

Mr. MOSER. This company did not produce Guest Wife?

Mr. ENDLER. No. Guest Wife, I am going into that now.

Mr. MOSER. Before you leave Manhattan Productions, I want to ask you a couple of questions.

Mr. ENDLER. Go ahead.

Mr. MOSER. You said that Abner Zwillman was one of the people, as you had already testified, and that Silverman was in it. But was Silverman in as J. & J. Distributing Co., or was he in it personally?

Mr. ENDLER. Oh, no. He was in it personally. His father was in there. A cousin of his, Jerome Blumberg, and his accountant, Israel Pogash.

Mr. MOSER. And was Claudette Colbert in it?

Mr. ENDLER. No. You are talking about another thing.

Mr. MOSER. Was Michael Lascari in it?

Mr. ENDLER. Oh, that is another one.

Mr. MOSER. Was Emanuel Mendels in it?

Mr. ENDLER. I do not know him.

Mr. MOSER. Supposing you go ahead and tell us about the other one.

Mr. ENDLER. That was Manhattan, and that was dissolved; the corporation was out. We filed our—

Mr. MOSER. You didn't tell us how much money you put into that. \$1,800?

Mr. ENDLER. The stock was \$600 for each one, Mr. Moser. And to the best of my memory, now—I am trusting to my memory, because I will give you the exact amount; the Treasury Department has it—I think each \$600 share put up \$25,000, which went to the Bank of America as a bond, in the form of a bond.

Mr. CLANCY. How much did you put out?

Mr. ENDLER. \$25,000.

Mr. MOSER. What you did was put up \$600 for stock, and \$25,000 as your third share of the bond?

Mr. ENDLER. That's correct. That's correct.

Now, this company was dissolved.

Mr. MOSER. Did you get out of it without loss?

Mr. ENDLER. We made money. I think each 6 percent, I think, made—we paid a tax on \$12,000, but we haven't recouped \$12,000 yet.

So that we are stuck, I think, about \$3,000 that either the Treasury will have to rebate, or we have lost our right to claim the rebate, because of the time element.

Mr. MOSER. All right. Go ahead.

Mr. ENDLER. No; a short time after that this producer came to New York. A fellow by the name of Jack Skirball. He is a very big man. And his brother owns about 600 theaters.

And he says, "Jules, I have a commitment from Claudette Colbert and Don Ameche. Now, let's form a company and let's make some individual pictures."

Well, I says, "Jack, I don't want to invest the amount of money you want me to invest," because this was a greater amount than Manhattan Productions.

"Well," he says, "see if you can get some people together."

I went to the same people, because the normal person in business, he—it is the nature of a venture that he doesn't want to become involved in, because theater or pictures is something out of his field. So we said we would go along with him.

I think the amount put in for the stock—

Mr. MOSER. Let me interrupt. You said you went to the same people. What people were those?

Mr. ENDLER. Abner Zwillman, Silverman, Pogash, Blumberg, Julius Silverman, and Jerome L. Silverman.

Mr. MOSER. And Michael Lascari?

Mr. ENDLER. No, sir.

Mr. MOSER. He was not in this one?

Mr. ENDLER. No, sir.

Mr. MOSER. Go ahead.

Mr. ENDLER. I only know Michael Lascari by name, and to say "Hello," if I saw him.

Mr. MOSER. Go ahead.

Mr. ENDLER. In this picture, I think my share of the stock was about \$35,000, because I held 1 percent more than the other shareholders. There was 25 percent of this Green Tree Productions Co. That was the name of that Claudette Colbert picture.

Mr. MOSER. What year was that?

Mr. ENDLER. I believe that was the latter part of 1944, Mr. Moser.

Mr. MOSER. All right.

Mr. ENDLER. It might have been early 1945. But I think it was the latter part of 1944.

Mr. MOSER. They put on the movie called *Guest Wife*.

Mr. ENDLER. *Guest Wife*; that's correct; in which the partners in that was the academy award winner that year, Sam Wood, the director; Jack Skirball; Claudette Colbert; Don Ameche; Maurie Riskind, the writer; Bruce Manning, the writer. And I held 9 percent, and I held an 8-percent nominee for Abner Zwillman. I was the nominee of that 8 percent.

Mr. MOSER. Arthur Garfield Hays—

Mr. ENDLER. Was not in that picture.

Mr. MOSER. Did he represent Zwillman as attorney in it?

Mr. ENDLER. He might have. That I am now taxing my memory. But I believe he might.

Mr. MOSER. But you took 8 percent as nominee for Zwillman?

Mr. ENDLER. I took 8 percent as nominee for Zwillman.

Mr. MOSER. Did Zwillman give you any reason why he wanted you to take it rather than himself?

Mr. ENDLER. Yes. I asked the reason, Mr. Moser.

Mr. MOSER. Will you tell us what that is?

Mr. ENDLER. He told me he had a reputation as being an ex-bootlegger, and he had gotten some publicity in the papers. And he said all these deals involved banking problems, because the motion-picture is run on that.

I mean, in any picture, whether it is Metro-Goldwyn-Mayer, Twentieth-Century Fox, or any of them, the Bank of America—and there are one or two other banks out there—Chase National Bank of New York—they finance almost 90 percent of the cost, all depending on who the producer is.

If it is a fly-by-night, they might loan 70 percent. If it is a good director and a good producer, they will almost go to 90 percent of the cost, providing you put up a bond that you come in under this budget.

They don't want to loan you \$1,000,000 and have you spend \$2,000,000, which, unfortunately they have run into.

So he said, with this reputation, would I be his nominee.

Having been present when Arthur Garfield Hays became the nominee I, as a layman, had no thought of anything being wrong. If it was good enough for an outstanding attorney—and I knew him to be an outstanding attorney—I saw nothing wrong in accepting it.

Because, as those checks came in every one of them, as you will find—and the Treasury has photostats of all of those—are endorsed by me, payable to Abner Zwillman, Jules Endler, trustee.

Mr. MOSER. I see.

Mr. ENDLER. Then might I finish that?

Mr. MOSER. Yes. Please do.

Mr. ENDLER. When the Kefauver committee was formed, I didn't want my name around with any slime that I heard of.

Whether they are true or not, I do not know. We live in a Nation where a man must be convicted before he is found guilty.

I demanded to be released from that on June 13. On June 20, there is the agreement with the Bank of America.

Mr. CLANCY. What year?

Mr. ENDLER. June 20, 1950. Right after your committee was formed.

And I read things in the newspaper. I demanded to be released from that agreement.

Mr. MOSER. Have you a copy of that, by the way?

Mr. ENDLER. No; that is the original. I just happened to have that laying in my desk.

Mr. CLANCY. The accompanying letter from the Hays firm enclosing that, and we have the envelope here. I will furnish you with a copy.

Mr. MOSER. Can we put these in the record and return them to you?

Mr. CLANCY. I will furnish you with a photostat of it, Senator, or anything you want.

Mr. MOSER. For the record, let's note that we are shown a letter dated June 23, 1950, signed by Mr. Shilensky, of the firm of Hays, St. John, Abramson, Schulman, addressed to Mr. Jules R. Endler, stating that the assignment of Zwillman's interest in the Green Tree Productions, Inc., had been filed with the Bank of America, and that a duplicate original was being returned to Mr. Endler.

We were also handed the enclosure which accompanied that letter, which consists of an assignment dated June 13, 1950.

Mr. ENDLER. June 20, I think, Mr. Moser.

Mr. MOSER. Well, there is that date here. I will bring that out.

June 13, 1950, signed by Jules Endler and Abner Zwillman, which constitutes an assignment from Jules Endler to Abner Zwillman of the 8-percent interest in Green Tree Productions, Inc., held by Mr. Endler as trustee for Mr. Zwillman, with a notation at the bottom stating, "Original of this assignment received June 20, 1950, by the Bank of America."

Mr. ENDLER. That is correct.

Mr. MOSER. Senator, I ask that the photostatic copies of these which will be supplied by Mr. Endler be marked as an exhibit.

Senator TOBEX. They may be marked.

Mr. CLANCY. Mailed to whom?

Mr. MOSER. To me.

Mr. CLANCY. All right; I will send it.

Mr. MOSER. Send it to Richard G. Moser, Room 900, First Street and Indiana Avenue, Washington, D. C.

Mr. ENDLER. They will be photostated on Thursday morning, and you will receive them—tomorrow morning, I mean, and you will receive them right after that.

Mr. MOSER. Next we would like to inquire with respect to the post office site at Louisville, Ky.

Would you like to tell us the story on that with the same frankness you have already?

Mr. ENDLER. I most certainly will, Mr. Moser.

I have a very dear friend of mine, a lifelong friend, by the name of Col. L. George Horowitz, who, by the way, is on his way over now to be assistant to Matthew Ridgway in Korea.

He was chief economist for Robert Dowling of the City Investing Co. of New York City.

He came to me and told me that they had the most valuable piece of property to buy that the United States Government owned, an entire block in Louisville, and there were some people down there trying to sell it. They had gotten in cahoots with each other, and they had all made their bids around \$1,200,000, which proved out after the bids were opened.

Now, he said, "I am dying for the company to buy this piece of property, but Mr. Dempsey, our chief counsel"—who recently just passed away, from the law firm of Dempsey—some big law firm in New York; they are counsel for—"has just advised the board of directors not to buy any vacant land, because all their business was conducted on income-bearing properties."

City Investing was one of the largest realty holders in New York City, and also in Washington, D. C. They own the Westchester Apartments down there, Senator, as you probably know. And the Mayflower Hotel; they are interested with Hilton down there.

Mr. MOSER. Will you tell us the date of this conversation with Colonel Horowitz?

Mr. ENDLER. This was either the latter part of August of 1946, or the first part of September of 1946.

I says, "George"—and this transaction by the way, was in sealed bids, where the Government was taking back a first mortgage in the amount, I think, of \$1,450,000.

Senator TOBEY. Was that one of the privileges in the bidding?

Mr. ENDLER. Yes.

Senator TOBEY. That was announced before?

Mr. ENDLER. That was announced.

Senator TOBEY. So all bidders knew the Government stood to the extent of \$1,400,000.

Mr. ENDLER. Yes.

Senator TOBEY. And they were bidding \$1,200,000?

Mr. ENDLER. No, no. It all depended what the bid was, Senator. I think 80 percent of it was taken back by the Government. It just came to \$1,400,000 in my instance.

Senator TOBEY. I thought you said \$1,200,000 was mentioned?

Mr. ENDLER. Twenty percent was in cash. The balance of it was to be placed in a mortgage figured by the property by the United States Government at 3½ percent interest, payable within 10 years, with release clauses on certain parts of the property. So I told the colonel that he would have to get somebody else into this deal here, because I didn't have that kind of money to invest. I had some money, but I have a very large business here, and I like to meet my obligations.

Well, he said to me, "Jack Shapiro, the builder, will take a third of it, or 25 percent of it."

Well, Jack Shapiro I have known all my lifetime. That is M. Shapiro & Sons; he built the Capitol Theater in New York, and they were the consultants in the Radio City Music Hall, and he built all those apartments right out in, outside the Glenn Martin plant at Baltimore, going to Washington there.

Mr. MOSER. His name is Jacob, isn't it?

MR. ENDLER. It is M. Shapiro Construction Co. That was his father's name before.

MR. MOSER. Yes.

MR. ENDLER. So we had a meeting, and I called Zwillman in. We had a meeting in Hays' office.

MR. MOSER. How did you happen to call Zwillman in?

MR. ENDLER. Well, because it wound up this way, Mr. Moser: That Shapiro was going to take 26 percent of the deal, whatever the bid was; I was going to take 26 percent of it; Colonel Horowitz was going to take 22 percent; and we had 26 percent open.

I called Zwillman in, and we went over and had a meeting at Arthur Garfield Hays' office.

MR. MOSER. How did you happen to think of Zwillman?

MR. ENDLER. Well, Mr. Moser, I think the time element was about 4 days before the sale when City Investing had a board of directors' meeting, 4 or 5 days had a board of directors' meeting and decided not to go through with this deal. Now, the only one you could call in was someone who had a lot of confidence in your judgment, and I believe that Mr. Zwillman, there is no question about it, had a lot of confidence in my judgment, because he had a lot of respect for my business ability.

MR. MOSER. Well, now, let me interrupt you there just a second.

You said you had only been in two deals with him.

MR. ENDLER. I did not say—

MR. MOSER. These two picture deals before this.

MR. ENDLER. No; I did not say that.

MR. MOSER. I had the impression that you were telling us the deals that you had had with him.

MR. ENDLER. I didn't have any deal with him. I had it with Arthur Garfield Hays. But technically, as far as I was concerned, Hays was my partner.

MR. MOSER. But you and Zwillman were together—

MR. ENDLER. But I don't want to stand on any technical grounds.

MR. MOSER. But you and Zwillman were together in the first picture deal, the Manhattan Productions, and then you were together in the Green Tree Productions.

MR. ENDLER. Yes.

MR. MOSER. And those two business relationships were the only ones you had had up to the time of the post-office deal?

MR. ENDLER. Correct.

MR. MOSER. So those were the two, the only two, in which he had been able to obtain confidence in your business judgment, shall we say?

MR. ENDLER. Well, he knows, Mr. Moser, I have been here all my lifetime. I am 56 years old, and I was born in Newark, N. J. I think I have made a fairly good success of my business. And I think there are a lot of people that I could have probably gone to, but the time was short.

The bids were being—you had to put them in and open on Monday morning in Washington. I will give you the exact dates of those things. I will give you photostats of the bid, if you need them.

SENATOR TOBEY. You just said that Mr. Zwillman had absolute confidence in you with respect to your business judgment. That is a two-way street, isn't it? You had the same feeling toward him, didn't you?

MR. ENDLER. No. Wait a minute, Senator. I did not have the same feeling toward his business judgment, because he has asked me about a million and one things, Senator, and I wouldn't put a match in anything he has ever asked me about.

And from now on, the only partner I want is my wife and children, I have learned my lesson.

MR. MOSER. But in any case, you had reason to think that he might have ready cash, and that was the reason you thought he might be the one to go to?

MR. ENDLER. I thought he was a man of means. There was no question in my mind about his being a man of means, Mr. Moser.

MR. MOSER. Go ahead.

MR. ENDLER. So we had a meeting at Arthur Garfield Hays' office, and Mr. Joseph Stewart and Mr. Menefee Wirgman—Mr. Wirgman by the way, is chairman of the Nashville-Louisville Railroad. He is president of the largest bank in the South. And I asked Mr. Joe Stewart, who is their vice president, down there. I said, "Joe, what appraisal has the Government got on this property?"

"Oh," he says, "they are crazy. They got an appraisal of \$1,800,000." And he says, "I know some of the bidders. One of them is bidding \$1,235,000, one of them \$1,400,000. I think I can own it for around \$1,500,000."

I says, "They have a bid of, an appraisal of it?"

I didn't know Mr. Stewart, because I only had met him for the first time at the Mayflower Hotel that Sunday night in Washington. I didn't tell him what my bid was going to be. But I had certified checks of various amounts, depending upon what bid I was going to decide upon.

And I put a bid in of \$1,803,013—the 13 is just a lucky number with me; it is my daughter's birthday, and I opened my business on Friday the 13th, and I have always stuck with the 13.

So I put in that extra \$13 in there, and I was the high bidder. I went above the Government's appraisal.

SENATOR TOBEY. How much was the Government's appraisal?

MR. ENDLER. \$1,800,000, Senator.

SENATOR TOBEY. What was the nearest bid to you?

MR. ENDLER. The nearest bid to me was \$1,535,000.

SENATOR TOBEY. Who made that?

MR. ENDLER. Manufacturers Trust Co. in New York, for the W. T. Grant Co.

SENATOR TOBEY. I see.

MR. MOSER. How did you happen to pick \$1,800,000?

MR. ENDLER. Because that was their appraisal. And I wanted—from the looks of the surroundings of this property. I thought the Government had made a fair appraisal on this, and my judgment, in the real-estate field, I knew that I had a very, very valuable property, as it proved out.

MR. MOSER. You skipped a little bit over the point where you were talking about meeting in Mr. Hays' office.

MR. ENDLER. Correct.

MR. MOSER. Will you tell us who was there?

MR. ENDLER. We met in Mr. Hays' office.

MR. MOSER. Who was there?

Mr. ENDLER. Colonel Horowitz, Jacob L. Shapiro, Abner Zwillman, Arthur Garfield Hays, myself, one of Mr. Hays' associates, a fellow by the name of William Abramson; I think he was a member of the firm; and I think Mr. Morris Shilensky was at the meeting.

We decided—Horowitz didn't have all the money. We loaned him part of his 22 percent. But he brought the deal to us, and if we were successful in obtaining it, we were going to loan him the difference between what he had and what it took to go in for that 22 percent; and we agreed that it was going to be divided.

I went down to Washington, I went in the next morning with the sealed bid. In fact I went to the Riggs National Bank to borrow the additional \$13, because I wanted that \$13 in there. And I went in there. And my bid was the highest bid, and the Government accepted my bid, and I became the owner of that property.

Senator TOBEY. In your name?

Mr. ENDLER. Arthur Garfield Hays held 26 percent of it; Jacob L. Shapiro, until he died, held 26 percent of it—I will give you the whole breakdown.

Mr. CLANCY. In what name did you take title?

Mr. ENDLER. Jules Endler.

Mr. MOSER. And Mr. Hays was putting in the money as trustee for Mr. Zwillman?

Mr. ENDLER. That's correct.

Senator TOBEY. Are you and Zwillman on very friendly relationships now?

Mr. ENDLER. Well, Senator, after what just happened here recently, I don't know how friendly we are. But we had quite a bit of that property left. We had 139 by 250, which is a very good—that is a small city block. In May of this year—April of this year rather, June 1 title was passed. That was the remaining portion of that piece of property.

I forced the sale there, because I wanted no more association. I wanted my name linked with no one.

Senator TOBEY. You had previously sold the rest of it?

Mr. ENDLER. That's correct. I sold one corner of it. It was bought by a group for the J. C. Penney Co. The other corner was bought by J. J. Newberry Co.

Senator TOBEY. Birds of a feather flock together, don't they?

Mr. ENDLER. Yes. Now, I just made the third sale, Senator. That was in between those two companies, that in my opinion was worth \$2½ million of any man's money. I just forced that sale for \$1,035,000 to the Federated Department Stores, because I wanted to be clean.

Senator TOBEY. May I ask you this: You are speaking now of the Federated. Was that the last block of land?

Mr. ENDLER. That is correct.

Senator TOBEY. But before that you sold two pieces?

Mr. ENDLER. That's correct.

Senator TOBEY. And the total income from those two pieces was how much?

Mr. ENDLER. Was \$1,560,000.

Senator TOBEY. You got back all but \$300,000 of the purchase price?

Mr. ENDLER. That's right. I sold \$1,035,000 for this last parcel, which I know Fred Lazarus would not sell tomorrow morning for \$2½ million.

Senator TOBEY. So you got about \$75,000?

Mr. ENDLER. That is correct.

Senator TOBEY. To be divided four ways?

Mr. ENDLER. That's correct. I will give you the division of that too.

Mr. MOSER. Mr. Endler, shall I go ahead and ask a question or two?

Mr. ENDLER. You go ahead, Mr. Moser.

Mr. MOSER. Mr. Zwillman, in his income tax return for 1947, reported a loss on this transaction of \$22,368.81.

Mr. ENDLER. What year, sir?

Mr. MOSER. 1947.

Mr. ENDLER. There was no property sold then, and there was a carrying charge of over \$100,000 a year between interest to the Government and taxes to the city.

Mr. MOSER. Was that vacant land?

Mr. ENDLER. Yes.

Senator TOBEY. When was this sold; when did the three sales take place?

Mr. ENDLER. The one took place in 1948. That was J. J. Newberry Co. The corner to the Penney Co. was sold in June or July of 1948—of 1950, rather. June of 1950.

And the last parcel was sold in April of this year, but title was passed on June 1 of 1951.

Mr. MOSER. Now, you have explained that in 1947 you had carrying charges which probably explains the loss on Mr. Zwillman's return.

Mr. ENDLER. That's correct.

Mr. MOSER. Did you claim a similar loss?

Mr. ENDLER. That's correct. Whatever he claimed would be claimed because the accountant supplied it for everybody.

Mr. MOSER. In 1948 he claimed a loss of \$27,693.40.

Mr. ENDLER. That might be correct too, because 1948 was March, and this property wasn't passed until June or July of '48, the first sale. So that there would be no profit.

Mr. MOSER. You reported no profit on the transaction until the final sale?

Mr. ENDLER. No, no. The profit was reported, I think you will find that he reported a profit in '49. Also one in '50. And he is going positively have to report one in '51, because I reported it, and I show the partners, who the partners were.

Mr. MOSER. He reported a loss in 1949 of \$12,588.18.

Mr. ENDLER. I don't know what other capital losses he might have had.

Mr. MOSER. That relates specifically to this transaction.

Mr. ENDLER. Mr. Moser, I wouldn't know anything about what he reported.

Mr. MOSER. In any case, your own recollection is that there would be a profit reportable in 1949; is that right?

Mr. ENDLER. It all depends. He might have had a capital loss in something else and taken it against a capital gain.

Mr. MOSER. I am speaking with respect to this particular transaction.

Mr. ENDLER. He might have paid—

Mr. CLANCY. Wait a minute. Aren't you asking him to assume a premise about which he knows nothing?

Mr. MOSER. I am telling him what we understand Mr. Zwillman said, and I am asking him if he can explain it.

Mr. CLANCY. I know. But after all, you are asking him to adopt a premise on a representation made by you that that's what Zwillman's return discloses.

Mr. MOSER. Mr. Clancy, he gave us a very good explanation with regard to 1947. Now, perhaps he doesn't know.

Mr. CLANCY. He says in '47 it was all vacant land. In '48 there was one sale time in June, and he had the carrying charges and the costs and so forth.

But even explaining that to you, you are posturing a premise to him, and asking him to accept it. Not that I question your representation.

Mr. MOSER. If I tell him the information I have, it may put him in a position so that he recollects something and is able to explain factors, just as he did with respect to 1947.

Mr. CLANCY. I have no objection to his telling anything he knows, of his own knowledge.

Mr. ENDLER. Mr. Moser—

Mr. CLANCY. Wait a minute. But I just don't want him to go off on a tangent, on an assumption that he must accept, without knowing what the fact is, and what Zwillman's income tax return might disclose.

Mr. MOSER. He doesn't have to assume that. He can say if it is—

Mr. CLANCY. He will show you his return. There is no question about it.

Mr. ENDLER. I was just going to say that. I will be very happy, Mr. Moser, to tell you what I made on my share.

Mr. MOSER. Suppose you do that.

Mr. ENDLER. That I have no knowledge of right here. I will give you that. The same as you will get that photostat, I will give you that.

Mr. MOSER. And you will supply us with a statement of your gain and loss on that transaction?

Mr. ENDLER. I will be very happy to.

Mr. MOSER. But if it is true that Mr. Zwillman had a loss, or reported a loss in the amount I described, have you knowledge of any facts that might explain that?

Mr. ENDLER. I have not, Mr. Moser; I have not.

Mr. MOSER. That is all I wanted to ask him.

Now we would like to ask you to tell us with the same commendable frankness, with regard to the purchase of stock in the Union National Bank of Newark.

Mr. ENDLER. I will be very happy to tell you the entire history of it.

Mr. MOSER. Please do so.

Mr. ENDLER. I have been next door to that bank, my property is right next door to that bank. I have been there for going on 20 years this coming August, I think; or January it will be 20 years that I have been in that location.

There was a squabble in there amongst the groups of directors. One was an insurance man; the other was a lawyer; and I think one was a doctor, I don't know; and one I think, owned Petty's Pharmacy here on Broad Street.

This Sherwood said to me one day, "Endler, I can accumulate all your stock. We just resigned from that board. We can't get along with them. Why don't you buy it and go on that board. It is right next door to you. I know you can do the bank a lot of good." And vanity got the best of me a bit. Here I was going to become vice president and director of a banking institution.

Mr. MOSER. Holding only 515 shares?

Mr. ENDLER. There is only 3,700 shares in the whole bank, and I think the largest stockholder owns 25 shares. So that 515, I was the largest stockholder by far.

They could never get all the other stockholders. They don't even know where they are at.

Mr. MOSER. I see.

Mr. CLANCY. Off the record.

(Discussion off the record.)

Mr. ENDLER. I think the lists of stockholders, oh, I would say, comprises maybe 20 pages. They are all over the lot.

Mr. MOSER. Do you know the history of the bank, as has just been mentioned by Mr. Clancy?

Mr. ENDLER. No, I don't. I don't know the history that Mr. Clancy just gave you.

Mr. CLANCY. I know, because I was counsel and director for the United States Trust Co. And I have some familiarity with that.

Mr. MOSER. We would like to have that in the record. Can we put it in?

Mr. CLANCY. You can put in that it was my understanding that when the bank was originally started that stock was sold widely through various labor organizations and unions throughout the State of New Jersey.

It was my information, from one of the men at one time connected with the bank, that they would have difficulty in getting a quorum, because there was no large block of stock held by any one individual, and that notices would go out and they would be returned "Not known at that address," or they would get no response to them.

And out of the 3,700 shares, they had a difficult time getting a quorum for their annual meeting.

Senator TOBEX. Is it a labor bank?

Mr. CLANCY. It was the Union Labor National Bank originally.

Mr. ENDLER. It is now called the Union National Bank.

Senator TOBEX. It was primarily formed by labor interests?

Mr. ENDLER. That is right.

Mr. MOSER. This stock was sold to individual members of unions?

Mr. CLANCY. I think that when labor decided to have a bank, they put on a drive to get sufficient capital to start a bank, and that they sold the stock generally in labor circles at first.

Senator TOBEX. When was it started?

Mr. ENDLER. It was a very, very long time ago, Senator. I imagine—God, I don't even remember when they were down here on Green Street. That must be 40 years ago or more.

Senator TOBEX. Is the bank in a strong position?

Mr. ENDLER. I will get around to that in a minute, Senator.

Mr. MOSER. Go ahead, Mr. Endler; tell us about it.

Mr. ENDLER. This Mr. Sherwood—

Mr. MOSER. We have referred to the fact that he said some shares were offered but you didn't state specifically that it was 500; I think that came out by inference. He offered you—

Mr. ENDLER. He didn't offer me 500; they didn't have that many. After that I bought 86 shares of another director that resigned there, and I bought 2 shares that some estate had, the Girard Trust Co. sent in from Philadelphia to the bank, and I paid for it when it arrived here.

So that all told, I think I had 513 or 515 shares.

Now, I bought this stock, and I went on their board of directors, and was made vice president of that bank. And for 10 years I have been suffering with a cardiac condition. I have had three heart attacks. But I think that made me sicker than anything I know of. This was the most ignorant situation I have ever come across. They were passing on loans there, and I was being voted down time and time out.

I went over to see Mr. Frank Triple, who was the head of the Federal Reserve, chief examiner of this district, and I brought Mr. Petecolis. Although he is the examiner here, I told him my story or what was going on; they sent him in. They have been examining there—when I read, after I got into the bank and read the banking examiner's report on this bank, I wouldn't have bought that stock for \$2 a share.

Mr. MOSER. How much did you pay?

Mr. ENDLER. I paid \$95—I think a couple of them I bought at \$90 and \$86; I bought at \$100 a share.

Senator TOBEY. What was the book value of the stock then?

Mr. ENDLER. The book value, according to their board of directors, the liquidating value, was about \$145, Senator.

Mr. MOSER. The total amount you paid was what, for your 515 shares?

Mr. ENDLER. Let me give it to you exactly, instead of guessing. I heard a story the other day, Mr. Moser—I would like the committee to have all this—I heard a story the other day that somebody said that Endler was fronting for Zwillman in this bank here.

Now, that's the last thing in God's world Endler is ever going to do. And that a check that was paid for this stock was issued by Hays' office. This statement was made by somebody by the name of Velie, who was writing an article for Collier's magazine.

So that you might have them, Mr. Moser here are all my checks that I paid for this stock. I borrowed \$15,200 from my company to pay for stock, and the check was made direct for the stock. And there is also my check showing the repayment of the \$15,200 to my company.

So that you might have it, and so that there might never be any clouds as to who paid for the Union National stock. And you may total those amounts and you will get the amount that was paid for the stock.

Mr. CLANCY. Around \$50,000; is that a fair figure?

Mr. ENDLER. I don't know, John. We might as well get them correct. You have the amounts right there.

Mr. CLANCY. Somewhere between \$45,000 and \$50,000.

Mr. ENDLER. Somewhere around there.

Mr. MOSER. I think I will just read the amounts of those checks.

Mr. CLANCY. You can keep those.

Mr. ENDLER. You can keep those, Mr. Moser. I made them for you.

Mr. MOSER. All right. I would just like to have the amounts in the record.

Mr. ENDLER. Go ahead.

Mr. MOSER. Mr. Endler, we don't know anything about what Lester Velie has done.

Mr. ENDLER. I am only just telling you.

Mr. MOSER. But we have some information from other sources. We are glad to get this because it helps us.

For the record, I would like to state that the first check was on November 5, 1947, for \$15,200.

The next was on November 5, 1947, for \$21,375.

The next was on November 17, 1947, for \$2,375.

The next is November 25, 1947, for \$475.

The next is December 15, 1947, for \$1,140.

All of those checks were payable to Walter K. Sherwood.

The next is March 3, 1948, for \$8,600, payable to Sam and Wally Kirschner.

The next is April 7, 1948, for \$190, payable to Union National Bank.

The next is June 10, 1948, for \$15,200—

Mr. ENDLER. That shows the repayment to my company, Mr. Moser. That is not for stock.

Mr. MOSER. The last check is not a part of total, but is repayment to Union or to Novelty Bar, Inc., of the amount advanced by Union Novelty Bar for the \$15,200, which was the first check that I mentioned.

The total of these is \$49,355.

We would like to offer the photostatic copies of those checks as evidence in the record, as exhibits.

You have no objection to our having them in the record, do you?

Mr. ENDLER. No, no. I have no objection to anything, Mr. Moser.

Mr. MOSER. We have information from another source to the effect that on December 1, 1947, a deposit of \$50,000 was made in your account and this check had been drawn on the trust account of Arthur Garfield Hays.

Can you give us any information with regard to that?

Mr. ENDLER. That cannot be so, sir.

Mr. MOSER. It is not true?

Mr. ENDLER. Arthur Garfield Hays never gave me a check for \$50,000.

Mr. MOSER. Did you make a deposit of \$50,000 at that time?

Mr. ENDLER. I don't believe so, but I wouldn't want to trust to my memory. I can give it to you, though.

Mr. MOSER. Then will you check your records and let us know?

Mr. ENDLER. I most certainly will.

Mr. CLANCY. What is the date?

Mr. MOSER. December 1, 1947. Check for \$50,000, deposited to Mr. Endler's account.

Mr. CLANCY. United States Trust?

Mr. MOSER. We don't have the information.

Mr. ENDLER. I will give you the information. I will give it to you exactly.

Mr. MOSER. You see the inference?

Mr. ENDLER. Oh, I most certainly do. But I know he never gave me a check. I make that statement emphatically, Mr. Moser.

Mr. MOSER. Yes.

Mr. ENDLER. That he never gave me a check. I will make that statement.

Mr. MOSER. That Hays never gave you a check?

Mr. ENDLER. Never gave me a check.

Mr. MOSER. And you would also say that Mr. Zwillman had no interest in this stock, would you?

Mr. ENDLER. Which stock is that?

Mr. MOSER. The 515 shares.

Mr. ENDLER. Oh, God, no.

Mr. MOSER. None whatever?

Mr. ENDLER. Not for 4 cents' worth.

Mr. MOSER. And you would state also, that there is no possible way that Mr. Hays had you purchase this stock for Mr. Zwillman, is that correct?

Mr. ENDLER. Under no stretch of the imagination, Mr. Moser, can you bring any one of those names in, because there is no truth or foundation for it.

Mr. MOSER. We also have information that the Massachusetts Life Insurance Co. made a payment to you of \$50,000?

Mr. ENDLER. That's correct.

Mr. MOSER. On December 1, 1947.

Mr. ENDLER. That's correct.

Mr. MOSER. Could that be the check I was referring to previously?

Mr. ENDLER. That is what it was.

Mr. MOSER. What was that for?

Mr. ENDLER. Mortgage on my property at 222 Market Street.

Mr. MOSER. That is on the bar property?

Mr. ENDLER. No, no. That is on the building next door.

Mr. MOSER. The building next door?

Mr. ENDLER. Yes.

Mr. MOSER. And why did you take out that mortgage?

Mr. ENDLER. Why did I take a mortgage?

Mr. MOSER. Yes.

Mr. ENDLER. I was doing some repairs in there. I paid off the old mortgage that was on there. I think it was \$23,000 and something. And I got a new loan of \$50,000. It was a good business on my part to take that mortgage out.

Mr. MOSER. What is the nature of that property?

Mr. ENDLER. The property is a business building. I mean, it has a Thom McAnn shoe store in there and offices.

Mr. MOSER. And it is right next door to the Novelty Bar?

Mr. ENDLER. That's correct.

Mr. MOSER. Had you just purchased it at that time?

Mr. ENDLER. Oh, no.

Mr. MOSER. How long had you held that?

Mr. ENDLER. Well, I will give you the exact date on it. I would be taxing my memory. It was sometime before that.

Mr. MOSER. It is not important. You don't need to supply us with that.

Mr. ENDLER. I will be happy to, though.

Mr. MOSER. Now we would like to ask you with respect to investment made in the Kirkeby Hotel, a chain.

Mr. ENDLER. That goes back into 1944, now.

Mr. MOSER. We have information that it might have been 1943. Is that possible?

Mr. ENDLER. No, no; it was 1944, Mr. Moser, August of 1944.

Mr. MOSER. And what was the nature of your investment there, and under what circumstances was it made?

Mr. ENDLER. I met Arnold Kirkeby, and he and I became quite friendly. I am using my memory now. I sometimes forget who I told my operator to get 5 minutes ago. I am going back now 7 years.

Mr. MOSER. All right. Your memory has been very good so far.

Mr. ENDLER. Yes. He had just consummated a deal with Floyd Odium of the Atlas Corp. to buy the controlling block of bonds at the Sherry Netherland Hotel. And in my judgment, he was stealing something, because the bonds were selling, I think, at around 31.

Mr. MOSER. Mr. Endler, when you say he was stealing something—

Mr. ENDLER. I mean, buying it awfully cheap. I am sorry I used that expression.

Mr. MOSER. It is all right. We knew what you meant, but it doesn't look good on the record.

Mr. ENDLER. I understand. He was buying the bonds at \$31, which meant that if he could purchase all the bonds, he was purchasing all the bonds of the Sherry-Netherland for \$2,000,000, which cost \$13,000,000 to construct, and which you probably couldn't replace for \$20,000,000.

I said, "Arnold, I sure would like to own some of those bonds."

"Well," he says, "when I get them, I will give you what I can, because I promised a lot of friends of mine part of them. And I want to get them in the hands of people who are going to vote for me, or vote with me, when the directors meeting comes up"—because it was in the hands of a trustee, and I think a cousin of Franklin Delano Roosevelt was trustee.

Mr. MOSER. With whom was this conversation?

Mr. ENDLER. This is Kirkeby.

Mr. MOSER. What is his full name?

Mr. ENDLER. Arnold S. Kirkeby.

Mr. MOSER. All right. Go ahead.

Mr. ENDLER. He called me and told me how many bonds I could have.

At that time I gave Zwillman, when Kirkeby told me about it, I told Zwillman, "Now, here's a good chance to make some money," I says. "Go ahead and buy some of these bonds."

"Well," he says, "How many can you get me?"

I says, "I don't know."

So I asked Arnold, and he gave me a certain block of them, and he gave Zwillman one-half of what I got. Because I told him it was for a friend of mine: I would like him to have it.

I don't think Kirkeby, to this day, knows who it went to, because he sent his statement and all, through Arthur Garfield Hays.

Mr. MOSER. Repeat that; I didn't hear it.

Mr. ENDLER. I says, I don't think Kirkeby to this day knows that Zwillman was one of the owners of any of those bonds, although he could buy them in the open market.

You didn't have to buy them from Kirkeby, although he was saving about a point and a half by doing that, instead of going into the open

market, because I was buying them at the same price that Floyd Odlum had sold them to Arnold S. Kirkeby.

Senator TOBEY. What bonds are you speaking of now?

Mr. ENDLER. The Sherry-Netherlands, Senator.

Senator, you weren't here, but I just gave Mr. Moser photostatic copies of all my checks that I paid for this stock, because I heard a story in town that Mr. Velie said that a check that was issued for this stock was issued by Arthur Garfield Hays, and that Abner Zwillman was my partner.

There was no more truth to that——

Senator TOBEY. Yes. It has been placed in the record.

Mr. MOSER. Now, coming back again to the Kirkeby Hotel investment.

Mr. ENDLER. I invested \$82,000.

Mr. MOSER. \$82,000?

Mr. ENDLER. Yes.

Mr. MOSER. And how much did Zwillman invest in that?

Mr. ENDLER. Forty-one-thousand-one-hundred-and-some-odd dollars. Not with me. I mean, he bought them.

Mr. MOSER. He bought the stock?

Mr. ENDLER. That's right.

Mr. CLANCY. The bonds.

Mr. MOSER. The bonds?

Mr. ENDLER. That's correct.

Mr. MOSER. But you said the bonds were sent to you.

Mr. ENDLER. Mine were sent to me. And I think his were sent to Arthur Garfield Hays.

Mr. MOSER. I see. So that he held bonds in Sherry-Netherlands Hotel?

Mr. ENDLER. That's right.

Mr. MOSER. Which was the Kirkeby Hotel Corp., or something like that?

Mr. ENDLER. No. This was Sherry-Netherlands. They were on the board down at Wall Street.

Mr. MOSER. I see.

Senator TOBEY. Digressing from the subject, but just a strange question: You know Mr. Zwillman pretty well, I take it?

Mr. ENDLER. Yes; I do.

Senator TOBEY. Has he had a lot of contacts with the racketeers here in New Jersey?

Mr. ENDLER. Senator, I will tell you: That well I do not know him. Because, believe me——

Senator TOBEY. I believe you.

Mr. ENDLER. I would not have any part of that, because I don't mingle with people of that sort. And I mean, what I have read in the newspapers has made me sick to my stomach.

Senator TOBEY. Do you know the Resisto-Flex Corp.?

Mr. ENDLER. I do not, Senator.

Mr. MOSER. Did you make any investment in the barium steel, or a corporation having to do with that?

Mr. ENDLER. I had a tip on that, but I never bought a share.

Mr. MOSER. What was the tip, and when was it?

Mr. ENDLER. Well, it was all over this town. I mean, that a lot of boys were buying barium steel. And there is no question but what Mr. Zwillman owns some barium steel stock.

But I never owned a share of it. Never bought a share of it. I could have bought it at \$2.

Senator TOBEY. Did Zwillman spread the tip abroad?

Mr. ENDLER. That I do not know, Senator. I have gotten it from a lot of people around town.

Senator TOBEY. Did he sell out on the boys?

Mr. ENDLER. Oh, no. I think he is a very large stockholder there today.

Senator TOBEY. Was it a good tip?

Mr. ENDLER. Well, it went to \$15. I could have bought it at 2, but I never bought it. And selling hovering somewhere around 7, 7½.

Mr. MOSER. Did you have any discussions with him with regard to that?

Mr. ENDLER. No, I did not.

Mr. MOSER. Coming back to the Union National Bank, you said that you bought the stock and became a member of the board, and you became vice president, and were very disgusted with the situation?

Mr. ENDLER. Yes.

Mr. MOSER. What happened after that?

Mr. ENDLER. That's my pet hate.

Mr. MOSER. You know the trouble is you didn't pay that \$13 in?

Mr. ENDLER. I see. Well, it took me about 6 weeks after I went in there, Mr. Moser, just to read the bank examiner's reports, which I insisted upon getting. Former examination of the bank. And it was a horrible condition; a real horrible condition.

Senator TOBEY. The loans, you mean?

Mr. ENDLER. The loans.

Mr. MOSER. What kind of loans were they?

Mr. ENDLER. I mean, they were way over their head in certain types of loans, and they were pretty well frozen, I mean, for a bank of that size.

Because the bank was about \$13,000,000, of which \$5,000,000 I considered nothing, which was city funds.

The mayor of the city, who was president, and still is president of the bank, I consider that \$5,000,000 for nothing. So I took it as an \$8,000,000 bank, because the city can call on that money tomorrow morning.

Mr. MOSER. Who was the mayor at that time?

Mr. ENDLER. Mayor Murphy.

Mr. MOSER. Yes. He was president then?

Mr. ENDLER. He is now, too.

Mr. MOSER. He still is?

Mr. ENDLER. He is now, too.

Mr. CLANCY. He is not mayor now.

Mr. ENDLER. He is not mayor. But he is still president of the bank. Now, counsel of that bank is William Egan. And there were a lot of loans brought in there, and I kept knocking them down, because I thought they were loans that shouldn't be made by the bank. I mean, they weren't bankable loans.

I went out to appraise some of the properties, one of them that I recall distinctly, that they wanted to loan \$7,500, was a boathouse

down in Red Bank there, that you couldn't stretch your imagination and spend over \$3,500 in it. But he was some ex-police officer, and they were using politics, and which I couldn't stand for it.

They thought when I came on there they would have a rubber stamp. And I told them, as a director, I had a responsibility; it was public funds, and they had to be guarded. And I didn't care whether the bank didn't make a nickel for 2 years, they were going to get cleaned up with some of the bad situations that the banking department criticized them on.

Well, then, they immediately started to hound me. And it was battle after battle.

Mr. MOSER. What do you mean, they hounded you?

Mr. ENDLER. I mean, they were abusing me in the vilest sort of language. If it wasn't expunged from the minutes, you would really read something.

Senator TOBEY. Was Murphy abusing you?

Mr. ENDLER. No. Mr. Murphy was a very meek sort of person.

Senator TOBEY. Was Egan a director?

Mr. ENDLER. Yes, sir.

Senator TOBEY. Was he hounding you?

Mr. ENDLER. He was.

Senator TOBEY. Is he a strong fellow?

Mr. ENDLER. He owns 5 shares in there, and I think his son owns 20, and I own 515.

Senator TOBEY. Was he a former commissioner or something?

Mr. ENDLER. He was.

Senator TOBEY. Of what?

Mr. ENDLER. Public safety, I think.

Mr. CLANCY. Commissioner of public safety in the city of Newark.

Mr. MOSER. And he was counsel for the bank and a member of the board; is that correct?

Mr. ENDLER. That's correct.

Mr. MOSER. And did he use abusive language?

Mr. ENDLER. That would be putting it mildly, to me.

Mr. MOSER. You mean, language was used that had to be expunged from the record?

Mr. ENDLER. I imagine it was, because I could never find it after that.

Senator TOBEY. Does this bank have an issue of preferred stock with the RFC?

Mr. ENDLER. That's correct.

Senator TOBEY. How much preferred stock outstanding?

Mr. ENDLER. I think, Senator, they still owe \$175,000.

Senator TOBEY. How much did they have originally?

Mr. CLANCY. Off the record.

(Discussion off the record.)

Senator TOBEY. Cut it in halves, then?

Mr. CLANCY. Yes.

Mr. ENDLER. And a lot of that was done while I was in there. I was only in there a few months, Senator, and I resigned.

Mr. MOSER. Before we get to that, I would like to know more about what happened while you were on the board.

Mr. ENDLER. All right, now. I will tell you what started my battle in there.

As a committee, you have subpoena powers, and I think the best records that you can have for Jules Endler are the minutes of the Union National Bank.

Mr. MOSER. Except that you say that some things were probably expunged.

Mr. ENDLER. I don't know. I haven't been in there so long.

But they got a vice president there by the name of Crandall. And he brought an account in there by the name of King; Lila W. King.

Mr. MOSER. Kite?

Mr. ENDLER. King, K-i-n-g.

Mr. MOSER. Yes. And—

Mr. ENDLER. And I had heard a lot of stories around town that she was a female Ponzi. I mean, in kiting checks, getting into a million and one sorts of deals.

Senator TOBEY. Was she a married woman?

Mr. ENDLER. Yes.

Senator TOBEY. What is Mr. King's business?

Mr. ENDLER. He is a very, very fine old gentleman, and she is a young manicurist that he married.

He probably would have been a very happy man to the day he died if he hadn't met her. Frank King is a retired insurance man living on a pension.

Mr. MOSER. Go ahead. These checks were going through. Do you know how many went through?

Mr. ENDLER. I don't know.

Mr. MOSER. But would it surprise you—

Mr. ENDLER. One day I was called in there—

Mr. MOSER. Excuse me. Would it surprise you if I told you that over 222,000 checks in 3 months went through her account?

Mr. ENDLER. It wouldn't surprise me at all.

Senator TOBEY. Did she have a credit balance to that extent?

Mr. ENDLER. No, never.

Senator TOBEY. Why did she draw the checks, then?

Mr. ENDLER. I will get to that.

Mr. MOSER. It was \$222,000 worth of checks that went through in 3 months.

Mr. ENDLER. You want to know what happened there.

Mr. MOSER. I want to make sure that what I said on the record is correct.

Mr. ENDLER. I don't know the amount, so I couldn't tell you.

Anyhow, she wanted a \$50,000 loan, and she was going to put up a lot of jewelry as collateral. And he called me in, and he said, would I go along with this loan. The vice president of the bank, Crandall.

Well, I says, "The day you do that, I am going over to Frank Triple's office, who is the head of the Federal Reserve, and see that your charter is revoked, and you get a charter for a pawn shop, because that isn't banking business. And I think Lila King belongs out of this bank. Throw her and her husband's and her son's accounts out of here."

Well, I was taken before the board, and an inquisition was held. The minutes will show it. I was called an obstructionist, I didn't belong on the board; that I was trying to lose business for the bank.

Well, lo and behold, a week later, Mr. Ben Pentecolis, who was the

chief examiner for the Federal Reserve, came in and called a special board meeting, which I attended, and came along with this whole list.

At that time the bank was stuck for about \$47,000 worth of kites that she was kiting checks, cashing checks with the O. K. of the vice president on it, depositing them back in the Hillside National Bank, which gave her a three-day leeway, and then coming back in and cashing another check.

Senator TOBEY. Who was the vice president that endorsed them?

Mr. ENDLER. Mr. Crandall and Mr. Donnelley.

Mr. CLANCY. When you use the word "endorsement," I think he just put on an O. K., or initials.

Mr. ENDLER. Just initial them, because no teller had the right to cash a check for eight, nine, or ten thousand dollars.

Senator TOBEY. She overdrew her account.

Mr. ENDLER. He was always uncollected funds. In other words, she deposited a check that wasn't any good to start with, and would cash a check on the Union National Bank.

Mr. MOSER. Mr. Endler, was it your impression that this was a means of getting the \$50,000 that you refused her?

Mr. ENDLER. Oh, no.

Mr. MOSER. That you had?

Mr. ENDLER. That I had what?

Mr. MOSER. Refused to authorize.

Mr. ENDLER. Oh, no. She has been in so many deals. I don't know how many people lost money, but I hear it has been a fantastic amount, with lawyers and all.

So when they voted me down, I went before the board that night, and I says, "Mayor, you started out as a labor bank——"

Mr. MOSER. Wait a minute. You were interrupted when you were telling about this list of kited checks. At that meeting, what was done?

Mr. ENDLER. The banking examiner ordered them to close all these accounts, and dismiss these employees. And I was vindicated on what I told them.

Mr. MOSER. All right.

Mr. ENDLER. After that I called a board meeting, and I told them I wanted to resign and get out of there.

I said, "You are a closely held bank. There are only 3,700 shares out. I know of other people that want to sell me five or six hundred shares. I can throw you all out. I don't want to butt in. You are in the banking business. You are the mayor, you are all labor leaders. Go to some of your other unions." I says, "Buy me out. I don't want to make five cents. I don't want a nickel. I want to get out of this bank. I can't sit with you gentlemen."

Before that I had offered to sit with them provided they allowed me to bring five businessmen in. And at that time I had Henry Marks, who was going to sit with me, who was president of Howard Clothes, a fellow by the name of Gustave Reinke, who was president of the Reinke Tool Machinery Co.

I wanted to bring decent people in there that might have revived that bank. Well, they didn't go along with that.

I said, "Buy me out." I didn't hear any more about it.

Two weeks later, I understand it came from Crandall, Mr. King walked in to see me with a Mr. Weissman. Mr. Weissman was in the

corporation counsel's office, I think, wasn't he, John; or in the mayor's office? He was one of the lawyers. Sam Weissman?

Mr. CLANCY. I think he was——

Mr. ENDLER. He is now a director of the bank.

Mr. CLANCY. He is a lawyer. I think he was secretary to Vincent Murphy as mayor at that time, or confidential clerk.

Mr. ENDLER. Something like that.

Well, he walked in with Mr. King, and he bought my stock. He gave me a check; I don't recall just what it was, around \$5,000. It was a certified check, as a deposit.

We drew an agreement. Ten days later he was to pick it up. He brought in a check on the Morristown National Bank for the balance, whatever it was, and paid me for my stock. And I picked my hands up to the Lord and said, "This is a happy day for me to be away from them."

And that is the history of the Union National Bank.

Mr. MOSER. You got \$50,000, approximately, back.

Mr. ENDLER. Whatever I paid for the stock; exactly to the penny.

Mr. MOSER. In connection with your dealings with Egan, was there any animosity between the two of you in connection with title business that arose from the bank?

Mr. ENDLER. I don't know where you got that story, but there was. You have good investigators, Mr. Moser.

Mr. MOSER. Tell us about that.

Mr. ENDLER. I will tell you what happened.

There was quite a scandal in the city about a banker's son having embezzled \$600,000 and some odd. He was a judge in this city by the name of Pellechia, and he was attorney for his father's bank; it was a family held bank. I think it was the Columbus Trust Co.

Senator TOBEY. In Newark?

Mr. ENDLER. In Newark.

No depositor got hurt; the stockholders got wiped out.

When this happened, the banking department locked the door after the horse was stolen, you see. And they didn't insist, but they thought it would be a good thing for banks to have a title policy.

Senator TOBEY. Have a what?

Mr. ENDLER. Have a title policy on a loan that they made, so they would be insured that they had a property title to a piece of property.

So I got up at this meeting, and I said, "Bill, you are always talking, and you fellows are always talking about wanting to do something for the bank. You fellows are all in business, you all have businesses, and you all have jobs. Let's forego all directors' fees. Counsel, I think, should take about a \$1,500 cut, because you are getting \$5,000 for a telephone call once in a while; because you get paid additional for any lawsuit that might involve the bank. Plus the fact that I would like to make a motion that, as a member of the finance committee, I will not pass on a loan for any mortgage unless we have an insured title from an impartial title company, an independent title company away from this bank. I do not want to sit on a board where I am ever going to be criticized."

Well, he got up and called me everything in the world, that I am trying to take the food out of his mouth.

I says, "Bill, I wouldn't take that attitude if I were you. After all, that is a big responsibility. You are counsel for this bank. Your of-

fice has a lot of young fellows in it; they are passing on titles, they are apt to make a mistake, and you would have to be responsible."

"Well," he says, "I am responsible for it."

I said, "I feel better if we got a title company in here to give us a title on very loan we passed."

With that, that motion never went through. Endler was voted down 13 to 1, something like that. And the bank still runs their titles that way.

That is the story of the titles.

MR. MOSER. Was that one of the reasons that Endler was using profane language, and so forth—I mean, Egan was using profane language, and talking—

MR. ENDLER. It wouldn't be very much for him to use profane language.

SENATOR TOBEY. Was Egan one of the leading attorneys in the city?

MR. ENDLER. I wouldn't say that, Senator. He might think so. But I wouldn't say that.

MR. MOSER. Does he represent Zwillman at any time?

MR. ENDLER. I wouldn't know.

MR. MOSER. You don't know about that?

MR. ENDLER. I wouldn't know that at all, Mr. Moser.

SENATOR TOBEY. You consider Zwillman an undesirable citizen?

MR. ENDLER. Senator, I can only tell you how I find a man. And hadn't I found him a decent sort of a fellow, you can believe me, and everything that is holy in my life, he would never have been near me.

SENATOR TOBEY. How is it as of today?

MR. ENDLER. As of today, Senator, I don't want to be near any of that element at all.

SENATOR TOBEY. All right.

MR. MOSER. Tell us about the Film Automatic Co. investment that you made.

MR. ENDLER. There is an auctioneer in this town by the name of A. J. Willner. He came to me and told me there is a company going to be sold in the Federal Courts; would I like a third of it if he bought it.

I says, "Abe—" I know this fellow, and I know he knows his business, plus the fact that if he could buy it for what he said he was buying it, he was buying something for nothing, because it was giving you, I think, with a ten or twelve thousand investment, he was giving you about \$3,000 a year as a return on your money, from contracts that they had with motion picture exchanges.

So, I says, "I will take a third of it."

He went in and bought it, and I took a third of it.

Later I found that he had given a third of it to Michael Lascari. Because I had no business with Michael Lascari.

MR. MOSER. Did Zwillman have any interest in that?

MR. ENDLER. No; he never had any interest in the company. But I did find out that Michael Lascari—and I found this out almost close to the liquidation of the company, when it was sold.

MR. MOSER. Just before the liquidation, Lascari came in?

MR. ENDLER. Oh, no. He came in at the beginning. But I didn't find out about it until later on.

MR. MOSER. Do you think Lascari held the stock for Zwillman or for himself?

MR. ENDLER. I wouldn't know that, Mr. Moser.

Mr. MOSER. And you don't know whether Zwillman had any interest in that company, in the Film Automatic Co.?

Mr. ENDLER. That I wouldn't know.

Senator TOBEY. Do you know a man named Hood?

Mr. ENDLER. Robert Hood; yes.

Senator TOBEY. Is he quite a good character?

Mr. ENDLER. Yes; I think he is.

Senator TOBEY. Do you know a man named Cardinelli?

Mr. ENDLER. Oh, God, no.

Senator TOBEY. Is he a racketeer?

Mr. ENDLER. That I wouldn't know, Senator. I read his name in the paper.

Senator TOBEY. Tony Boy?

Mr. ENDLER. I wouldn't know that, either.

Senator TOBEY. Do you know Benedict?

Mr. ENDLER. I do not know him.

Senator TOBEY. How did they appear in the paper; in connection with what?

Mr. ENDLER. I have read their names in papers. Cardinelli's name I read in the paper recently in a rape case, or something. I think it was a rape case.

Mr. MOSER. What is Al Cuno, Inc.?

Mr. ENDLER. That I do not know.

Mr. MOSER. You never heard of Al Cuno?

Mr. ENDLER. I think I heard the name once.

Mr. MOSER. C-u-n-o.

Mr. ENDLER. I do not know them.

Mr. MOSER. Have you ever heard of Cuno Hamann?

Mr. ENDLER. No, never.

Mr. MOSER. Never heard of that?

Mr. ENDLER. No.

Mr. MOSER. I should have asked you about a liquidation of Film Automatic Co. Was that liquidated or did you sell your interest?

Mr. ENDLER. I sold my interest to the Bloomfield Tool Corp., which is a subsidiary of Walter Kidde Co.

Mr. MOSER. Did you sell that at a profit?

Mr. ENDLER. Yes, sir.

Mr. MOSER. You own the Novelty Bar and Grill?

Mr. ENDLER. Yes, sir.

Mr. MOSER. Is that a corporation?

Mr. ENDLER. Yes, sir.

Mr. MOSER. Called Novelty Bar, Inc.; is that right?

Mr. ENDLER. Incorporated, at 218-220 Market Street Corporation.

Mr. MOSER. That owns the real estate?

Mr. ENDLER. No. One owns the restaurant, and one owns the liquor department there.

Mr. MOSER. And who owns the building?

Mr. ENDLER. I own the building personally, in my own name.

Mr. MOSER. Does anyone else have any interest in any of those?

Mr. ENDLER. Nobody, outside of qualifying shares, sir.

Mr. CLANCY. Your wife or anybody else?

Mr. ENDLER. Qualifying shares.

Mr. MOSER. Your wife owns a qualifying share?

Mr. ENDLER. My wife and my brother.

Mr. MOSER. Your brother?

Mr. ENDLER. That's correct.

Mr. MOSER. You have a private dining room in there?

Mr. ENDLER. That's correct, sir.

Mr. MOSER. Who uses that?

Mr. ENDLER. Did you say a private dining room?

Mr. MOSER. Yes.

Mr. ENDLER. It is not private; it is public.

Mr. MOSER. Don't you have a separate room?

Mr. ENDLER. No.

Mr. MOSER. It is just one room?

Mr. ENDLER. That's right.

Mr. MOSER. But you have no separate alcove?

Mr. ENDLER. Oh, no. The front of it is a very large cafeteria. And then here is an archway that leads into another part of that premises that is used for service. I mean, if somebody wants a waitress to serve them.

Mr. MOSER. You are having rather extensive alterations done there now, I understand.

Mr. ENDLER. I am.

Mr. MOSER. How much is that going to cost?

Mr. ENDLER. I would say somewhere around a quarter of a million dollars.

Senator TOBEY. What is the whole place worth, capital investment?

Mr. ENDLER. Well, Senator, I have turned down three-quarters of a million for my business many times.

Mr. MOSER. Do you know Smiley Simonkoff?

Mr. ENDLER. No; I do not, sir.

Mr. MOSER. Do you know H. Besser?

Mr. ENDLER. Yes, sure. That is my accountant.

Mr. MOSER. He is your accountant?

Mr. ENDLER. That's correct.

Mr. MOSER. We have information that in October, specifically October 17, 1946, you received \$50,000 from Mr. Besser.

Mr. ENDLER. That's correct. I borrowed \$50,000 from him.

Mr. MOSER. What was the nature of that transaction?

Mr. ENDLER. That was to go into the Louisville property.

Mr. MOSER. The Louisville property?

Mr. ENDLER. That's correct, sir.

Mr. MOSER. And you paid that back when you made the first sale?

Mr. ENDLER. I paid 25 of it back then; I paid 25 of it at the second sale.

Mr. MOSER. So that Mr. Besser put up the money for that—

Mr. ENDLER. Oh, no; he didn't put up the money.

Mr. MOSER. He put up \$50,000?

Mr. ENDLER. He loaned me \$50,000.

Mr. MOSER. But you only put up 25, plus 600, didn't you?

Mr. ENDLER. You are not talking about a picture deal, Mr. Moser.

Mr. MOSER. How much did you put up for that?

Mr. CLANCY. \$82,000.

Mr. ENDLER. Oh, no.

Mr. MOSER. You put up 20 percent of the total.

Mr. ENDLER. You fellows are getting all my financial troubles all mixed up.

Mr. MOSER. It was one million eight, and you put up——

Mr. ENDLER. I think \$108,000.

Mr. MOSER. Well now, wait. The total purchase price was \$1,800,013.

Mr. ENDLER. Yes. Of which the Government got—I think it was three hundred and sixty thousand-some-odd dollars.

Mr. MOSER. That would be 20 percent.

Mr. ENDLER. Yes.

Mr. MOSER. Where did Besser get that money?

Mr. ENDLER. He borrowed it from the Westside Trust Co., because I went up there with him, and he put some bonds up as collateral.

Mr. MOSER. His own bonds?

Mr. ENDLER. That's correct. And I gave him my stock of my company as collateral for that loan.

Mr. MOSER. That is the stock of both these companies?

Mr. ENDLER. That's correct.

Mr. MOSER. All of the stock?

Mr. ENDLER. That's correct.

Mr. MOSER. And you don't know where he got the bonds that he put up as collateral?

Mr. ENDLER. Oh, he is a very, very wealthy man, Mr. Moser. I wish I had his wealth.

Mr. CLANCY. Off the record.

(Discussion off the record.)

Mr. MOSER. Did you have any interest in the Massachusetts Mutual Life Insurance Co.?

Mr. ENDLER. I wish I did, Mr. Moser. I borrowed \$50,000 from them.

Mr. MOSER. But that is your only connection with that insurance company?

Mr. ENDLER. That's correct. I have furnished the Treasury with a photostat of Massachusetts' check and endorsement, and the deposit into my account, and showed where I paid the Howard Savings off their loan.

I think it was Howard Savings, or Fidelity Union. I don't know which one of them had the loan on that.

Mr. MOSER. Coming back to the Union National Bank, did that bank make any loans to any people that you recall, hoodlums, or gangsters?

Mr. ENDLER. Never during my term in office there.

Mr. MOSER. Do you know whether they did at any time?

Mr. ENDLER. That I wouldn't know.

Mr. MOSER. Do you know what has happened to the bank since?

Mr. ENDLER. Well, I know the banking department has got them right on their toes, Mr. Moser. I will tell you that.

Senator TOBEY. Is the RFC acquainted with all these scandals?

Mr. ENDLER. Oh, sure. They get a copy of the bank examiner's report.

Senator TOBEY. Why don't they press for——

Mr. ENDLER. I don't know. I wish the RFC would let me take them off the table immediately. Because this group has gone down and made a deal to pay the RFC off, and was going to vote the RFC

stock. But then the last minute somebody got the RFC to stay out of there.

SENATOR TOBEY. I think I will call Mr. Silon and ask him to look into it.

MR. ENDLER. He is a good man.

MR. MOSER. Do you know Toots Shor?

MR. ENDLER. Toots Shor; yes.

MR. MOSER. Do you know him personally?

MR. ENDLER. Oh, sure.

MR. MOSER. How long have you known him?

MR. ENDLER. Well, I think since he opened his business.

MR. MOSER. Do you go to see him sometimes?

MR. ENDLER. No, no. When I am in New York, some time. If I want to eat I might drop in there.

MR. MOSER. You just see him when you are having a meal there?

MR. ENDLER. Yes, when he is around. He might go up by the table and say, "Hello."

MR. MOSER. But you have no dealings with him?

MR. ENDLER. No.

MR. MOSER. No business dealings?

MR. ENDLER. No, never.

SENATOR TOBEY. What is his restaurant?

MR. ENDLER. He has a very large restaurant on Fifty-first Street, Senator.

MR. MOSER. Do you know David Lieb?

MR. ENDLER. No.

MR. MOSER. Never heard of him?

MR. ENDLER. Oh, yes; I have heard of him. He is a contractor, I think, in town.

MR. MOSER. But you don't know anything about his business?

MR. ENDLER. No; I don't know him at all. Never met him.

MR. MOSER. Do you know Holzlohner?

MR. ENDLER. Yes; I do.

MR. MOSER. How do you know him?

MR. ENDLER. Well, I mean he is a building man. I know him from around the bank down there.

MR. MOSER. What is his connection with the bank?

MR. ENDLER. Nothing, outside of coming in and out. He has been in and out of my place, as thousands of people do.

MR. MOSER. But you have had no business dealings with Holzlohner?

MR. ENDLER. No.

MR. MOSER. No conference with him regarding labor matters, or anything?

MR. ENDLER. No. He has come in there to eat a number of times.

SENATOR TOBEY. How does labor benefit by having this labor bank?

MR. ENDLER. That is something I would like to find out, Senator. I wouldn't know. I wouldn't know. I think it is a very sad——

SENATOR TOBEY. Is there any representative of organized labor on the board of directors?

MR. ENDLER. What is that?

SENATOR TOBEY. Is there any representative of organized labor on the board of directors?

MR. ENDLER. They are all organized labor on the entire board.

Senator TOBEY. Is this the crowd that jumped up on you?

Mr. ENDLER. Oh, yes.

Mr. MOSER. And you were the only one who was a businessman?

Mr. ENDLER. That's correct. There was another businessman, and they got rid of him fast. A fellow by the name of Kirschner.

Senator TOBEY. Who is the leading labor exponent?

Mr. ENDLER. Well, they all think they are leaders, Senator. I mean, there are 17 on their board of directors. It is about twice as many as they should have.

Mr. CLANCY. Off the record.

Mr. Murphy is now secretary of New Jersey State Federation of Labor, and I think Mr. Egan is counsel for the New Jersey State Federation of Labor. That is my recollection.

Senator TOBEY. If we had time, I would like to have Mr. Egan called in.

Mr. MOSER. Do you know Joe Fay?

Mr. ENDLER. He used to come in; yes.

Mr. MOSER. Into the bank?

Mr. ENDLER. No. He used to come into my place to eat.

Mr. MOSER. Did he have any connection with the bank?

Mr. ENDLER. Oh, no; no.

Mr. MOSER. What do you think about Mr. Winterford Allen, who is the present executive vice president?

Mr. ENDLER. I do not know the gentleman. I don't know him outside of going in there and having an argument with him some weeks ago.

Mr. MOSER. Was he an officer of the bank when you were there?

Mr. ENDLER. No. He is a newcomer.

Mr. MOSER. I think that is all.

Mr. ENDLER. Mr. Moser, may I just say something, if possible?

Mr. MOSER. Yes. Go ahead.

Mr. ENDLER. I want to be honest with you and tell you anything you want to know, or anything you want.

I know the Senator is a fair-minded person. I have a wife and children, and somehow, being subpoenaed, the word "crime" leaves an awful inference with people.

My youngsters go to school, and if there is any way possible—I don't know how you can do it—but if there is any statement given that will sort of dispel that, I would appreciate that greatly.

Mr. MOSER. We will talk to the press after this meeting, and one of the things we will say is that being called as a witness before this committee does not carry any implication whatever that you have been involved, or have any connection with criminal activities.

Mr. ENDLER. I would appreciate that, Mr. Moser.

And if there is anything during the term of your investigation that you want photostatic copies of, just call on me and I will be happy to give them to you.

Mr. MOSER. Thank you very much.

Senator TOBEY. When did you last see Zwillman?

Mr. ENDLER. I think back 2 weeks ago, Senator.

He asked me, he came down to see me about—about this distribution of the Louisville funds, and I told him I had mailed Arthur Garfield Hays a check.

If you want the amount of that, I will give you that, too.

MR. MOSER. You don't have to do that; I don't think we need that. There is another question I should have asked previously.

MR. ENDLER. Yes.

MR. MOSER. When Zwillman first—when you first had a business dealing with Zwillman, the first movie enterprise, it was Manhattan Productions, you suggested to him that he come in on it.

You must have known, didn't you, long before that, his reputation as a bootlegger, and as a gangster, and so forth?

MR. ENDLER. Mr. Moser, let me say this: Forget the word "gangster" for the moment. The only thing I knew about Zwillman is that he was a big bootlegger years ago.

My wife and I have gone out to dinner at the 21 Club in New York, and I have sat next to Vice President Barkley, and believe me, I know that they were bootleggers in the old days. I have gone into the Stork Club, and Sherman Billingsley was a bootlegger, and I have seen Edgar Hoover, and Clyde Tolson in there.

I can't take the fact that a man was a bootlegger. I, as a layman, if a man, if a man's character stands—I have never heard Zwillman use a profane word. I have never seen him do anything wrong. All these nasty things I have read when the Kefauver committee broke.

And when that happened, I said to him, I say, "Abe, I don't know whether you are guilty of any of these things, or you are not. But until you are proven otherwise, I will not be a nominee of yours, nor do I want any business transactions with you." And I resigned immediately as a nominee.

I just forced that sale, and I know that Lazarus is going to get two and a half million dollars for which we took \$1,135,000.

But I was willing to take that loss, despite the fact that I had everybody clamoring for it. But I forced that sale, because I don't want any associations outside of my wife and children. That is the only partners I want in my life.

MR. MOSER. During prohibition, did you run a restaurant?

MR. ENDLER. I did not, sir. I was associated with my father, who was a very wealthy man in the real estate business, and lost most of it, practically all of it, in the 1929-30 crash.

MR. MOSER. So you weren't involved—

MR. ENDLER. Oh, no. I knew nothing of these fellows.

MR. MOSER. Do you still own your Kirkeby Hotel stock?

MR. ENDLER. No. I sold it. I sold it in 1945.

MR. MOSER. Did Zwillman sell his?

MR. ENDLER. I don't know.

(Witness excused.)

(Whereupon, at 5 p. m., the examinations were closed.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

TUESDAY, JULY 17, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Atlantic City, N. J.

EXECUTIVE SESSION

The subcommittee met, pursuant to notice, in room 532, Hotel Traymore, Senator Lester C. Hunt presiding.

Present: Senator HUNT.

Also present: Richard Moser, chief counsel, and John Winberry, special consultant.

Senator HUNT. This is a meeting of the Senate Special Committee Investigating Organized Crime in Interstate Commerce. The witnesses will be sworn and counsel will do the questioning.

Counsel, what witnesses do you wish to be sworn first?

Mr. MOSER. I would like to have all three of these sworn at the same time.

Senator HUNT. Will you gentlemen please stand and raise your right hands?

Do you solemnly swear that the testimony you are about to give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RUPP. I do.

Mr. McNAMARA. I do.

Mr. DICKERSON. I do.

TESTIMONY OF CHARLES E. RUPP, PRESIDENT, PIONEER BROADCASTING CO., FRANK McNAMARA, ANNOUNCER, RADIO STATION WOND, AND GEORGE DICKERSON, ATLANTIC CITY, N. J.

Senator HUNT. This particular meeting this morning is a meeting of the subcommittee authorized by resolution of the full committee to take this testimony.

Mr. MOSER. I am Mr. Moser. I will go ahead with the questioning. First, Mr. Rupp, you are the president of Station WOND?

Mr. RUPP. That is correct.

Mr. MOSER. Will you just state roughly what the corporate set-up of the station is?

Mr. RUPP. The name of the corporation is Pioneer Broadcasting Co. and the call letters of the station are WOND. The common stock, the

voting stock, is divided into 1,000 shares and is held by the following people: 200 shares by myself, 200 shares by Frank McMaster, 150 shares by George Shertenleib, 100 shares by Scotty Ireland, mayor of Pleasantville, 100 shares by George Martin, 100 shares by Joseph Bennett, 150 shares by Mrs. Harry Zoog.

Mr. MOSER. Mr. Bennett—what is his business set-up?

Mr. RUPP. He has the Chevrolet agency in Pleasantville, N. J.

Mr. MOSER. Is he engaged in political activity of some kind?

Mr. RUPP. He may be. I don't know definitely.

Mr. MOSER. How about Mr. Zoog? Where is he at the present time?

Mr. RUPP. Mr. Zoog is not employed by the station any more. I do not know what he is doing at the present time.

Mr. MOSER. He was originally the manager of the station?

Mr. RUPP. That is right.

Mr. MOSER. He was required to leave the station?

Mr. RUPP. That is right.

Mr. MOSER. The FCC reports that he was forced out; is that correct?

Mr. RUPP. That is correct.

Mr. MOSER. And since then who has been the manager of the station?

Mr. RUPP. The station hasn't had any manager. It is practically like a ship without a rudder. It is just running. We have been unable to formulate any policy due to stockholders' disagreement and directors' disagreement, and there hasn't been any management of the station even during the present time, simply because of the distribution of the stock. No one has been able to get control of the station without first applying to the FCC and several propositions to transfer the station have fallen through, and at the present time it is just running.

Mr. MOSER. In other words, it is impossible to get a decision on this matter by the board of directors; is that correct?

Mr. RUPP. That is correct. It is almost impossible to get a board meeting.

Mr. MOSER. What is Mr. Burdick's connection?

Mr. RUPP. Mr. Burdick sells advertising for WOND.

Mr. MOSER. Does he have any other job or position that you know of?

Mr. RUPP. As far as the set-up of the station is concerned?

Mr. MOSER. No. Outside the station.

Mr. RUPP. I think he is a clerk in the State Senate of New Jersey.

Mr. MOSER. What does he do in the station besides sell advertising?

Mr. RUPP. He is there at the station in the afternoons while his sports program is on, not all afternoon, but part of the afternoon.

Mr. MOSER. How did he happen to come into the station in the first place.

Mr. RUPP. He was brought into the station by Mr. Harry Zoog, the former manager.

Mr. MOSER. Had he had any previous dealings with Mr. Zoog as far as you know?

Mr. RUPP. Yes. Mr. Burdick had been in the same situation under the same plan, I guess, with the Vineland station when Mr. Zoog was manager of the Vineland station. After Mr. Zoog left the Vineland

station, Mr. Burdick came to Atlantic City and went with another local station. Then when we built WOND and Mr. Zoog became manager of WOND, Mr. Zoog brought Mr. Burdick over to WOND.

Mr. MOSER. What are the financial arrangements with Mr. Burdick for payment of his compensation?

Mr. RUPP. Mr. Burdick is to receive 20-percent commission on all advertising brought into the station.

Mr. MOSER. How much do other salesmen get?

Mr. RUPP. Fifteen percent.

Mr. MOSER. Do you know why he gets the difference of 5 percent?

Mr. RUPP. Because he is supposed to pay certain services over at the station out of the 20 percent.

Mr. MOSER. Who set up that arrangement?

Mr. RUPP. Mr. Zoog.

Mr. MOSER. You said he pays certain expenses of the station. What are they? You were telling us what expenses he pays in connection with the station, what are they? I am talking about Mr. Burdick.

Mr. RUPP. Mr. Burdick pays for the announcer who announces the sports program in the afternoon. Also for the man who brings the services in from the machines to the announcer. Do you want me to mention names?

Mr. MOSER. That is all right. He brings in the news sheets from the news machines?

Mr. RUPP. To the announcer?

Mr. MOSER. Who is the man who brings those in?

Mr. RUPP. Mr. Dickerson, Mr. George Dickerson. The announcer is Mr. Frank McNamara.

Mr. MOSER. What kind of machines do you have in there?

Mr. RUPP. We have Associated Press news machines, Associated Press sports machines, and Transradio sports machines.

Mr. MOSER. Is the Transradio machine necessary?

Mr. RUPP. I don't think so personally, myself.

Mr. MOSER. Why is it there?

Mr. RUPP. It was put in there by Mr. Zoog and Mr. Burdick, for what reason I don't know.

Mr. MOSER. Have you ever attempted to have it removed?

Mr. RUPP. I have.

Mr. MOSER. What did you do?

Mr. RUPP. We sent the program director to New York to see if we could be released from the 1-year contract for that machine because I thought it was not necessary to have it there. They refused to release us and in fact said they were going to hold us to the contract which would be up the 1st of November. Prior to this we had notified them that we would not renew the contract on the machine.

Mr. MOSER. How much do you pay a week for that machine?

Mr. RUPP. \$50 a week.

Mr. MOSER. I have here the records of the company which you have produced for us and I have them open to an account entitled "L. H. Burdick." It appears in there that in July 1950 you charged him \$142.86 for wire service, race-wire service. In August you charged him for race-wire service for 4 weeks, \$200. In September you charged him for 5 weeks, \$250. In October you charged him for 4 weeks, \$200. In November you charged him for Transradio sports wire, \$231.66.

And in December you charged him for race wire service, \$200. Did he pay those amounts?

Mr. RUPP. I presume he did.

Mr. MOSER. The books would show that?

Mr. RUPP. I think so.

Mr. MOSER. I was just reading from the "Accounts receivable." "I also have opened the ledger of the company showing that as of January 1, 1951, the commissions payable to Lester Burdick were \$1,846.95.

There was a charge against him for 25 weeks at \$40, for F. Mc, meaning Frank McNamara, \$1,000, and that makes a net of \$846.95, plus \$160. It is not indicated what the plus figure means. It is probably an additional commission of some kind. That makes a net to him of \$1,006.95. That indicates that Mr. McNamara's salary was paid by Mr. Burdick.

Is it also your understanding that in some similar fashion, perhaps, there is a charge against his commission for the race-wire service which was paid by him, as shown in this accounts receivable tape; is that right?

Mr. RUPP. That is correct.

Mr. MOSER. Now, turning to the salary of Mr. McNamara, let me ask, Mr. McNamara, Is it true that \$40 a week is paid to you by Mr. Burdick for your services in connection with the station?

Mr. McNAMARA. Yes, sir; that is true.

Mr. MOSER. You are paid by the station; is that correct?

Mr. McNAMARA. I am paid by the station.

Mr. MOSER. But Mr. Burdick reimburses the station?

Mr. McNAMARA. That is as far as I understand it, yes, sir. I have just found out about it within about 2 months, that Mr. Burdick was paying any part of my salary. When I was hired I surmised I would be paid by the station.

Mr. MOSER. But you do know from what you have learned since that Mr. Burdick has been paying your salary?

Mr. McNAMARA. Yes, sir.

Mr. MOSER. Do you know why he pays your salary?

Mr. McNAMARA. I cannot imagine. I can only take it for granted that he has sold the time for the program, and for that reason is paying me, you see. He has sold the entire 6-hour period.

Mr. MOSER. How many announcers are there at the station?

Mr. McNAMARA. I would have to guess; about seven.

Mr. MOSER. How long have you been announcing at the station?

Mr. McNAMARA. I have been announcing since it began.

Mr. MOSER. Which is?

Mr. McNAMARA. July 1 or 8. The first week in July.

Mr. MOSER. 1950?

Mr. McNAMARA. 1950.

Mr. MOSER. As far as you know, Mr. Burdick has been paying your salary, all or most of that time?

Mr. McNAMARA. Yes; as far as I know now. As I said, I only acquired that knowledge about 2 months ago.

Mr. MOSER. You say there are several announcers. Are you the only one who announces news?

Mr. McNAMARA. No, sir.

Mr. MOSER. There are others who announce news?

Mr. McNAMARA. Yes, sir.

Mr. Moser. Your announcements are limited entirely to news; is that it?

Mr. McNamara. To news and sports news.

Mr. Moser. Where do you get the sports news? From the three machines?

Mr. McNamara. I do, sir.

Mr. Moser. How is the news picked up and handed to you?

Mr. McNamara. Mr. Dickerson is in charge of that. He rips it off and brings it in to my room, which is right next to the newsroom.

Mr. Moser. You take the news from that?

Mr. McNamara. Yes, sir.

Mr. Moser. You announce race wire results?

Mr. McNamara. Yes, sir; we do give race information.

Mr. Moser. I show you a sheet taken from the Transradio machine.

Mr. McNamara. Yes, sir.

Mr. Moser. It shows race results.

Mr. McNamara. Yes, sir.

Mr. Moser. Do you recognize that as a typical example?

Mr. McNamara. Yes, sir; we do give that particular type of result.

Mr. Moser. Also, I show you a similar sheet which shows the entries.

Mr. McNamara. We do not use entries.

Mr. Moser. You do not use entries?

Mr. McNamara. They come over, but we do not use them. These are entries for the next day. We do not use them.

Mr. Moser. You just use results, then?

Mr. McNamara. Yes, sir.

Mr. Moser. How soon after receipt of the results do you broadcast them over the radio?

Mr. McNamara. It would vary, sir, for this reason: If a record were on and I received the result in the middle of the record—I do not play the records; another person plays the records, the control board—after the record is over and say, a spot announcement has to be made, I generally go in after both have been completed, but never interfere with the recording.

Mr. Moser. As soon as the recording is over, you do put in the race results?

Mr. McNamara. If one is available, I do.

Mr. Moser. You never wait beyond one record, though?

Mr. McNamara. No, sir. That is pretty hard to answer for this reason: For example, if our announcer has something to read and it may take 2 to 3 to 4 minutes to read it, of course, that would be the equivalent of another record. That would probably be a spot that would take about 3 minutes' time. I, then, would go in. I would wait for him.

Mr. Moser. But except for those things you do put it on just as soon as possible. That is the policy of the station?

Mr. McNamara. That has been the policy of the station, to get it on; yes, sir.

Mr. Moser. Mr. Rupp, did Mr. Burdick ever attempt to obtain an interest in the station?

Mr. Rupp. He expressed a desire to; yes.

Mr. Moser. And what was done about it?

Mr. Rupp. Nothing was done about it.

Mr. MOSER. Did anybody refuse to let him buy into it?

Mr. RUPP. I told him that I would not agree to have him become a stockholder of the company.

Mr. MOSER. You did?

Mr. RUPP. Yes.

Mr. MOSER. Did he attempt to buy your stock, or somebody else's?

Mr. RUPP. Somebody else's.

Mr. MOSER. You said you would oppose it?

Mr. RUPP. Yes.

Mr. MOSER. Coming to Mr. Dickerson, it is my understanding, Mr. Dickerson, that you performed two separate functions at the station; one was to do janitor work?

Mr. DICKERSON. That is right.

Mr. MOSER. Was there at one time a time when you did nothing but janitor work?

Mr. DICKERSON. There was a time I did only work for Mr. Burdick.

Mr. MOSER. There was a time when you did only work for Mr. Burdick?

Mr. DICKERSON. That is right.

Mr. MOSER. And did not do janitor work? What did you do for Mr. Burdick?

Mr. DICKERSON. As messenger from the machines to the announcer.

Mr. MOSER. You would carry the news sheets from the machine around to Mr. McNamara?

Mr. DICKERSON. That is right.

Mr. MOSER. How much did Mr. Burdick pay you for that?

Mr. DICKERSON. \$25 a week.

Mr. MOSER. And then later on, did you start to do janitor service?

Mr. DICKERSON. I did.

Mr. MOSER. Did you do that for Mr. Burdick or for the station?

Mr. DICKERSON. For the station.

Mr. MOSER. What percentage of your time was devoted to each one?

Mr. DICKERSON. About 2 hours for the station, and part of the time I did a little in between slack periods in return.

Mr. MOSER. It is mixed in, but what percentage of your total day's work was for Mr. Burdick and what percentage was for the station?

Mr. DICKERSON. One o'clock is the required time that I should come and work until 7.

Mr. MOSER. From 1 to 7?

Mr. DICKERSON. That is right.

Mr. MOSER. That is, 6 hours you worked for him for \$25?

Mr. DICKERSON. Yes.

Mr. MOSER. How much does the station pay you?

Mr. DICKERSON. \$15.50.

Mr. MOSER. Mr. McNamara, do you get any compensation other than the \$40 you get from Mr. Burdick?

Mr. McNAMARA. Yes, sir; from the station. I get his initial payment and I get money from the station.

Mr. MOSER. In addition to the \$40 a week?

Mr. McNAMARA. Yes, sir.

Mr. MOSER. How much do you receive from the station?

Mr. McNAMARA. I receive just exactly \$21.

Mr. MOSER. \$21 from the station and \$40 from Mr. Burdick

Mr. McNAMARA. \$40 from Mr. Burdick and \$21 from the station.

Mr. Moser. \$61 a week?

Mr. McNAMARA. Yes, sir.

Mr. Moser. The station takes care of the withholding tax and social security on both payments?

Mr. McNAMARA. Yes, sir.

Mr. Moser. That is all we have to ask these gentlemen.

Senator HUNT. I wanted to ask Mr. Rupp: Does Mr. Burdick have any accounts for services of the radio station that do not go into the accounts of the station? Does he have any so-called private or personal accounts around over town for the racing news service whose names do not appear on the records of the station?

Mr. RUPP. The only names that we have on our books are the people I know of, who are paid advertisers. We have no connection with any other people, to my knowledge.

Senator HUNT. And you do not know either that Mr. Burdick has accounts which are not a matter of record in your books?

Mr. RUPP. I do not know that, sir.

Senator HUNT. Do you have any idea on it?

Mr. RUPP. Only rumor.

Senator HUNT. What are the rumors?

Mr. RUPP. The rumors that have come to my ears have been that WOND was broadcasting race news for gamblers around town, which I do not like very much.

Senator HUNT. These gamblers names are not on your books?

Mr. RUPP. No, sir.

Senator HUNT. Do you have any idea how much Mr. Burdick gets for those accounts?

Mr. RUPP. I have not.

Senator HUNT. Would you care to make any estimate?

Mr. RUPP. I do not think I am in a position to do that, Senator. Horses is not one of my weaknesses.

Senator HUNT. Do you know the names of any of these accounts that Mr. Burdick has that are not a matter of record in the radio-station books?

Mr. RUPP. The only names that are familiar to me, Senator, are the names that appear in the books, similar to restaurants, bars, and businesses of that type, which Mr. Burdick seems to know very well. Those are the only names that are familiar to me. They actually advertise over the station. I cannot see any connection between them and bookmaking. I have never been able to find any connection that some prominent cafe or similar place does bookmaking.

The only connection I have been able to find is that Mr. Burdick knows all that type of people, but they are legitimate on the books. They are all down in the books.

Senator HUNT. It is your impression that these advertisers whose names are in the books are not especially interested in the horse-racing news?

Mr. RUPP. Only insofar as I have been able to figure out in this way: They have probably gone some place and placed bets, placed their bets before the races, and then they probably have gone over to some of the cafes and taprooms, sat there and listened to the results while they had a couple of drinks.

Senator HUNT. Testimony that this committee already has of record indicates that Mr. Burdick has a couple of Cadillac cars. We have had some testimony as to the very expensive personal apparel he purchases and wears. Apparently he is a man about town. Yet the records here show that he is paying to these two gentlemen for their services an amount almost equal to what he receives from the station.

My question is, Where does the rest of the income come from which he apparently has? Can you answer that question?

Mr. RUPP. I cannot answer that question. I wondered the same thing myself.

Senator HUNT. Where do you think it comes from?

Mr. RUPP. Mr. Burdick has, in my experience—I have lived here all my life—always been in certain lines of business that I never could discover, not businesses like other businessmen were engaged in. He always seemed to make a very good living and dress exceptionally well and drive good cars.

My experience with Mr. Burdick has been very brief, only since he has been a salesman with the station. I didn't bring him into the station. The deal was made by Mr. Zoog, the former manager, and up to the present time, due to this agreement, no changes have been made in the station.

Senator HUNT. Do you know what his salary is, as a State official? By "State official" I mean clerk of the Legislature of the State of New Jersey.

Mr. RUPP. I don't know, but I know that the legislature is not in session too long, and probably it sits 3 months out of the year. So it couldn't be a large sum.

Mr. MOSER. Something like \$500, perhaps? Sixteen twenty?

Mr. RUPP. I do not know exactly what the salary is.

Senator HUNT. I have no further questions.

Mr. MOSER. Mr. Dickerson, is there ever a time when anybody in the station—yourself or anybody else—telephones race news to anybody?

Mr. DICKERSON. No.

Mr. MOSER. You don't know of such a case?

Mr. DICKERSON. No.

Mr. MOSER. How about you, Mr. McNamara?

Mr. McNAMARA. No.

Mr. MOSER. As far as you know, there is no telephoning done, giving the news out in that way?

Mr. McNAMARA. No, sir.

Mr. MOSER. Mr. Rupp, you said you suspected and you heard rumors to the effect that the station was being used to give race news to people, gamblers. If the gamblers can just take it over the radio, anybody can get it, can't they?

Mr. RUPP. Yes; that is right.

Mr. MOSER. There would be no reason for gamblers paying anything for that would there?

Mr. RUPP. No, I cannot see how they could be forced to pay for any race news that comes over a radio station. As you say, anyone who turns on the radio can get the same news. I can see where they had previously special wires into a place, for instance, by the telephone company, or Western Union, and they would have to pay for that. The only way that I can see anyone would have to pay for it would be

because they want to. I have never been able to figure out any compulsory way unless there would be some connection with the police department or some department which has the enforcement of law.

Unless there is a tie-up there which I cannot testify to—

Mr. MOSER. We have our own ideas as to why that is, but we wondered if you knew anything about it.

Mr. RUPP. When the rumors first came to my attention, I, of course, did not like it, because I did not go into the radio business to transmit any sort of information like this. I went into the radio business because I wanted to give this area a station which would give this area good music and good programing.

Mr. MOSER. Your connection with this station is on a part-time basis, I understand; is that correct?

Mr. RUPP. I have no position there. I draw no salary. I go over to the station occasionally to see that things are running all right.

Mr. MOSER. You have a separate business?

Mr. RUPP. I have a separate business.

Mr. MOSER. What is that?

Mr. RUPP. I have a dry-cleaning and laundry business in Atlantic City.

Mr. MOSER. All of it?

Mr. RUPP. No. I am not quite that fortunate.

Mr. MOSER. What is the name of your business?

Mr. RUPP. Dorraine Cleaners.

Mr. MOSER. D-o-r-r-a-i-n-e?

Mr. RUPP. Yes.

Senator HUNT. Is there any way that the bookies here in Atlantic City could get racing information if it wasn't available to them over your station?

Mr. RUPP. I cannot answer that. Racing information comes over other stations here, too.

Senator HUNT. Other stations here broadcast racing news?

Mr. RUPP. Yes, sir.

Mr. MOSER. Do they both transmit the same news as broadcast by Transradio?

Mr. RUPP. I don't know. I understand they did have or still have an Armstrong machine, which FCC frowns on.

Mr. MOSER. Is that a race-wire service?

Mr. RUPP. Yes.

Mr. MOSER. It is like Transradio?

Mr. RUPP. Yes.

Senator HUNT. If it were not for Mr. Burdick being connected with your station, you probably would not be broadcasting this racing news?

Mr. RUPP. We would probably broadcast all sports news.

Senator HUNT. You would not specialize and concentrate on racing news?

Mr. RUPP. We would not.

Mr. MOSER. You would use the news that you get over your ordinary AP services?

Mr. RUPP. That is right.

Mr. MOSER. Is that your understanding, too, Mr. McNamara?

Mr. McNAMARA. Yes, sir.

Mr. MOSER. You only have the racing-wire service because Mr. Burdick wants you to have it?

Mr. McNAMARA. I couldn't answer that question. I am the lowest echelon over there as far as employees are concerned. I am just employed.

Mr. RUPP. When Mr. Struckell, who is the program director, and I decided that the Transradio machine was an extra added expense to the station and we decided to get rid of it, we did not consult Mr. Burdick about it. We tried to get out from under the 1-year contract which we were unable to do. In the process we notified him that when the year's contract was up on November 1, they could take the machine out.

Mr. MOSER. You didn't tell Mr. Burdick. How did he find out? How did he find out they were trying to take it out?

Mr. RUPP. I don't know whether he knows it or not.

Mr. MOSER. Wasn't there a stage where he agreed to take over the cost of it?

Mr. RUPP. Yes; we had a little brief session in which I stated for the station that a station of this size—it was not necessary for us to pay out this kind of money for three teletype machines and we were going to get rid of one of them.

Mr. MOSER. What did he say to that?

Mr. RUPP. He said, "I am going to pay half of that machine." That was the first I knew about that. He said, "I had already told Harry Zoog I would do that." All the conversations between Zoog and Burdick—there is no contract, it is verbal. I don't know a lot of what transpired. All I know is when I was instrumental in getting Mr. Zoog out of the station, I started to dig into this stuff. Previous to that I did not dig into it.

Mr. MOSER. He said he was going to pay half of it, but the records indicate he paid all of it.

Mr. RUPP. No, he pays half of that and half of the AP machine. The records show that.

Mr. MOSER. Gentlemen, thank you for coming.

**TESTIMONY OF BENJAMIN RUBENSTEIN, ATLANTIC CITY, N. J.,
ACCOMPANIED BY EDWARD FEINBERG, ATTORNEY, ATLANTIC
CITY, N. J.**

Senator HUNT. Mr. Rubenstein, will you raise your right hand and be sworn?

Do you solemnly swear in the testimony you will give this committee to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RUBENSTEIN. I do.

Mr. MOSER. Mr. Rubenstein, will you please state your residence?

Mr. RUBENSTEIN. 1 North Main Avenue.

Mr. MOSER. Do you have any other addresses?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Do you own the house where you live?

Mr. RUBENSTEIN. It is an apartment.

Mr. MOSER. It is an apartment?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. You rent an apartment there?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Do you own any real estate anywhere?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. What business are you in?

Mr. RUBENSTEIN. I have the Studio Music Co.

Mr. MOSER. Studio Music Co.?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. What is the business of that company?

Mr. RUBENSTEIN. I operate juke boxes and I also have a canned music service, better known as a wire service, a wired music service.

Mr. MOSER. And how does that work?

Mr. RUBENSTEIN. Through telephone wires.

Mr. MOSER. Telephone wire? That is arranged with the telephone company?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. And you obtain the customers; is that correct?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Then you notify the telephone company?

Mr. RUBENSTEIN. I ask them to make the installation. The telephone company runs the telephone lines to the location. Then the mechanic installs the necessary equipment so the reception is at a maximum efficiency.

Mr. MOSER. And who installs the loudspeakers in your customers' places of business?

Mr. RUBENSTEIN. My mechanic.

Mr. MOSER. Your mechanic?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. That is not done by the telephone company?

Mr. RUBENSTEIN. No, sir. The telephone company only runs the line.

Mr. MOSER. And the telephone company bills you for the service?

Mr. RUBENSTEIN. The Studio Music Co.

Mr. MOSER. Is that a corporation?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. It is a corporation?

Mr. RUBENSTEIN. Yes.

Mr. MOSER. The Studio Music Corp.—

Mr. RUBENSTEIN. Studio Music, Inc.

Mr. MOSER. Does that play the music for this?

Mr. RUBENSTEIN. That is right. That is the central studio.

Mr. MOSER. What else goes over the wires besides music?

Mr. RUBENSTEIN. We have a radio attachment whereby, if a certain location would like to get a fight or a Presidential broadcast or anything of that sort which is of national importance, we can switch the radio in so the location can get that service.

Mr. MOSER. Do you play records over the service?

Mr. RUBENSTEIN. Yes. The music consists of records.

Mr. MOSER. Where are they played?

Mr. RUBENSTEIN. In the different locations where I have my different outlets. You mean where are the records played?

Mr. MOSER. Yes.

Mr. RUBENSTEIN. In the central studio.

Mr. MOSER. Where is that located?

Mr. RUBENSTEIN. 1616 Pacific Avenue.

Mr. MOSER. Do you give any news out over that?

Mr. RUBENSTEIN. No. As I say, unless it is a national broadcast. If the President is making a speech.

Mr. MOSER. That is not news, that is an event.

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Do you have baseball games broadcast over it?

Mr. RUBENSTEIN. Well, the world series sometimes.

Mr. MOSER. Do you have announced results of baseball games?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. No results of any kind? Racing, or anything?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Is that your only business?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. You refuse to answer on what grounds?

Mr. RUBENSTEIN. That it may tend to incriminate me.

Mr. MOSER. Under what kind of a law?

Mr. RUBENSTEIN. Federal tax.

Mr. MOSER. Federal income tax?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Who owns the stock of Studio Music, Inc.?

Mr. RUBENSTEIN. I do.

Mr. MOSER. You own all of the stock?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Nobody else owns any?

Mr. RUBENSTEIN. No; I am the sole owner.

Mr. MOSER. You are the sole owner?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Is it a New Jersey corporation?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Do you have any qualifying shares owned by anybody else?

Mr. RUBENSTEIN. I do not know what a qualifying share is.

Mr. MOSER. Under the law of New Jersey a director has to be a stockholder.

Mr. RUBENSTEIN. Well, when the corporation was first formed there was another party in the corporation. His name was Frieden-berg. Mr. Feinberg, my attorney, formed the corporation and I believe at the time—I may be wrong about this—there was a nominal one share given in there to make the corporation legal. There had to be another director.

Mr. MOSER. If we can save time, we have no objection to your advising him about things like that.

Mr. FEINBERG. Mr. Rubenstein owns and controls all of the stock in this corporation. There are two qualifying shares, two qualifying shareholders. I think one is myself, and I do not recall the other.

Mr. MOSER. Who are the directors of the corporation?

Mr. FEINBERG. I am.

Mr. MOSER. You are the president?

Mr. RUBENSTEIN. President and treasurer of the corporation.

Mr. MOSER. Who are the directors? Do you know, Mr. Feinberg?

Mr. RUBENSTEIN. I don't recall, myself.

Mr. MOSER. Do you ever have directors' meetings?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Never had stockholders' meetings?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Any other officers besides you?

Mr. RUBENSTEIN. I don't think so, sir.

Mr. MOSER. Does the corporation have any business other than the music you described?

Mr. RUBENSTEIN. We have jukeboxes.

Mr. MOSER. Are those jukeboxes you rent and place in various places?

Mr. RUBENSTEIN. They are placed in places on a commission basis.

Mr. MOSER. Do you own them?

Mr. RUBENSTEIN. Except whatever is against them. Do I own them completely? No, sir.

Mr. MOSER. Do you buy them?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. You buy them subject to a chattel mortgage?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Then you rent them out to places that use them?

Mr. RUBENSTEIN. I place them on commission.

Mr. MOSER. Does that corporation have any other business?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Do you get any income from that company?

Mr. RUBENSTEIN. I haven't yet.

Mr. MOSER. None whatever?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. What is your source of income?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. On what grounds?

Mr. RUBENSTEIN. It may tend to incriminate me.

Mr. MOSER. What is the Boardwalk Gift Shop?

Mr. RUBENSTEIN. The Boardwalk Gift Shop is a haberdashery on 1641 Boardwalk.

Mr. MOSER. Do you receive any income from that?

Mr. RUBENSTEIN. I did up to the time I left there.

Mr. MOSER. When did you leave it?

Mr. RUBENSTEIN. I believe it was the latter part of September, maybe earlier.

Mr. MOSER. Of 1950?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. But up until then you did receive income from that store, did you?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. What was the nature of business? A haberdashery shop?

Mr. RUBENSTEIN. That is a haberdashery shop, sir.

Mr. MOSER. Do you own it?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. What is your connection with it?

Mr. RUBENSTEIN. I have no connection with it now.

Mr. MOSER. What connection did you have with it when you used to receive income from it?

Mr. RUBENSTEIN. I was the general manager.

Mr. MOSER. You received a salary?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Was that your only connection with it?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. You had no ownership interest in it?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Did you receive a share of the profits?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Did it have any business other than haberdashery?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. What is the Atlantic Amusement Co.?

Mr. RUBENSTEIN. I refuse to answer that on the grounds that it may tend to incriminate me.

Mr. MOSER. You reported it in your income tax, as having received income from Atlantic Amusement Co.

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Your income-tax return shows in 1946 you received \$4,800 from the Atlantic Amusement Co. Does that sound correct?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. Do you refuse to answer any questions with respect to the Atlantic Amusement Co.?

Mr. RUBENSTEIN. That is right. I refuse to answer questions pertaining to the Atlantic Amusement Co. on the ground that it may tend to incriminate me because of the Federal income tax.

Mr. MOSER. Are you willing to tell what partners you have in that?

Mr. RUBENSTEIN. I refuse to answer anything pertaining to the Atlantic Amusement Co.

Mr. MOSER. Who is Dorothy Brenner?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. You refuse to answer who she is? On what ground is that, may I ask?

Mr. RUBENSTEIN. May I confer with counsel?

Mr. MOSER. Yes, go ahead.

(The witness conferred with his counsel.)

Mr. RUBENSTEIN. It may tend to violate a Federal law, sir.

Mr. FEINBERG. May I interrupt, if you do not mind, sir? Would you mind repeating this last question?

Mr. MOSER. Who is Dorothy Brenner?

Mr. RUBENSTEIN. She worked for me at the Studio Music, sir, and she worked for me also at the Music Box Co.

Mr. MOSER. You say the Music Box Co. as distinguished from the Studio Music? Have you two corporations?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. But there are two establishments in one corporation?

Mr. RUBENSTEIN. No, sir. There is no connection between the two.

Mr. MOSER. Will you explain what the two are, then?

Mr. RUBENSTEIN. The Music Box Corp. is a similar business. When I was connected with it, it operated the same jukeboxes and automatic hostess equipment.

Mr. MOSER. And that was your business, too, was it?

Mr. RUBENSTEIN. I was employed there.

Mr. MOSER. You worked there?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Did she work there at the same time?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Did she work for you or for that company?

Mr. RUBENSTEIN. I was the manager there, too.

Mr. MOSER. And she was your subordinate employee?

Mr. RUBENSTEIN. I guess you would call it that. She was an automatic hostess.

Mr. MOSER. She was an automatic hostess?

Mr. RUBENSTEIN. The automatic hostess equipment consists of music boxes placed in separate locations that have a microphone in front of them and when a person at the location speaks into that microphone, the voice is received in the central studio. The party from the location will ask for a particular record. The girl who is called an automatic hostess then places the record on a turntable in the central studio and that is piped out also through a telephone line to a particular location.

Mr. MOSER. She acted as a subordinate employee in that company. You said she also acted as your employee in the Studio Music Co.

Mr. RUBENSTEIN. She was an employee of the Music Box Corp. under my jurisdiction as manager.

Mr. MOSER. Yes. Then you said she also worked for you in the other company?

Mr. RUBENSTEIN. Yes, she worked for me at the Studio Music Co., also, when I worked for that company.

Mr. MOSER. Does she still work for you in that company?

Mr. RUBENSTEIN. Does she still work for me at the Studio Music?

Mr. MOSER. Yes.

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Does she still work for you at all?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. Do you own any automobiles?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. What kind of cars do you own?

Mr. RUBENSTEIN. An Oldsmobile.

Mr. MOSER. What year?

Mr. RUBENSTEIN. 1949.

Mr. MOSER. And do you own any others?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. That is a 1949 automobile? Did you buy it in 1949?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. You bought it new?

Mr. RUBENSTEIN. Yes.

Mr. MOSER. Whom did you buy it from?

Mr. RUBENSTEIN. Saunders Motors Co.

Mr. MOSER. And you do not own any other automobile at all?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Does your wife own an automobile?

Mr. RUBENSTEIN. Yes; my wife has a car.

Mr. MOSER. She does?

Mr. RUBENSTEIN. I might add it is my son's car in my wife's name.

Mr. MOSER. What kind of car?

Mr. RUBENSTEIN. Ford.

Mr. MOSER. What year?

Mr. RUBENSTEIN. 1951.

Mr. MOSER. When you bought your Oldsmobile from Saunders Motors Co., whom did you deal with? What salesman was the one who sold you it?

Mr. RUBENSTEIN. I do not know, sir.

Mr. MOSER. You do not remember?

Mr. RUBENSTEIN. No.

Mr. MOSER. What is your license plate on the Oldsmobile?

Mr. RUBENSTEIN. AC-37-U.

Mr. MOSER. How long have you had that plate?

Mr. RUBENSTEIN. Since they were issued, I guess, April 1.

Mr. MOSER. How long have you had that number in successive years?

Mr. RUBENSTEIN. This is the first time.

Mr. MOSER. What number did you have last year?

Mr. RUBENSTEIN. I don't remember.

Mr. MOSER. Have you ever had a low number?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. What is the number on your wife's Ford?

Mr. RUBENSTEIN. 38-U, one number more than mine.

Mr. MOSER. AC-38-U?

Mr. RUBENSTEIN. I would like to qualify that by saying this is my son's car in my wife's name.

Mr. MOSER. I understand that.

That car belongs to your son. How old is he?

Mr. RUBENSTEIN. Seventeen.

Mr. MOSER. Who pays for the car, the Ford?

Mr. RUBENSTEIN. It was either my wife or myself.

Mr. MOSER. You supplied the money for it—you or your wife supplied the money for it?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Does your wife own any real estate?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Do either of you own any stocks and bonds other than the stocks of the Music Studio that you mentioned?

Mr. RUBENSTEIN. My wife has nothing to do with the Studio Music stock.

Mr. MOSER. My question was, Do either of you own any stocks and bonds in addition to the Music Studio?

Mr. RUBENSTEIN. I believe that there are some stocks in my son's name, United States bonds.

Mr. MOSER. Who supplied the money for those?

Mr. RUBENSTEIN. I may have.

Mr. MOSER. How much?

Mr. RUBENSTEIN. I don't know. They are about 10 years old.

Mr. MOSER. What do the amount to?

Mr. RUBENSTEIN. About \$1,000.

Mr. MOSER. How much rent do you pay for your apartment?

Mr. RUBENSTEIN. \$78.77 or \$79.77.

Mr. MOSER. Who pays the rent for Dorothy Brenner's apartment?

Mr. RUBENSTEIN. I wouldn't know that, sir.

Mr. MOSER. You do not know?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Who is Kay Pepper?

Mr. RUBENSTEIN. The young lady you have in mind is Kay Schubert. Kay Pepper was her first married name. Kay Schubert was her last husband's name.

Mr. MOSER. Is Schubert living?

Mr. RUBENSTEIN. Is Mr. Schubert living?

Mr. MOSER. Yes.

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. So she is a widow?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Does she work for you?

Mr. RUBENSTEIN. She worked for me at the Music Box. She worked for me at the Music Box Corp. at Virginia Avenue and she worked at the Boardwalk Gift Shop. That is right.

Mr. MOSER. I didn't hear the last words.

Mr. RUBENSTEIN. She worked at the Boardwalk Gift Shop.

Mr. MOSER. Does she do any other work for you?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Has she ever?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Ever been on your payroll?

Mr. RUBENSTEIN. Kay Schubert worked under me at the Music Box Corp. and at the Boardwalk Gift Shop. I never had any other connections.

Mr. MOSER. Have you ever loaned her any money?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. How much have you loaned her?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. Do you refuse to answer that on the ground that it will incriminate you or incriminate her?

Mr. RUBENSTEIN. On the ground that it may incriminate me, sir.

Mr. MOSER. But you have loaned her money?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Has she paid it back?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. What kind of an offense would that be that you have in mind?

Mr. RUBENSTEIN. Federal income tax offense.

Mr. MOSER. When that loan was made to her, was it made in the form of cash or check?

Mr. RUBENSTEIN. I refuse to answer that, sir.

Mr. MOSER. Have you ever loaned any money to Dorothy Brenner?

Mr. RUBENSTEIN. I may have loaned her \$10 or \$15.

Mr. MOSER. But no substantial amount?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Was the amount loaned to Kay Pepper a substantial amount?

Mr. RUBENSTEIN. I refuse to answer that, sir.

Mr. MOSER. Has Dorothy Brenner done any work for you except what you have already described?

Mr. RUBENSTEIN. I refuse to answer that, sir.

Mr. MOSER. Is Dorothy Brenner known by any other name other than that?

Mr. RUBENSTEIN. Dorothy Brenner was her maiden name.

Mr. MOSER. Is she married?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Married at the present time?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Is she living with her husband?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Where does she live?

Mr. RUBENSTEIN. I don't know.

Mr. MOSER. What is her father's name?

Mr. RUBENSTEIN. I don't know.

Mr. MOSER. You don't know her father's name?

Mr. RUBENSTEIN. Pop.

Mr. MOSER. Where does he live?

Mr. RUBENSTEIN. I don't know.

Mr. MOSER. You are sure you do not know where he lives?

Mr. RUBENSTEIN. He is the janitor or elevator operator in the building where I have my Studio Music office.

Mr. MOSER. Do you have any interest in that building?

Mr. RUBENSTEIN. No.

Mr. MOSER. Does he live at 3 North Mississippi Avenue?

Mr. RUBENSTEIN. No, sir; he lives somewhere on Mississippi Avenue.

Mr. MOSER. Do you own 3 North Mississippi Avenue?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. You don't know that address?

Mr. RUBENSTEIN. No, sir.

Senator HUNT. I just wanted to ask you one question. Is your income tax being investigated at this time?

Mr. RUBENSTEIN. I served time, sir, for violations of income tax, previously.

Senator HUNT. But you are not under investigation now that you know of?

Mr. RUBENSTEIN. No, sir; not that I know of.

Senator HUNT. You are refusing to answer because it might incriminate you. That led me to believe that you might now be under investigation and the testimony you might give might prejudice your position. That was why I asked the question.

Mr. RUBENSTEIN. Counsel has notified me that I can claim privilege in refusing to answer any questions that I personally think may tend to incriminate me. Upon advice of counsel, I refuse to answer.

Senator HUNT. You understand we are not a prosecuting committee. We have no authority to prosecute. We are just an interrogation team attempting to get information. You are perfectly within your rights any time you wish to refuse to answer a question. However, it definitely shows a lack of cooperation with what the Senate is trying to do in cleaning up this criminal mess throughout the United States. When you take a position that you might incriminate yourself, if you testify, when there is no proceeding now outstanding against you—

Mr. MOSER. In any case, as far as you know, there is no threat of prosecution against you under any Federal offense?

Mr. RUBENSTEIN. As far as I know, there is no threat of any kind.

Mr. MOSER. Isn't your real ground for refusing to testify with regard to the Atlantic Amusement Co. that it constitutes a violation of a State law rather than a Federal law?

MR. RUBENSTEIN. I refuse to answer that question. The answer is "No."

MR. MOSER. Do you know a man by the name of Masucci?

MR. RUBENSTEIN. Yes, sir.

MR. MOSER. How long have you known him?

MR. RUBENSTEIN. Fifteen or sixteen years—fifteen years anyhow.

MR. MOSER. Fred Masucci?

MR. RUBENSTEIN. Yes, sir.

MR. MOSER. Are you and he in business together?

MR. RUBENSTEIN. I refuse to answer that question.

MR. MOSER. With reference to your music boxes and jukeboxes, where do you buy them?

MR. RUBENSTEIN. The Atlantic-Pennsylvania Co., of Philadelphia.

MR. MOSER. Atlantic-Pennsylvania Co., of Philadelphia?

MR. RUBENSTEIN. Yes, sir.

MR. MOSER. And are the boxes shipped from there?

MR. RUBENSTEIN. They are motored down from Philadelphia. I don't know where they are shipped from.

MR. MOSER. Do you ever buy any in Newark?

MR. RUBENSTEIN. The Music Box Corp. did business with Newark; yes, sir.

MR. MOSER. What kind of business?

MR. RUBENSTEIN. Music business. When I was at the Music Box Corp. I never did business with—just a minute.

(The witness conferred with his counsel.)

MR. RUBENSTEIN. When I originally started the Studio Music, I started with automatic hostesses. That equipment was bought from the Runyon Sales Co. in Newark.

MR. MOSER. The Runyon Sales Co. in Newark?

MR. RUBENSTEIN. That is right, sir.

MR. MOSER. Do you know who owns the Runyon Sales Co.?

MR. RUBENSTEIN. No, sir; I don't.

MR. MOSER. Do you know Joe Stacher?

MR. RUBENSTEIN. No, sir.

MR. MOSER. Did you ever hear of Doc Stacher or Doc Rosen?

MR. RUBENSTEIN. No, sir.

MR. MOSER. You don't know that they own Runyon Music Co.?

MR. RUBENSTEIN. No, sir; I don't.

MR. MOSER. You don't know who owns it?

MR. RUBENSTEIN. No, sir; I don't.

MR. MOSER. Do you know Abner Zwillman?

MR. RUBENSTEIN. No, sir.

MR. MOSER. Ever hear of him?

MR. RUBENSTEIN. Yes.

MR. MOSER. You never met him?

MR. RUBENSTEIN. Never saw him. Wouldn't know him if he walked into the room.

MR. MOSER. Do you know Herman Orman?

MR. RUBENSTEIN. Yes, sir.

MR. MOSER. How long have you known him?

MR. RUBENSTEIN. Seven year, eight years.

MR. MOSER. Have you ever had any business dealings with him?

MR. RUBENSTEIN. I service the Cosmopolitan Hotel with wired music.

Mr. MOSER. Have you ever had any other business dealings with him?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. None, whatever?

Mr. RUBENSTEIN. None, whatever.

Mr. MOSER. Have you ever had any personal, social dealings with him?

Mr. RUBENSTEIN. Social?

Mr. MOSER. Yes.

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. In what connection have you known him for 7 years?

Mr. RUBENSTEIN. I service him with music at the Cosmopolitan Hotel.

Mr. MOSER. That is the only way you know him?

Mr. RUBENSTEIN. Yes, sir. I knew him by sight before I serviced his hotel with music.

Mr. MOSER. But you had no business dealings with him other than that?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Of any kind?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Legal or illegal?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Do you know Harry "Cherry" Haggerty?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Have you ever had any business dealings with him?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Of any kind?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. How long have you known him?

Mr. RUBENSTEIN. Three or four or five years.

Mr. MOSER. Do you know Jack Berenato, also called Jack Colby?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. RUBENSTEIN. Approximately the same length of time, 6 years.

Mr. MOSER. Ever had any business dealings with him?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. None whatever?

Mr. RUBENSTEIN. None whatever.

Mr. MOSER. Do you know a policeman named Mooney?

Mr. RUBENSTEIN. Yes.

Mr. MOSER. How long have you known him?

Mr. RUBENSTEIN. A year.

Mr. MOSER. Only a year?

Mr. RUBENSTEIN. About a year or maybe a year and a half, 2 years.

Mr. MOSER. Do you know Senator Frank Farley?

Mr. RUBENSTEIN. By sight.

Mr. MOSER. Do you know him well?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. You don't know him well?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. When did you last see him?

Mr. RUBENSTEIN. I don't know.

Mr. MOSER. Did you see him 2 days ago?

Mr. RUBENSTEIN. I haven't seen Senator Farley in months.

Mr. MOSER. Have you ever talked to him?

Mr. RUBENSTEIN. Yes, I spoke to the senator.

Mr. MOSER. How recently?

Mr. RUBENSTEIN. Election time.

Mr. MOSER. Not since then?

Mr. RUBENSTEIN. No. I never spoke to the senator other than—no, I never spoke to the senator.

Mr. MOSER. Do you know James H. Boyd?

Mr. RUBENSTEIN. Yes, sir; I know Boyd.

Mr. MOSER. Who is he?

Mr. RUBENSTEIN. He is the so-called leader of the fourth ward.

Mr. MOSER. Leader of the fourth ward?

Mr. RUBENSTEIN. Yes.

Mr. MOSER. What ward are you in?

Mr. RUBENSTEIN. I live in the first ward.

Mr. MOSER. Who is the leader of your ward?

Mr. RUBENSTEIN. Louis Watson.

Mr. MOSER. Louis Watson?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Does he hold any official job?

Mr. RUBENSTEIN. I don't really know. He is a building inspector.

Mr. MOSER. Do you know Harold Scheper?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. RUBENSTEIN. Fifteen years or more.

Mr. MOSER. Have you ever had any business dealings with him?

Mr. RUBENSTEIN. I had business with Scheper around 1939.

Mr. MOSER. What kind of business was that?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. Have you had business since?

Mr. RUBENSTEIN. No.

Mr. MOSER. Not since 1939?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Business that you had with him in 1939, is that the business with respect to which you were indicted under the Federal income-tax laws; is that not correct?

Mr. RUBENSTEIN. I was indicted for income-tax evasion.

Mr. MOSER. In connection with business dealings with Scheper?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Was it with reference to income you received from the numbers game?

Mr. RUBENSTEIN. Yes; it was.

Mr. MOSER. And the business dealings that you had with Scheper at that time, were they numbers?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. How can you refuse to answer with respect to activities on which you have already been indicted and convicted?

Mr. RUBENSTEIN. I suppose it is a matter of record.

Mr. MOSER. You cannot be indicted and convicted again on that. How can you claim privilege on that?

Mr. FEINBERG. May I consult with him?

Mr. MOSER. Yes.

(The witness consulted with his counsel.)

MR. RUBENSTEIN. I had no business with Scheper in numbers or anything else pertaining to any indictment at that time, sir.

MR. MOSER. I want to ask you about Captain Freye, of the police department. Do you know him?

MR. RUBENSTEIN. Yes, sir.

MR. MOSER. How long have you known him?

MR. RUBENSTEIN. Four or five years.

MR. MOSER. How well do you know him?

MR. RUBENSTEIN. Not too well. I know him by sight to say "hello" to.

MR. MOSER. How often do you see him?

MR. RUBENSTEIN. Once or twice a year, I guess, on the Boardwalk or on the street.

MR. MOSER. Does he ever come into your place of business?

MR. RUBENSTEIN. No, sir.

MR. MOSER. How about Arnheim?

MR. RUBENSTEIN. No, sir.

MR. MOSER. Do you know him?

MR. RUBENSTEIN. Yes, sir.

MR. MOSER. How long have you known him?

MR. RUBENSTEIN. Twenty years or more.

MR. MOSER. Does he ever come into your place of business?

MR. RUBENSTEIN. He was in the Boardwalk Gift Shop several times.

MR. MOSER. How often did he come in?

MR. RUBENSTEIN. Maybe two or three times in the entire 5 years I was there.

MR. MOSER. What other dealings have you had with Arnheim?

MR. RUBENSTEIN. None whatsoever.

MR. MOSER. Thank you. That is all.

Do you hereby consent to have your attorney, Mr. Feinberg, accept service of a further subpoena from this committee on you, sir?

MR. RUBENSTEIN. I do, sir.

MR. MOSER. The subpoena will be served upon your attorney and you authorize him to accept it for you?

MR. RUBENSTEIN. That is right, sir.

Senator HUNT. All right; that will be all. Thank you.

**TESTIMONY OF MRS. DOROTHY MITCHELL, ATLANTIC CITY, N. J.,
ACCOMPANIED BY HARRY MILLER, ATTORNEY, ATLANTIC CITY,
N. J.**

Senator HUNT. Will you stand, please, Mrs. Mitchell, and be sworn?

Do you solemnly swear, in the testimony you are about to give this committee, you will tell the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. MITCHELL. Yes, I do.

MR. MOSER. You are Mrs. Mitchell?

Mrs. MITCHELL. That is right.

MR. MOSER. Where do you live?

Mrs. MITCHELL. 9 North New Haven Avenue.

MR. MOSER. Is that your residence?

Mrs. MITCHELL. That is right.

MR. MOSER. Where do you work?

Mrs. MITCHELL. I refuse to answer that.

MR. MOSER. You refuse to answer where you work?

MRS. MITCHELL. Yes.

MR. MOSER. Do you have a job?

MRS. MITCHELL. I refuse to answer that on the ground that it may incriminate me.

MR. MOSER. You refuse to answer whether you have a job?

MRS. MITCHELL. Yes, on the ground that it may tend to incriminate me.

MR. MOSER. How long have you lived in Atlantic City?

MRS. MITCHELL. Practically all my life.

MR. MOSER. Practically all your life?

MRS. MITCHELL. Yes.

MR. MOSER. When did you first work?

MRS. MITCHELL. It is hard to say. Quite a few years ago. I started to work when I was a youngster, I guess.

MR. MOSER. And what kind of work did you do when you first started in?

MRS. MITCHELL. I started as a waitress.

MR. MOSER. How long did you work as a waitress?

MRS. MITCHELL. A year or so.

MR. MOSER. How old were you when that happened?

MRS. MITCHELL. About 16 or 17.

MR. MOSER. And after you finished working as a waitress, what did you do?

MRS. MITCHELL. I worked at the Music Box.

MR. MOSER. Music Box?

MRS. MITCHELL. That is right.

MR. MOSER. Is that Mr. Rubenstein's company?

MRS. MITCHELL. That was on Virginia Avenue. That was back in 1942.

MR. MOSER. What was the business of the music company?

MRS. MITCHELL. We had hostess machines. I was the operator on one of them.

MR. MOSER. And who ran that company?

MRS. MITCHELL. Well, Ben was my boss.

MR. MOSER. Ben Rubenstein?

MRS. MITCHELL. That is right.

MR. MOSER. He worked there and he was the manager?

MRS. MITCHELL. That is right.

MR. MOSER. Where did you work after you left there?

MRS. MITCHELL. I refuse to answer that.

MR. MOSER. That is the point at which you refuse to answer?

MRS. MITCHELL. Yes, sir. I refuse to answer on the ground that it will tend to incriminate me.

MR. MOSER. What is your address, Mr. Miller?

MR. MILLER. Three forty-nine Guaranty Trust Building, Atlantic City.

MR. MOSER. What is the name of your firm, Mr. Miller?

MR. MILLER. I practice by myself.

MR. MOSER. You have associates?

MR. MILLER. Why are you asking me these questions? For any particular reason?

MR. MOSER. Yes, but you do not want to answer?

MR. MILLER. May I ask the reason?

Mr. MOSER. I am not inclined to give the reason. You refuse to answer; do you?

Mr. MILLER. I am not being interrogated, am I, in response to anything? I am a member of the bar and my office is known.

Mr. MOSER. Not to me, sir.

Mr. MILLER. I have stated my address and I have told you that I practice alone.

Mr. MOSER. And you don't want to tell me whether you have any associates?

Mr. MILLER. I have no associates. I do work for other attorneys that are referred to me.

Mr. MOSER. That is very simple. I just asked whether you had associates and you say "no."

Mr. MILLER. I practice alone.

Mr. MOSER. Now, we will return to the witness. You refuse to answer the question as to what work you did after you left the Music Shop?

Mrs. MITCHELL. That is right.

Mr. MOSER. And on what ground?

Mrs. MITCHELL. Might tend to incriminate me.

Mr. MOSER. Tend to incriminate you in what regard?

Mrs. MITCHELL. A Federal charge.

Mr. MOSER. What kind of a Federal charge?

Mrs. MITCHELL. I refuse to answer that.

Mr. MOSER. You refuse to answer what kind of a Federal charge?

Mrs. MITCHELL. That is right.

Mr. MOSER. You merely say a Federal charge and you refuse to give any further information with regard to the nature of the charge?

Mrs. MITCHELL. That is right.

Mr. MOSER. Just state it generally, do you?

Mrs. MITCHELL. Yes.

Mr. MOSER. Does it relate to income tax?

Mrs. MITCHELL. I still refuse to answer.

Mr. MOSER. You refuse to answer whether it relates to income tax, do you?

Mrs. MITCHELL. That is right.

Mr. MOSER. You understand that this committee is an investigating committee and engaged in obtaining information for Congress? You understand that?

Mrs. MITCHELL. Yes; I do.

Mr. MOSER. You understand that we are not a prosecuting committee, do you not?

Mrs. MITCHELL. I understand that.

Mr. MOSER. You understand that we have no authority or power to prosecute anybody?

Mrs. MITCHELL. That is right.

Mr. MOSER. Are you under investigation for any Federal crime?

Mrs. MITCHELL. I do not know that.

Mr. MOSER. You do not know of any criminal action, any crime you are being investigated for?

Mrs. MITCHELL. That is right.

Mr. MOSER. You don't know of any investigation of your income tax, do you?

Mrs. MITCHELL. No.

Mr. MOSER. You have no reason to think that you are in danger of prosecution, have you?

(Discussion off the record.)

Mr. MOSER. A subpoena was served upon you to appear here?

Mrs. MITCHELL. Yes; it was.

Mr. MOSER. And you were asked to produce some records?

Mrs. MITCHELL. It said on the subpoena, income taxes, but I have no record of that. I have no duplicates.

Mr. MOSER. You have no copies of your income tax returns?

Mrs. MITCHELL. No.

Mr. MOSER. Have you any records regarding your income taxes?

Mrs. MITCHELL. No; I do not.

Mr. MOSER. Do you pay an income tax?

Mrs. MITCHELL. Yes.

Mr. MOSER. What are those documents that you have in your hand?

Mrs. MITCHELL. That is the subpoena.

Mr. MOSER. Just the subpoena?

Mrs. MITCHELL. That is all. I have no records whatsoever.

Mr. MOSER. Will you produce the subpoena?

(The witness produced the subpoena.)

Mr. MOSER. You admit it was served on you?

Mrs. MITCHELL. That is right.

Mr. MOSER. I want to follow the line of questions I was pursuing before. As you know, it is our task to obtain information with regard to organized crime in interstate commerce. You understand that, do you not?

Mrs. MITCHELL. Yes.

Mr. MOSER. Have you any information regarding any such crime which does not incriminate you?

Mrs. MITCHELL. I refuse to answer that.

Mr. MOSER. That is all I have to ask.

Mr. MILLER. I would like her to state the grounds.

Mrs. MITCHELL. Same ground, it will tend to incriminate me.

Senator HUNT. The acting chairman of the subcommittee directs the witness to answer the question asked by the counsel.

(The witness consulted her counsel.)

Mr. MILLER. May I speak on the record after I consult with her?

Senator HUNT. That isn't quite customary. You can take all the time you need to advise your client, but we are not making a record for you, Mr. Miller. It is for the committee.

Mr. MILLER. I appreciate that, but sometimes she may have difficulty in answering your questions.

Mr. MOSER. If she does, you can advise her.

(The witness consulted with her attorney.)

Mrs. MITCHELL. I refuse to answer that.

Mr. MOSER. Do you own an automobile?

Mrs. MITCHELL. No; I don't.

Mr. MOSER. All right, that is all.

(Whereupon, at 1 p. m., the hearing recessed to reconvene at 2 p. m. of the same day.)

AFTERNOON SESSION

FURTHER TESTIMONY OF HERMAN ORMAN, ATLANTIC CITY, N. J.

Senator HUNT. Would you stand and be sworn, please?

Mr. ORMAN. Yes, sir.

Senator HUNT. In the testimony you are about to give do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ORMAN. I do.

Mr. MOSER. Mr. Orman, when you testified the other day, you were asked to produce records with regard to your income, and so forth, and you had a little book.

Mr. ORMAN. That is right, sir.

Mr. MOSER. Have you got that book with you?

Mr. ORMAN. I do.

Mr. MOSER. It is the book marked "Exhibit P": is that correct?

Mr. ORMAN. That is correct.

Mr. MOSER. Will you please produce that book?

Mr. ORMAN. No; I will not.

Mr. MOSER. You refuse to do so?

Mr. ORMAN. I do, sir.

Mr. MOSER. You understand that book is an exhibit before this committee, do you not?

Mr. ORMAN. I do.

Mr. MOSER. And why do you refuse to show it to the committee?

Mr. ORMAN. Because I do not want it to become public property, to be given to the newspapers. That is my personal business.

Mr. MOSER. Is it giving it to the newspapers to give it to us?

Mr. ORMAN. I think so.

Mr. MOSER. You do?

Mr. ORMAN. Yes.

Mr. MOSER. You refuse to produce it before this closed session of the committee on that ground?

Mr. ORMAN. Unless I have an assurance that it will not be given to the newspapers. I must be assured of that first. First of all, this is not pertinent to this investigation, as far as I could determine, but I was very nice and gracious enough to sit through two and a half hours of my income taxes, which I think have nothing to do with this investigation, as far as crime and what this investigation is headed under. I had nothing to do with that. I sat here and tried to be very helpful.

Senator HUNT. The committee has not come up here to be lectured by you. You will answer what questions you wish to answer. What questions you do not wish to answer, you may not answer. All you need to do is say so.

Mr. ORMAN. I am not lecturing. I am just speaking for myself.

Mr. MOSER. You say it is not material to this committee, but will you please let us see it and ascertain whether it is material?

Mr. ORMAN. I showed it to the counselor the other day, to Mr. Lane?

Mr. MOSER. Did he look at it?

Mr. ORMAN. He wanted me to read it into the record.

Mr. MOSER. The record indicates that you did not give him a chance to read it, but that you insisted that he hand back the book to you.

Mr. ORMAN. Sir, I gave Mr. Lane the book and he asked me if I would please read this book into the record, and I said only with the provision——

Mr. MOSER. I find nothing in here which says he asked you to read it into the record. Senator Hunt said:

Will you turn that book over to the stenographer, so he can give it an exhibit number?

Mr. ORMAN. That was afterward, sir. I asked Senator Hunt, when he asked me if I would turn it over to the stenographer, if he would assure me I would get the book back.

Mr. MOSER. Here is what the testimony says.

Mr. LANE. Will you produce that (referring to the book).

Mr. ORMAN. Yes, sure.

You produced the book.

Then he said:

Can you tell us what your gross income was roughly for the first 6 months of 1951?

You said:

Not offhand, somewhere between \$15,000 and \$16,000.

Mr. LANE. Will this book indicate all your income for 1951 to date?

And you said:

As far as I know.

Then Mr. Lane said:

Can you, by running quickly through this book, indicate such an income as \$15,000 or \$16,000?

You said:

Yes, let me have it. I am more familiar with it. I know my own figures.

Mr. ORMAN. That was to determine an amount. If he would give me the book and a pencil, I would do it.

Mr. MOSER. I read what he said. Further, Mr. Lane said:

We do not want to deprive you of that book. Will you simply read into the record the financial record you have?

You said:

I will give you the gross amount. I will read you the gross amount.

Mr. MOSER. Will you please let me see the book?

Mr. ORMAN. I will let you see the book.

Mr. MOSER. Then please do so.

Mr. ORMAN. Is it not going to be read into the record.

Mr. MOSER. I am not going to decide now whether it will go into the record. If it is material, it will certainly go into the record.

Mr. ORMAN. I refuse to give you the book.

Mr. MOSER. You refuse to give me the book on the sole ground of your not wanting to go into the record?

Mr. ORMAN. I don't care about it going into the record.

Mr. MOSER. I want an exact statement of the ground for refusing to show us the book.

Mr. ORMAN. I don't want the contents of this book to be published in the newspapers and made public property as there have been some

other statements made before about myself. I do not know by whom. I am in business in this town.

Mr. MOSER. What is your business?

Mr. ORMAN. The hotel business.

Mr. MOSER. Is that your only business?

Mr. ORMAN. Public relations and real-estate work.

Mr. MOSER. Those are your only businesses?

Mr. ORMAN. That is right, sir.

Mr. MOSER. We are not in a position to commit ourselves as to what will be made public from the records of this committee and what will not. We, therefore, remind you that if you refuse to show us that book, you expose yourself to a charge of contempt, and I ask you again to hand me that book.

Mr. ORMAN. No; I will not, sir.

Mr. MOSER. And you refuse?

Mr. ORMAN. I do, sir.

Mr. MOSER. You are excused, except we want to give you a subpoena. I have another question or two. You have an account at the Boardwalk Guaranty Bank?

Mr. ORMAN. Boardwalk National Bank and the Guaranty Trust Bank.

Mr. MOSER. Guaranty Bank and Trust Co.?

Mr. ORMAN. Yes.

Mr. MOSER. What is the title of the account at the Boardwalk National Bank?

Mr. ORMAN. H. Orman.

Mr. MOSER. Is the word "attorney" listed after your name?

Mr. ORMAN. That is right.

Mr. MOSER. What is the significance of the word "attorney"?

Mr. ORMAN. I don't know. I have had that there for 8 or 9 years. Due to some lost checks at one time, it was set up that way. When I started a new account, I kept it that way.

Mr. MOSER. Is that a purely personal account?

Mr. ORMAN. That is right.

Mr. MOSER. What money goes into that account, money that belongs to you?

Mr. ORMAN. No special money, money that belongs to me.

Mr. MOSER. No money that belongs to anybody else?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. It is all yours?

Mr. ORMAN. Yes.

Mr. MOSER. Is it income or other types of money?

Mr. ORMAN. It may be income. I don't know all the transactions offhand. Some may be exchanges, but I think it is mostly personal income.

Mr. MOSER. On December 21, 1950, you made a deposit in that account of \$15,000. Would you tell us what that was for?

Mr. ORMAN. Money I borrowed.

Mr. MOSER. Money you borrowed?

Mr. ORMAN. Yes.

Mr. MOSER. From whom did you borrow?

Mr. ORMAN. I just forget. I borrowed it to purchase something.

Mr. MOSER. That was only 6 months ago. You don't remember whom you borrowed it from?

Mr. ORMAN. There were three or four transactions. I don't remember which one, unless I refer back to my bank statement and everything else.

Mr. MOSER. You deposited—

Mr. ORMAN. \$25,000—\$15,000, \$5,000, and \$5,000—in the month of December.

Mr. MOSER. You borrowed \$25,000?

Mr. ORMAN. That is right.

Mr. MOSER. From whom did you borrow that?

Mr. ORMAN. From a friend of mine.

Mr. MOSER. What is his name?

Mr. ORMAN. I cannot tell you.

Mr. MOSER. You do not know?

Mr. ORMAN. I won't tell you; no.

Mr. MOSER. Why?

Mr. ORMAN. I don't want to tell you.

Mr. MOSER. You refuse to answer? On what ground?

Mr. ORMAN. It is my personal affairs.

Mr. MOSER. You just refuse to answer?

Mr. ORMAN. That is right. It is my personal affairs.

Mr. MOSER. Under that you are running the risk of a charge of contempt if you refuse to answer that, do you know?

Mr. ORMAN. I do, sir.

Mr. MOSER. You still refuse to answer?

Mr. ORMAN. I do, sir.

Mr. MOSER. On September 30, 1949, you made a deposit of \$10,500. What was the source of that money?

Mr. ORMAN. I don't know offhand.

Mr. MOSER. You don't remember?

Mr. ORMAN. Not offhand.

Mr. MOSER. Will you please check on that and be in a position to answer that when you next appear before the committee?

Mr. ORMAN. I will see.

Mr. MOSER. You will see?

Mr. ORMAN. Yes.

Mr. MOSER. But you are not sure?

Mr. ORMAN. I am not sure.

Mr. MOSER. You are not sure whether you will look?

Mr. ORMAN. I will look.

Mr. MOSER. You will look?

Mr. ORMAN. Yes; I will definitely look.

Mr. MOSER. Then you will decide whether it will be convenient to tell us?

Mr. ORMAN. It isn't a matter of being convenient. It is a question of whether I think it is pertinent.

Mr. MOSER. Whether you think it is pertinent?

Mr. ORMAN. That is right.

Mr. MOSER. If you don't think it is pertinent, in your opinion, you won't tell us?

Mr. ORMAN. That is right.

Mr. MOSER. Will you make a similar check with regard to all deposits in excess of \$5,000 made in that account?

Mr. ORMAN. In 1949?

Mr. MOSER. For the period from February 8, 1943, to the present time.

Mr. ORMAN. From February 8, 1943, until the present time?

Mr. MOSER. Yes.

Mr. ORMAN. I can't do it. I don't have any records from '43 to the present time.

Mr. MOSER. What are the most recent records you have?

Mr. ORMAN. 1951.

Mr. MOSER. The most recent records are 1951?

Mr. ORMAN. Yes.

Mr. MOSER. Have you thrown everything else away?

Mr. ORMAN. Yes.

Mr. MOSER. Why?

Mr. ORMAN. I didn't think it was necessary to keep it after I filed my income tax returns.

Mr. MOSER. Did you ever have your income-tax return examined?

Mr. ORMAN. Six or eight times.

Mr. MOSER. Did the examining agencies ask you for underlying records?

Mr. ORMAN. I showed them what I had at the time.

Mr. MOSER. Did they ask you if you had any other records?

Mr. ORMAN. I don't remember. They may have.

Mr. MOSER. Did you explain to them that you had thrown away all of your records?

Mr. ORMAN. Yes.

Mr. MOSER. Was that a satisfactory explanation?

Mr. ORMAN. As far as I can remember.

Mr. MOSER. Is it your customary practice to throw all records away for all previous years?

Mr. ORMAN. It was. I didn't think it was necessary to keep them.

Senator HUNT. First, Mr. Orman, I will direct you to hand to the committee the account book that you have on your lap with reference to your 1951 accounts.

Mr. ORMAN. I won't do so.

Senator HUNT. Mr. Orman, the acting chairman directs you to answer the questions asked you by the counsel with respect to the deposits of \$5,000, \$15,000, and \$5,000 on December 14, 21, and 26 of 1950.

Mr. ORMAN. No answer.

Mr. MOSER. What was your answer?

Mr. ORMAN. No answer.

Mr. MOSER. You refuse to answer?

Mr. ORMAN. I refuse to answer.

Senator HUNT. That is all, Mr. Orman.

TESTIMONY OF FRED MASUCCI, MARGATE, N. J., ACCOMPANIED BY EDWARD FEINBERG, ATTORNEY, ATLANTIC CITY, N. J.

Senator HUNT. Will you raise your right hand, please?

Do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MASUCCI. I do.

Mr. MOSER. Will you give your full name and address, residence address, to the stenographer, please?

Mr. MASUCCI. Fred Masucci, 12 North Brunswick, Margate.

Mr. MOSER. Mr. Masucci, what is your business?

Mr. MASUCCI. I refuse to answer on the ground that it may tend to incriminate me.

Mr. MOSER. You refuse to answer that question, when in your income-tax return you state you are a salesman? Is that correct?

Mr. MASUCCI. I cannot answer that question.

Mr. MOSER. You cannot answer it?

Mr. MASUCCI. No.

Mr. MOSER. Why not?

Mr. MASUCCI. It will tend to incriminate me.

Mr. MOSER. In other words, you refuse to answer the question?

Mr. MASUCCI. I refuse to answer the question.

Mr. MOSER. Do you know David Hildreth?

Mr. MASUCCI. Yes.

Mr. MOSER. How long have you known him?

Mr. MASUCCI. Twenty years.

Mr. MOSER. Do you have any business dealings with him?

Mr. MASUCCI. I cannot answer that question.

Mr. MOSER. You refuse to answer it?

Mr. MASUCCI. I refuse to answer it.

Mr. MOSER. Now, Senator, will you instruct the witness to answer the questions that I have asked him? I think we will agree with the witness if it is all right with you, sir, that when you refuse to answer, you are refusing to answer on the ground that it will incriminate you.

Mr. MASUCCI. That is right.

Mr. MOSER. And that it will incriminate you with regard to a Federal offense. Is that your position?

Mr. MASUCCI. That is right.

Mr. MOSER. And that each time you refuse to answer it will be understood you are instructed to answer by the committee. Will you understand that? Do you want us to repeat it each time?

Mr. MASUCCI. No.

Senator HUNT. Then I, as acting chairman of the subcommittee, direct you to answer the questions asked by the counsel.

Mr. MASUCCI. I refuse to answer the question.

Mr. MOSER. Under that, the same direction applies to all of the questions that I ask you from here on.

Senator HUNT. That is, those questions that you refuse to answer, are we to understand that you are refusing to answer them because of self-incrimination?

Mr. MASUCCI. That is right.

Mr. MOSER. What we are saying now applies not only to the questions already asked, but the ones we will ask in the future, which you refuse to answer.

(The witness consulted his counsel.)

Mr. FEINBERG. If there are any other questions that you decide are privileged, the understanding is that you have been instructed by the Senator to answer those questions.

Mr. MOSER. Do you agree to that?

Mr. MASUCCI. Yes; I do.

Mr. MOSER. Do you know Benjamin Rubenstein?

Mr. MASUCCI. Yes; I do.

Mr. MOSER. Have you had any business dealings with him?

Mr. MASUCCI. I refuse to answer that question.

Mr. MOSER. Do you know the Bath and Turf Club?

Mr. MASUCCI. Yes; I do.

Mr. MOSER. Do you have any interest in that club?

Mr. MASUCCI. No; I do not.

Mr. MOSER. Have you ever been there?

Mr. MASUCCI. I have been there for some Chinese food.

Mr. MOSER. For some Chinese food?

Mr. MASUCCI. That is right.

Mr. MOSER. Have you been there for any other purpose?

Mr. MASUCCI. No.

Mr. MOSER. None, whatever?

Mr. MASUCCI. None, whatever.

Mr. MOSER. Have you been in any part of that building, in which the Bath and Turf Club is situated?

Mr. MASUCCI. No; only downstairs in the dining room.

Mr. MOSER. What is the Shore Yellow Cab Co.? Is there such a cab company in Atlantic City?

Mr. MASUCCI. Yes; there is.

Mr. MOSER. It is called the Shore Yellow Cab Co.?

Mr. MASUCCI. That is right.

Mr. MOSER. Is there another cab company called the Yellow Cab Co.?

Mr. MASUCCI. Yes; there is a Yellow Cab Co.

Mr. MOSER. They are two separate companies?

Mr. MASUCCI. I don't know.

Mr. MOSER. Are there two fleets of taxicabs?

Mr. MASUCCI. No; one fleet.

Mr. MOSER. One fleet and they are both yellow cabs?

Mr. MASUCCI. That is right.

Mr. MOSER. One fleet of yellow cabs?

Mr. MASUCCI. That is right.

Mr. MOSER. What does the word "Shore Yellow Cab" indicate? Does it indicate any difference between that and the other yellow cabs?

Mr. MASUCCI. I cannot answer that question.

Mr. MOSER. You mean you don't know?

Mr. MASUCCI. I don't know.

Mr. MOSER. As far as you know, there is only one fleet of yellow cabs in this town?

Mr. MASUCCI. That is right.

Mr. MOSER. Do you own an automobile?

Mr. MASUCCI. No; I do not.

Mr. MOSER. You do not?

Mr. MASUCCI. No.

Mr. MOSER. Does your wife own an automobile?

Mr. MASUCCI. Yes; she does.

Mr. MOSER. What kind of automobile?

Mr. MASUCCI. Cadillac.

Mr. MOSER. What model?

Mr. MASUCCI. Fifty-one.

- Mr. MOSER. What model is it? A sedan?
- Mr. MASUCCI. Coupe.
- Mr. MOSER. Coupe?
- Mr. MASUCCI. Yes.
- Mr. MOSER. Who supplied the funds with which to buy the Cadillac?
- Mr. MASUCCI. I refuse to answer that question.
- Mr. MOSER. You refuse to answer on the ground that it will incriminate you or your wife?
- Mr. MASUCCI. Me.
- Mr. MOSER. Do you know Herman Orman?
- Mr. MASUCCI. Yes; I do.
- Mr. MOSER. How long have you know him?
- Mr. MASUCCI. About 15 years, maybe longer.
- Mr. MOSER. Have you ever had any business dealings with him?
- Mr. MASUCCI. No.
- Mr. MOSER. None, whatever?
- Mr. MASUCCI. None, whatever.
- Mr. MOSER. Have you ever discussed business matters with him?
- Mr. MASUCCI. No; I never did.
- Mr. MOSER. How often do you see him?
- Mr. MASUCCI. Quite often. We are very friendly.
- Mr. MOSER. About how often?
- Mr. MASUCCI. Everyday.
- Mr. MOSER. Where do you see him?
- Mr. MASUCCI. My house or the hotel.
- Mr. MOSER. How recently did you see him?
- Mr. MASUCCI. I just saw him a few minutes ago.
- Mr. MOSER. Did you see him before coming to this hearing?
- Mr. MASUCCI. Yes, I did.
- Mr. MOSER. Where?
- Mr. MASUCCI. At his hotel. I happened to be there. I go there every day.
- Mr. MOSER. You go there to see him?
- Mr. MASUCCI. No.
- Mr. MOSER. You didn't finish your sentence.
- Mr. MASUCCI. I have a habit of going there. That is all I can tell you.
- Mr. MOSER. What do you talk to him about?
- Mr. MASUCCI. Everything in general.
- Mr. MOSER. Nothing in particular?
- Mr. MASUCCI. No; nothing in particular.
- Mr. MOSER. Never had any business matters discussed with him?
- Mr. MASUCCI. Nothing.
- Mr. MOSER. Ever talk to him about any political matters?
- Mr. MASUCCI. No.
- Mr. MOSER. What is the firm of D'Amato, Masucci & Pewlo?
- Mr. MASUCCI. I refuse to answer.
- Mr. MOSER. What is the Casino Amusement Co.?
- Mr. MASUCCI. I refuse to answer that question.
- Mr. MOSER. What is the Atlantic Amusement Co.?
- Mr. MASUCCI. I refuse to answer that question.
- Mr. MOSER. Do you have any legitimate business?
- Mr. MASUCCI. I refuse to answer that question.

Mr. MOSER. Do you know James H. Boyd?

Mr. MASUCCI. Yes.

Mr. MOSER. How long have you known him?

Mr. MASUCCI. Ten to fifteen years.

Mr. MOSER. Do you see him often?

Mr. MASUCCI. Very seldom, maybe on the street somewhere, passing by.

Mr. MOSER. Do you know Lester Burdick?

Mr. MASUCCI. Yes; I do.

Mr. MOSER. How well do you know him?

Mr. MASUCCI. I know him pretty well.

Mr. MOSER. Known him a good many years?

Mr. MASUCCI. Yes; I do.

Mr. MOSER. Ever pay him any money?

Mr. MASUCCI. No.

Mr. MOSER. Did he ever pay you anything?

Mr. MASUCCI. No.

Mr. MOSER. Ever paid any money to Mr. Boyd?

Mr. MASUCCI. No.

Mr. MOSER. Do you know Frank Sullivan?

Mr. MASUCCI. Yes.

Mr. MOSER. Who is he?

Mr. MASUCCI. Police officer.

Mr. MOSER. How long have you known him?

Mr. MASUCCI. I guess quite a few years.

Mr. MOSER. How about Harry Haggerty? Do you know him?

Mr. MASUCCI. Yes; I know him.

Mr. MOSER. How long have you known him?

Mr. MASUCCI. I guess 15 years.

Mr. MOSER. Any business dealings with him?

Mr. MASUCCI. No.

Mr. MOSER. None, whatsoever?

Mr. MASUCCI. None, whatsoever.

Mr. MOSER. Did you ever have business dealings with Harold Scheper?

Mr. MASUCCI. No; none, whatsoever.

Mr. MOSER. Do you know him?

Mr. MASUCCI. I know him.

Mr. MOSER. Benjamin Rubenstein? I asked you that. You do know him. Have you had any business dealings with him?

Mr. MASUCCI. I refuse to answer that question.

Mr. MOSER. Jack Berenato, also known as Jack Colby—do you know him?

Mr. MASUCCI. I know him.

Mr. MOSER. How long have you known him?

Mr. MASUCCI. I would say 10 or 12 years.

Mr. MOSER. And Vincent Lane; do you know him?

Mr. MASUCCI. Yes; I do.

Mr. MOSER. What is his position?

Mr. MASUCCI. His position?

Mr. MOSER. What is his job?

Mr. MASUCCI. I believe he works in the probation office.

Mr. MOSER. Probation officer?

Mr. MASUCCI. Yes; I guess that is what you call him.

- Mr. Moser. Edward Nappan—do you know him?
- Mr. Masucci. Yes, I do.
- Mr. Moser. How long have you known him?
- Mr. Masucci. I would say 10 years, 12 years.
- Mr. Moser. How long have you known Vincent Lane?
- Mr. Masucci. I know Vincent Lane for 15 years or more.
- Mr. Moser. Do you know Chief of Police Saunders?
- Mr. Masucci. I know him.
- Mr. Moser. How long have you known him?
- Mr. Masucci. I guess 10 or 12 years.
- Mr. Moser. Do you know Mr. Kerstetter, the assistant director of public safety?
- Mr. Masucci. I know him.
- Mr. Moser. Do you know him personally?
- Mr. Masucci. I guess I do. I know him to talk to.
- Mr. Moser. How long have you known him?
- Mr. Masucci. Eight to ten years.
- Mr. Moser. Do you know Captain Frye of the police department?
- Mr. Masucci. Yes, I know him.
- Mr. Moser. How long have you known him?
- Mr. Masucci. I would say 10 years, 8 to 10 years.
- Mr. Moser. How about Captain Arnheim, do you know him?
- Mr. Masucci. Yes, I do.
- Mr. Moser. How long have you known him?
- Mr. Masucci. About the same time, 10 years.
- Mr. Moser. Have you ever paid any money to Arnheim?
- Mr. Masucci. No.
- Mr. Moser. Ever paid any to Frye?
- Mr. Masucci. No.
- Mr. Moser. Ever pay any to Kerstetter?
- Mr. Masucci. No.
- Mr. Moser. Ever pay any to Officer Mooney of the police department?
- Mr. Masucci. No.
- Mr. Moser. Do you know Officer Mooney?
- Mr. Masucci. Yes.
- Mr. Moser. How long do you know him?
- Mr. Masucci. Four or five years, I guess.
- Mr. Moser. Has anybody on your behalf ever paid any money to anybody I have just mentioned?
- Mr. Masucci. Nobody.
- Mr. Moser. Did you ever lend any money to any of them?
- Mr. Masucci. No.
- Mr. Moser. Did you know Ferdinand Moore?
- Mr. Masucci. Yes; I knew Ferd Moore.
- Mr. Moser. How long did you know him?
- Mr. Masucci. I guess 10 or 11 years.
- Mr. Moser. What was his business.
- Mr. Masucci. He was a police officer.
- Mr. Moser. Do you know a man named Weiner?
- Mr. Masucci. No.
- Mr. Moser. Do you remember that Moore and Weiner were killed simultaneously?
- Mr. Masucci. I remember that case.

Mr. MOSER. You did not know Weiner?

Mr. MASUCCI. No.

Mr. MOSER. Did you know who he was?

Mr. MASUCCI. No.

Mr. MOSER. What is Harry Haggerty's business?

Mr. MASUCCI. Well, I believe he was the business agent for the bartenders' union.

Mr. MOSER. Is he still?

Mr. MASUCCI. That is what I read in the papers. I do not believe so. I do not know. Only what I read in the papers.

Mr. MOSER. What is Scheper's business?

Mr. MASUCCI. I wouldn't know.

Mr. MOSER. You don't know anything about that?

Mr. MASUCCI. No.

Mr. MOSER. What is Berenato's business?

Mr. MASUCCI. I ate there. I saw him around the restaurant. I think he has something to do with the restaurant.

Mr. MOSER. Ever been arrested?

Mr. MASUCCI. I believe I was.

Mr. MOSER. That is all I have to ask.

Any questions, Senator Hunt?

Senator HUNT. No; I haven't any.

**TESTIMONY OF JACK BERENATO, (COLBY), ATLANTIC CITY, N. J.,
ACCOMPANIED BY EDWARD FEINBERG, ATTORNEY, ATLANTIC
CITY, N. J.**

Senator HUNT. Mr. Berenato, would you stand and be sworn? Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BERENATO. I do.

Mr. MOSER. You also go under the name of Jack Colby, an alias; is that correct?

Mr. BERENATO. Not an alias. I used to be a fighter in my younger days. That was my name then.

Mr. MOSER. Don't people call you Colby?

Mr. BERENATO. Yes.

Mr. MOSER. Just as a hang-over, sort of?

Mr. BERENATO. That is right.

Mr. MOSER. And where do you live?

Mr. BERENATO. 109 Columbia Place.

Mr. MOSER. And what business are you in?

Mr. BERENATO. Restaurant and hotel business.

Mr. MOSER. What is the name of your restaurant?

Mr. BERENATO. Luigi's Restaurant.

Mr. MOSER. Best restaurant in Atlantic City; is that correct?

Mr. BERENATO. The way people talk and the business we do.

Mr. MOSER. Do you have any other business besides that?

Mr. BERENATO. I refuse to answer. It may tend to incriminate me. I am on 5 years' probation.

Mr. MOSER. You are on probation?

Mr. BERENATO. Yes.

Mr. MOSER. And you refuse to answer whether you have any other business besides the restaurant business?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Do you know who Herman Orman is?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BERENATO. About 20 years.

Mr. MOSER. You know Harold Scheper?

Mr. BERENATO. Harold Scheper? The fellow they call "Shep"?

Mr. MOSER. I don't know. Perhaps you would.

Mr. FEINBERG. Yes; that is the one they call "Shep."

Mr. MOSER. Do you know him?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Colored fellow?

Mr. BERENATO. Yes, sir.

Mr. MOSER. You know him?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BERENATO. About 5 years, I imagine.

Mr. MOSER. Ever had any business dealings with him?

Mr. BERENATO. No; never.

Mr. MOSER. Have you ever had business dealings with Herman Orman?

Mr. BERENATO. Never.

Mr. MOSER. Do you know Benjamin Rubenstein?

Mr. BERENATO. No, sir.

Mr. MOSER. Ever had business dealings with him?

Mr. BERENATO. No.

Mr. MOSER. How long have you known him?

Mr. BERENATO. Fifteen to twenty years. I was born and raised in Atlantic City. I know a lot of people.

Mr. MOSER. Paul D'Amato?

Mr. BERENATO. Yes.

Mr. MOSER. How long do you know him?

Mr. BERENATO. Raised together.

Mr. MOSER. Any business dealings with him?

Mr. BERENATO. I refuse to answer. It may tend to incriminate me.

Mr. MOSER. I think we better set up the legal requirements here. I have asked you several questions which you have refused to answer on the ground that they may tend to incriminate you. To save time, in the future, may we assume, when you say you refuse to answer, you mean on that ground?

Mr. BERENATO. Yes, sir.

Mr. MOSER. I am going to ask Senator Hunt to direct you to answer the questions I have asked you so far and I would like it understood that the same direction applies to all subsequent questions that you refuse to answer on that ground.

Mr. BERENATO. Yes, sir.

Mr. MOSER. Are you agreeable to that?

Senator HUNT, will you direct him to answer the questions?

Senator HUNT. The acting chairman directs the witness to answer the questions propounded to him by the counsel.

Mr. BERENATO. I refuse to answer because of self-incrimination.

Senator HUNT. It is understood, just to save time, that, as counsel proceeds to ask you questions which you do not care to answer because of self-incrimination, when you say you refuse to answer, we will assume that is the reason.

Mr. BERENATO. Yes, sir.

Mr. MOSER. Do you own an automobile?

Mr. BERENATO. Yes, sir.

Mr. MOSER. What kind of an automobile?

Mr. BERENATO. Buick.

Mr. MOSER. What year?

Mr. BERENATO. Forty-nine.

Mr. MOSER. Is that the only automobile you own?

Mr. BERENATO. Yes, sir.

Mr. MOSER. What is the license number of it?

Mr. BERENATO. AC-252, I think it is.

Mr. MOSER. AC-252?

Mr. BERENATO. Yes.

Mr. MOSER. Is that a license you have to get the Senator's approval for?

Mr. BERENATO. Senator's approval? We go up to the license bureau and get it.

Mr. MOSER. That is all? You don't go anywhere except to the ordinary license bureau?

Mr. BERENATO. No, sir.

Mr. MOSER. How long have you had that number?

Mr. BERENATO. This is the first year. Last year I had 237.

Mr. MOSER. So you do not have the same number every year?

Mr. BERENATO. Oh, no.

Mr. MOSER. Does your wife own an automobile?

Mr. BERENATO. I am divorced.

Mr. MOSER. And you have only one automobile altogether?

Mr. BERENATO. Yes.

Mr. MOSER. Do you know Harry Haggerty? Did I ask you that?

Mr. BERENATO. Yes, sir.

Mr. MOSER. And you know him?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BERENATO. Thirty years, I guess.

Mr. MOSER. Any business dealings with him?

Mr. BERENATO. No, sir.

Mr. MOSER. Do you know James Boyd?

Mr. BERENATO. Know him by sight.

Mr. MOSER. That is all?

Mr. BERENATO. That is all.

Mr. MOSER. You know Vincent Lane?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How well do you know him?

Mr. BERENATO. I know him practically 10 years, I guess.

Mr. MOSER. Any business dealings with him?

Mr. BERENATO. No, sir.

Mr. MOSER. Edward Nappen?

Mr. BERENATO. Yes, sir.

Mr. MOSER. You know him?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How long?

Mr. BERENATO. Fifteen years, I guess. Maybe 15 to 20.

Mr. MOSER. Any business dealings with him?

Mr. BERENATO. No, sir.

Mr. MOSER. You know the chief of police, Saunders?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BERENATO. Since I was a little boy.

Mr. MOSER. Do you know the assistant director of public safety, Mr. Kerstetter?

Mr. BERENATO. Yes; by sight.

Mr. MOSER. Don't you know him better than that?

Mr. BERENATO. No, sir.

Mr. MOSER. How long have you known him?

Mr. BERENATO. Since he has been director of police.

Mr. MOSER. Do you know Captain Frye of the police department?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BERENATO. Since I was a boy. I guess 30, 35 years.

Mr. MOSER. Ever pay any money to him?

Mr. BERENATO. No, sir.

Mr. MOSER. Any business dealings with him?

Mr. BERENATO. No, sir. He comes into the restaurant a lot.

Mr. MOSER. Captain Arnheim?

Mr. BERENATO. I know him.

Mr. MOSER. Did you pay any money to him?

Mr. BERENATO. No.

Mr. MOSER. Officer Mooney?

Mr. BERENATO. I know Mooney.

Mr. MOSER. How long have you known him?

Mr. BERENATO. Four or five years.

Mr. MOSER. Have you ever paid money to any of those officers?

Mr. BERENATO. No, sir.

Mr. MOSER. Ever paid money to any member of the police department?

Mr. BERENATO. No, sir. One fellow who is in the police department hung some paper in the hotel for me. I paid him for that hanging of paper.

Mr. MOSER. Ever give Christmas presents to any policemen?

Mr. BERENATO. No, sir.

Mr. MOSER. In any form?

Mr. BERENATO. No, sir.

Mr. MOSER. Where did you buy your automobile?

Mr. BERENATO. The Buick agency here.

Mr. MOSER. What is the name of it? Who owns that?

Mr. BERENATO. North Carolina Avenue. I think Morris Cohen is the owner.

Mr. FEINBERG. Do you want the proper thing?

Mr. MOSER. Sure.

Mr. FEINBERG. Shore Motors, Inc.

Mr. BERENATO. The owner is Cohen.

Mr. FEINBERG. Yes.

Mr. MOSER. I think that is all I want to ask you.

(Discussion off the record.)

TESTIMONY OF JAMES H. BOYD, ATLANTIC CITY, N. J., ACCOMPANIED BY MURRAY FREDERICKS, ATTORNEY, ATLANTIC CITY, N. J.

Senator HUNT. Mr. Boyd, will you stand and raise your right hand?

Do you solemnly swear in the testimony you will give the committee you will tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BOYD. I do.

Mr. MOSER. Mr. Fredericks, can we ask you some questions at the same time, under oath, or would you rather be here alone while you are testifying?

Mr. FREDERICKS. Me?

Mr. MOSER. Yes.

Mr. FREDERICKS. I haven't been subpoenaed. If you want to ask me anything I can answer while I am here, I will do so.

Mr. MOSER. Shall we swear Mr. Fredericks, too?

Senator HUNT. Mr. Fredericks, do you solemnly swear the testimony you give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FREDERICKS. I do.

Mr. MOSER. Mr. Boyd, what is your address?

Mr. BOYD. 1 North Brighton Avenue, Atlantic City.

Mr. MOSER. Do you have any other address?

Mr. BOYD. No, sir. I have a business address.

Mr. MOSER. What is that?

Mr. BOYD. 723 Guaranty Trust Building.

Mr. MOSER. What is the address 21 North Morris Avenue?

Mr. BOYD. I formerly owned that house.

Mr. MOSER. You don't live there any more?

Mr. BOYD. No, sir.

Mr. MOSER. Do you own the house at 1 North Brighton Avenue?

Mr. BOYD. My mother and I do.

Mr. MOSER. Your mother and you own it together?

Mr. BOYD. It was my mother's home. My father died, and it is in my name, and mother's, now.

Mr. MOSER. So your interest is inherited from your father?

Mr. BOYD. Yes, sir; that is right.

Mr. MOSER. You have a bank account?

Mr. BOYD. Yes, sir.

Mr. MOSER. Where do you have it?

Mr. BOYD. Guaranty Trust Co.

Mr. MOSER. Have you ever had a bank account at the Egg Harbor Bank in New Jersey?

Mr. BOYD. No, sir.

Mr. MOSER. What is your official position?

Mr. BOYD. Clerk of the Atlantic County Board of Freeholders.

Mr. MOSER. When did you first come to Atlantic City?

Mr. BOYD. I went to school here in about the fourth or fifth grade.

Mr. MOSER. You started—

Mr. BOYD. No, I came and went to school in the fourth and fifth grade.

Mr. MOSER. You left school at the fourth and fifth grade?

Mr. BOYD. No. I came to Atlantic City and went to the fourth or fifth grade.

Mr. MOSER. What grade did you finish?

Mr. BOYD. I left high school sometime in the third year.

Mr. MOSER. What was your first job?

Mr. BOYD. I think I worked for George A. Fuller Co., a construction company.

Mr. MOSER. What kind of work?

Mr. BOYD. Clerk-timekeeper. Then from there I went to the Ambassador. No, I went to the Ambassador first and then went to Fuller. I worked at the Ambassador Hotel first.

Mr. MOSER. Are you engaged in politics?

Mr. BOYD. Yes, sir, I am.

Mr. MOSER. How long have you been engaged in politics?

Mr. BOYD. About 23 years, I would say.

Mr. MOSER. And were you in politics with Enoch Johnson?

Mr. BOYD. Yes, sir.

Mr. MOSER. What was your relationship with him?

Mr. BOYD. I worked in the county offices at that time.

Mr. MOSER. The county offices?

Mr. BOYD. Yes. He was the county treasurer.

Mr. MOSER. You were an employee of the county?

Mr. BOYD. That is right.

I was in the same suite of offices. I was connected with the board of freeholders.

Mr. MOSER. You said at that time. When was that?

Mr. BOYD. I first went to work there some 22 to 23 years ago, something like that.

Mr. MOSER. I asked you if you had been in politics that far back.

Mr. BOYD. I wouldn't say I was in politics 23 years ago.

Mr. MOSER. You have held a public position, have you not, or a job in the county or city government since then?

Mr. BOYD. Not that long. I was first appointed clerk of the board of freeholders in 1936. Prior to that I had been a deputy clerk.

(Witness consults his counsel.)

Mr. BOYD. I have never held any city job.

Mr. MOSER. You said you were working in the county treasurer's office.

Mr. BOYD. No, sir. I didn't say I was working there. You asked me about Mr. Johnson.

Mr. MOSER. I asked you what your relationship with him was and you said something about your working in the county treasurer's office. What I am trying to get at is very simple; namely, when did you start working in public employment?

Mr. BOYD. Is a county job public? Is that what you mean, sir?

Mr. MOSER. Yes.

Mr. BOYD. Around 1930.

Mr. MOSER. What was that job?

Mr. BOYD. Clerk in the office of the board of freeholders—not clerk, but a clerk in the office.

Mr. MOSER. In 1936 you became the clerk?

Mr. BOYD. That is correct.

Mr. MOSER. You said you had been in politics for a long time. What ward were you in?

Mr. BOYD. Now, I am in the fourth ward.

Mr. MOSER. Is it true you are the leader of the fourth ward?

Mr. BOYD. Chairman of the executive committee of the fourth ward.

Mr. MOSER. Is that equivalent to being the leader of the ward?

Mr. BOYD. You might call it that. I do not know. I act as chairman of the executive committee, which is comprised of the precinct captains of the ward.

Mr. MOSER. Do you know John Mooney, a member of the police force?

Mr. BOYD. Yes.

Mr. MOSER. How long have you known him?

Mr. BOYD. I would say about 7 or 8 years. I cannot recall.

Mr. MOSER. How old is he?

Mr. BOYD. He is much younger than I am. I am guessing at 30. I don't know.

Mr. MOSER. Is he an Atlantic City boy?

Mr. BOYD. Yes, he is.

Mr. MOSER. Have you known him since he was a boy?

Mr. BOYD. No, sir, I haven't.

Mr. MOSER. Do you know his family?

Mr. BOYD. I know his family now. I didn't know them.

Mr. MOSER. Do you know when he was appointed to the police force?

Mr. BOYD. I think he was appointed while I was in the Army.

Mr. MOSER. Is he on the vice squad?

Mr. BOYD. He is, presently.

Mr. MOSER. Did you have anything to do with his getting on the vice squad?

Mr. BOYD. No, sir; I didn't.

Mr. MOSER. You didn't recommend him for it?

Mr. BOYD. No, sir.

Mr. MOSER. You know Mr. Kerstetter, don't you?

Mr. BOYD. Yes, I do.

Mr. MOSER. He is the assistant director of public safety; is that correct?

Mr. BOYD. Yes, sir.

Mr. MOSER. What official dealings do you have with him?

Mr. BOYD. I don't have any official dealings with him.

Mr. MOSER. None at all?

Mr. BOYD. No, sir.

Mr. MOSER. Do you know him well?

Mr. BOYD. I know him as a member of the same club that I belong to.

Mr. MOSER. How long have you known him?

Mr. BOYD. I don't remember. I have known him since about 1948, somewhere around that.

Mr. MOSER. Do you know who Harold Scheper is?

Mr. BOYD. Yes.

Mr. MOSER. Do you know Harold Scheper?

Mr. BOYD. Yes; I know him.

Mr. MOSER. How well do you know him?

Mr. BOYD. Just a speaking acquaintance.

Mr. MOSER. You don't know him intimately?

Mr. BOYD. No, sir.

Mr. MOSER. How long have you known him?

Mr. BOYD. I guess around 10 years. I do not know how long.

Mr. MOSER. Ever had any business dealings with him?

Mr. BOYD. No, sir.

Mr. MOSER. None whatever?

Mr. BOYD. None whatsoever.

Mr. MOSER. Do you know Herman Orman?

Mr. BOYD. Yes; I do.

Mr. MOSER. Have you ever had business dealings with him?

Mr. BOYD. No, sir.

Mr. MOSER. What is his business?

Mr. BOYD. Hotel.

Mr. MOSER. Is that his only business?

Mr. BOYD. As far as I know.

Mr. MOSER. Has he ever spoken to you about political matters?

Mr. BOYD. No, sir.

I have spoken to him about securing a room in that hotel for putting on a meeting, on occasions.

Mr. MOSER. Have you talked to him about official business at any time?

Mr. BOYD. No, sir.

Mr. MOSER. Are you a member of any partnership?

Mr. BOYD. No, sir.

Mr. MOSER. None whatever?

Mr. BOYD. No, sir.

Mr. MOSER. Your 1948 and 1949 income-tax returns refer to a partnership income. Can you tell us what that is?

Mr. BOYD. I thought you meant presently.

Mr. MOSER. I asked you if you had ever been a member of a partnership.

Mr. BOYD. I thought you said presently.

Mr. MOSER. Tell us the nature of that partnership.

Mr. BOYD. In 19—what year, sir?

Mr. MOSER. I will start with the earliest year it appears; 1948 seems to be the earliest year. Let me correct that. My records indicate that it is 1949 and 1950.

Mr. BOYD. No, sir. That is not right. I was not in a partnership in 1949 and 1950.

Mr. MOSER. How about 1950?

Mr. BOYD. No, sir.

Mr. FREDERICKS. I think the witness wants to tell you that prior thereto he was in some business arrangement with somebody.

Mr. MOSER. Please tell us about that, will you?

Mr. BOYD. In 1947 I was in a business arrangement with a parking lot.

Mr. MOSER. And whom were you in business with?

Mr. BOYD. Claude Clifford.

Mr. MOSER. Did you just rent a lot together or own it?

Mr. BOYD. Something like that. We didn't own that. We had a concession of a lot.

Mr. MOSER. Is that the only business that you ever had outside your business as clerk of the board of freeholders?

Mr. BOYD. As a partnership.

Mr. MOSER. In any other business?

Mr. BOYD. No other business.

Mr. MOSER. You have never had any other source of income other than your salary?

Mr. BOYD. Yes; I have had other sources of income.

Mr. MOSER. Other than that, other than the parking lot?

Mr. BOYD. I sold storm windows and received money for that.

Mr. MOSER. Was that a regular business?

Mr. BOYD. I did it on the side when time permitted. I did it just on a commission basis.

Mr. MOSER. Did you sell any to the county?

Mr. BOYD. No, sir; no.

Mr. MOSER. Sell any to the State?

Mr. BOYD. No, sir.

Mr. MOSER. To the city?

Mr. BOYD. No, sir.

Mr. MOSER. What was your salary as a clerk? What is your salary as the clerk of the board of freeholders?

Mr. BOYD. \$5,000, plus a \$400 bonus.

Mr. MOSER. How long has it been \$5,000?

Mr. BOYD. In 1946 or 1947, when I came back from the Army, the following year my salary was increased from \$4,000 to \$5,000. I do not recall for the moment whether it was 1946 or 1947.

Mr. MOSER. Your 1950 return indicates income of \$1,655 from "other sources." What are the other sources?

Mr. BOYD. I received that from Robert Friedlander.

Mr. MOSER. For what?

Mr. BOYD. To help me politically.

Mr. MOSER. To help you politically?

Mr. BOYD. Yes.

Mr. MOSER. That is treated as your income?

Mr. BOYD. Yes, sir. I took care of it personally.

Mr. MOSER. What do you mean "help you"? In what way?

Mr. BOYD. I suppose he realized that I had expenses in conjunction with the ward personally, going around to various meetings, and things like that, and he gave it to me to help me.

Senator HUNT. Is yours an elective or appointive office?

Mr. BOYD. It is elective, elected by the members of the board of freeholders.

Senator HUNT. It is not elected directly by the people?

Mr. BOYD. No. That is what I meant.

Mr. MOSER. What expenses do you have?

Mr. BOYD. He gave it to me personally.

Mr. MOSER. You said it was to reimburse you.

Mr. BOYD. I didn't say to reimburse me.

Mr. MOSER. To help you cover expenses.

Mr. BOYD. My own personal expenses.

Mr. MOSER. You mean it was a gift to you?

Mr. BOYD. I guess you could call it a gift.

Mr. MOSER. What business is Friedlander in?

Mr. BOYD. He is a lawyer.

Mr. MOSER. Did he give you that money out of his own pocket?

Mr. BOYD. I don't know that. You will have to ask him that.

Mr. MOSER. Whose idea was it to give it to you?

Mr. BOYD. His own.

Mr. MOSER. How did he arrive at the figure of \$1,655?

Mr. BOYD. He gave me different amounts of money throughout the year, and that was what it amounted to.

Mr. MOSER. You don't know where he got that money?

Mr. BOYD. No, sir.

Senator HUNT. Would you term that a political contribution?

Mr. BOYD. No, sir, Senator; I would not.

Mr. MOSER. Were you expected to use that for reimbursement of any expenses?

Mr. BOYD. Not political expenses; personal expenses.

Mr. MOSER. Why would Mr. Friedlander want to supplement your income?

Mr. BOYD. He liked me and wanted to help me. That is about the answer I could give you.

Mr. MOSER. Why did you treat it as income instead of a gift?

Mr. BOYD. I just put it in as that. Maybe it should have been a gift.

Mr. MOSER. Was it compensation for services?

Mr. BOYD. No, sir; I wouldn't say that.

Mr. MOSER. Just given to you because he wanted to help you?

Mr. BOYD. That is right, sir.

Senator HUNT. What use did you make of the money?

Mr. BOYD. Personal use, Senator, just helping me with my personal expenses.

Senator HUNT. What I am trying to point up is: You did not use this in your work in your ward for political purposes?

Mr. BOYD. No, sir, Senator; I did not.

Senator HUNT. I wanted to get that clear.

Mr. MOSER. Is Mr. Friedlander in your ward?

Mr. BOYD. No, sir; he is not.

Mr. MOSER. He just gave you that because he liked you?

Mr. BOYD. As far as I am concerned; yes.

Mr. MOSER. Did you ever suggest to him that you needed money?

Mr. BOYD. No, sir.

Mr. MOSER. It was entirely his idea?

Mr. BOYD. Yes, sir.

Mr. MOSER. Your income for 1950 also shows interest and rentals. What is the interest from?

Mr. BOYD. The interest is from the second mortgage that I hold on the house you asked me about at 21 North Morris.

Mr. MOSER. That is the house you sold and you took back a second mortgage as a purchase-money mortgage?

Mr. BOYD. Yes, sir. The rent would be from the basement of my present home.

Mr. MOSER. Is that ordinary rent for leasing it to somebody?

Mr. BOYD. Yes; the basement is rented as an apartment.

Mr. MOSER. To whom do you rent it?

Mr. BOYD. A family, Mr. and Mrs. Bradley.

Mr. MOSER. In 1949 you received income which you entitle "Atlantic City Convention Hall." What does that mean?

Mr. BOYD. That was my wife's, not mine.

Mr. MOSER. What did she receive that for?

Mr. BOYD. Extra work at conventions.

Mr. MOSER. As a helper?

Mr. BOYD. Yes; convention work.

Mr. MOSER. In 1949 you also had partnership, commissions, and interest from mortgage. That seems to be one adding.

Mr. BOYD. There is no partnership. I got the interest from the second mortgage.

Mr. MOSER. What do the commissions mean?

Mr. BOYD. I got another thousand dollars that year from Mr. Friedlander.

Mr. MOSER. Did Mr. Friedlander give you any money the previous year, 1948?

Mr. BOYD. No, sir; he did not.

Mr. MOSER. He just started in 1949; is that correct?

Mr. BOYD. That is right, sir.

Mr. MOSER. In 1947 you have down "James H. Boyd, agent." I believe that is what it has. Total receipts, \$2,201.01. That is 1947. Can you identify that?

Mr. BOYD. Yes, sir.

Mr. MOSER. What is that?

Mr. BOYD. That was from the storm windows.

Mr. MOSER. Storm-window business?

Mr. BOYD. Yes, sir. If my memory is correct, the amount of that was between four and five hundred. I will guess that. The rest was from the parking concession.

Mr. MOSER. Did you keep any records of your storm-window business?

Mr. BOYD. I personally did not, but the company has a record, sir.

Mr. MOSER. The company? That is for the commissions, computing the commissions?

Mr. BOYD. Yes, sir.

Mr. MOSER. How about the parking business? Did you keep any records on that?

Mr. BOYD. I did keep them up until the time I made my income tax. I do not have them. It was just what I received that year after I filed the returns. It was of no further use to me.

Mr. MOSER. Have you ever had your income-tax returns examined?

Mr. BOYD. Not to my personal knowledge.

Mr. MOSER. What is your practice with regard to saving records?

Mr. BOYD. I throw them away after I make my return.

Mr. MOSER. As soon as it is prepared?

Mr. BOYD. A short time thereafter.

Mr. MOSER. In 1944 you had income from the Stanley Restaurant Corp. of \$1,048. What is the nature of that?

Mr. BOYD. Stanley Restaurant?

Mr. MOSER. Stanley Restaurant Corp.

Mr. BOYD. I was in the Army in 1944, sir.

Mr. MOSER. You were?

Mr. BOYD. Yes, sir.

Mr. MOSER. Do you know what a W-2 tax form is?

Mr. BOYD. One of those——

Mr. MOSER. Withholding slips.

Mr. BOYD. Yes.

Mr. MOSER. Did you receive any income from the James M. England General Hospital in 1944?

Mr. BOYD. That must be my wife's. I was in the Army from '42 to '45.

Mr. MOSER. Did your wife work in the Stanley Restaurant?

Mr. BOYD. Strange as it might sound, she might have. I wasn't here.

Mr. MOSER. Have you ever been indicted?

Mr. BOYD. No, sir.

Mr. MOSER. Have you ever been close?

Mr. BOYD. I could hardly answer that, sir. I do not know.

Mr. MOSER. Never been told?

Mr. BOYD. No, sir.

Mr. MOSER. Never been given any information whether or not you were in danger of being indicted?

Mr. BOYD. From a member of the grand jury?

Mr. MOSER. From anybody.

Mr. BOYD. Only the grand jury could tell me.

Mr. MOSER. Answer my question.

Mr. BOYD. I do not know, sir.

Mr. MOSER. You have never been given any information?

Mr. BOYD. No, sir.

Mr. MOSER. Never heard any rumor to that effect?

(The witness consulted his counsel.)

Mr. BOYD. No, sir; I do not know anything about a rumor about it.

Mr. MOSER. You have never been told that any effort was made to indict you, have you?

Mr. BOYD. I do not know who would tell me; no, sir.

Mr. MOSER. You never heard of that?

Mr. BOYD. No, sir.

Mr. MOSER. Have you ever been given any information by a grand juror?

Mr. BOYD. Have I been given?

Mr. MOSER. About what happened in a grand jury room?

(The witness consulted his counsel.)

Mr. BOYD. Pardon me, sir.

Mr. FREDERICKS. Will you repeat that last question, please?

(The reporter read the following question:)

Have you ever been given any information by a grand juror about what happened in a grand jury room?

Mr. BOYD. I may have talked to a grand juror after the jury had been excused, but I don't recall talking to a grand juror during the course of the jury.

Mr. MOSER. Do you know Lester Burdick?

Mr. BOYD. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BOYD. Fifteen years, maybe.

Mr. MOSER. You know Fred Masucci?

Mr. BOYD. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BOYD. Ten or fifteen years.

Mr. MOSER. Do you know him well?

Mr. BOYD. Speaking acquaintance.

Mr. MOSER. Do you know Herman Orman?

Mr. BOYD. Yes, sir.

Mr. MOSER. Known him a good many years?

Mr. BOYD. Yes, sir.

Mr. MOSER. Ever had business dealings with him?

Mr. BOYD. No, sir.

Mr. MOSER. Any political dealings?

Mr. BOYD. No; except what I answered you about going down there.

Mr. MOSER. Frank Sullivan—do you know him?

Mr. BOYD. Yes, sir.

Mr. MOSER. Do you know Harry Haggerty?

Mr. BOYD. Yes, sir.

Mr. MOSER. What is he?

Mr. BOYD. He is head of the bartenders' union. He was until this week. I see he got put out.

Mr. MOSER. Why was he put out?

Mr. BOYD. I don't know.

Mr. MOSER. Has he any other business?

Mr. BOYD. Not that I personally know of.

Mr. MOSER. Have you ever heard of his having any other business?

Mr. BOYD. He got indicted for something. I don't know anything more than I read in the newspapers.

Mr. MOSER. Do you own an automobile?

Mr. BOYD. Yes, sir.

Mr. MOSER. What kind?

Mr. BOYD. An Oldsmobile.

Mr. MOSER. What year?

Mr. BOYD. 1951, sir.

Mr. MOSER. Where did you buy it?

Mr. BOYD. Saunders Motor Car Co. I traded in a 1948.

Mr. MOSER. What is your license number?

Mr. BOYD. AA-5.

Mr. MOSER. How long have you had that number?

Mr. BOYD. I would guess since around 1940 or 1941. I am not sure.

Mr. MOSER. Belong to any clubs?

Mr. BOYD. Yes, sir.

Mr. MOSER. What clubs?

Mr. BOYD. Fourth Ward United Republican Club, Atlantic City Country Club.

Mr. MOSER. How many country clubs are there in Atlantic City?

Mr. BOYD. Three.

Mr. MOSER. Any other clubs?

Mr. BOYD. Atlantic City Tuna Club.

Mr. MOSER. Is that a fishing club?

Mr. BOYD. Yes, sir.

Mr. MOSER. Any others?

Mr. BOYD. Morris Guards.

Mr. MOSER. I asked you whether you had any official dealings with Mr. Kerstetter. Have you had any unofficial dealings with him?

Mr. BOYD. I haven't had any dealings with him; no, sir.

Mr. MOSER. By dealings, I mean have you had any social, political, or business dealings with him?

Mr. BOYD. I have met him at club meetings, had a glass of beer with him, if you mean that in a social sense. I don't follow what else you mean.

Mr. MOSER. Have you known any members of the police force intimately?

Mr. BOYD. I know a lot of policemen, sir. I do not know what you mean by "intimately."

Mr. MOSER. Are these close friends of yours?

Mr. BOYD. I do not think any of them are real close friends. They are friends of mine.

Mr. MOSER. Ever receive any money from any of them?

Mr. BOYD. No, sir.

Mr. MOSER. Did I ask you if you knew Benjamin Rubenstein?

Mr. BOYD. You did not ask me.

Mr. MOSER. Do you?

Mr. BOYD. Yes, sir.

Mr. MOSER. Do you know him very well?

Mr. BOYD. Not well.

Mr. MOSER. Harold Scheper?

Mr. BOYD. You asked me that.

Mr. MOSER. Jack Berenato?

Mr. BOYD. I know him.

Mr. MOSER. Known him a long time?

Mr. BOYD. No, sir; not long.

Mr. MOSER. Paul D'Amato?

Mr. BOYD. Is that Skinny?

Mr. MOSER. Skinny.

Mr. BOYD. Yes; I know him.

Mr. MOSER. Vincent Lane—you know him, of course?

Mr. BOYD. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BOYD. I would say 15 years or more.

Mr. MOSER. And Edward Nappen, you know him?

Mr. BOYD. Yes, sir.

Mr. MOSER. Do you know Captain Frye of the police department?

Mr. BOYD. Yes, sir.

Mr. MOSER. How well do you know him?

Mr. BOYD. I do not know Captain Frye too well. I know him.

Mr. MOSER. How about Captain Arnheim?

Mr. BOYD. Yes; I know him.

Mr. MOSER. Captain Lodovico?

Mr. BOYD. Yes, sir; I know him.

Mr. MOSER. How long have you known him?

Mr. BOYD. I don't know; maybe 10 years. I don't know how long.

Mr. MOSER. I have asked you about your sources of income, other than that as clerk of the board of freeholders, and other than the money given you by Mr. Friedlander, and also other than the money that you received in your parking-lot business, and on the sale of storm windows. We have also discussed interest in rents.

Mr. BOYD. That is right.

Mr. MOSER. In the last 10 years—I will change that to 8 years—have you had any income from any other source of any kind?

Mr. BOYD. No; none whatsoever.

Mr. MOSER. None whatsoever?

(The witness consulted his counsel.)

Mr. BOYD. Except what I had in my Army salary, if you want to put that in.

Mr. MOSER. We would like the records of the board of freeholders touching upon the fee paid to Mr. Warren Dickson, Jr., around June 1948.

Mr. BOYD. You want me to get it for you as clerk of the board?

Mr. MOSER. Perhaps you can tell us. Do you know what it was?

Mr. BOYD. I don't remember what it was. I would only be guessing. I have an idea it was around \$20,000. I will get it for you and give you a certified copy.

Mr. MOSER. Will you do that?

Mr. BOYD. Yes, sir.

Mr. MOSER. We want a certified copy of the expenses paid.

Mr. BOYD. That was paid by resolution. I remember that.

Mr. MOSER. Yes. All right. The fee and the expenses paid.

Mr. BOYD. It is in the resolution.

Mr. MOSER. In connection with his special investigation here.

Do you think the records of the board would also contain a copy of the petition filed in connection with that proceeding, a petition for a fee? Is the petition signed by Attorney General Van Ripper, and is there an order signed by Judge Eastwood allowing the fee?

Mr. BOYD. I think that is part of my records. Don't hold me to it. I think it is.

Mr. MOSER. Will you obtain that and furnish it to us, and bring it with you the next time you appear before the committee?

Mr. BOYD. Yes, sir.

Mr. MOSER. When were you last in the Tuna Club?

Mr. BOYD. I haven't been in the Tuna Club for several years.

Mr. MOSER. You pay dues?

Mr. BOYD. Yes, sir.

Mr. MOSER. Continue your membership?

Mr. BOYD. Yes, sir.

Mr. MOSER. Why do you do that?

Mr. BOYD. It is a civic club, and I fish once in awhile, and, if you ever get a good fish, you want to register it.

Mr. MOSER. In your Fourth Ward Republican Club, of which you are the chairman of the executive committee, what are the dues for the club?

Mr. BOYD. \$3 a year.

Mr. MOSER. \$3 a year?

Mr. BOYD. Yes, sir.

Mr. MOSER. Does that apply to everybody?

Mr. BOYD. Everybody who will pay it.

Mr. MOSER. Do you have any other charges that you make to members?

Mr. BOYD. No. Joining fee, initiation fee.

Mr. MOSER. Why do you do that?

Mr. BOYD. \$3, too.

Mr. MOSER. And \$3 a year?

Mr. BOYD. That is right, sir.

Mr. MOSER. What source of income does the club have?

Mr. BOYD. Dues. That is all since I have been there. I have only been there in the club since 1948.

Mr. MOSER. That is long enough to find out all about it.

What is the Atlantic County Republican Committee?

Mr. BOYD. That is the Atlantic County Republican Committee, which you have to have, according to State law. You have to have a county Republican committee, just as you have an Atlantic County Democratic Committee.

Mr. MOSER. It is a committee elected by the people from each ward?

Mr. BOYD. Yes, sir.

Mr. MOSER. If you are elected to it, do you have to pay any dues?

Mr. BOYD. No, sir. There are no dues.

Mr. MOSER. I would like to show you a printed receipt from the Atlantic County Republican Committee, and ask you if you have ever seen such a form before. I just want you to see the form, and hand it right back to me.

Mr. BOYD. Yes, sir; I have.

Mr. MOSER. What is the purpose of that form?

Mr. BOYD. It is to help support the Atlantic County Republican Committee.

Mr. MOSER. I see. It is just sent out to get support for the committee?

Mr. BOYD. To get support. It is voluntary. There is nothing compulsory on the dues. That is why I answered you. You don't mean dues. The word is in there. I do not know why.

Mr. MOSER. It says: "Dear Member." Does that refer to the members of the committee?

Mr. BOYD. I don't know. I didn't prepare that. I have not prepared it. I have seen it, that is all I know about it. I don't do it.

Mr. MOSER. You seem to know that they sent out these little forms to get support and help for their finances. To whom do they send them?

Mr. BOYD. They send it to anyone they can think of sending them to.

Mr. MOSER. Are you a member of the committee?

Mr. BOYD. I am not an elected member.

Mr. MOSER. You are not a county committeeman?

Mr. BOYD. No, sir.

Mr. MOSER. Who is the main county committeeman from your ward?

Mr. BOYD. There are four of them. There are eight of them altogether; four male and four female.

Mr. MOSER. From your ward?

Mr. BOYD. Yes, sir.

Mr. MOSER. Who is Joseph T. McBeth?

Mr. BOYD. He is the treasurer of the Atlantic County Republican Committee.

Mr. MOSER. How big is the committee? How many members?

Mr. BOYD. Guessing, I would say about 140. I am guessing at that number. It takes in the whole county and city.

Mr. MOSER. Do the members of that committee have to pay dues?

Mr. BOYD. No, sir; they do not.

Mr. MOSER. You think these forms are sent only to members of the committee?

Mr. BOYD. No; I do not.

Mr. MOSER. To whom do you think they are sent?

Mr. BOYD. To anyone who may contribute to the committee.

Mr. MOSER. These are dues notices for voluntary contributions sent to anybody who might be interested; is that correct? Are city or county employees requested to send in these contributions?

Mr. BOYD. Some do and some don't. You have to check the records for that. I couldn't answer that.

Mr. MOSER. Who keeps the records of the Republican committee?

Mr. BOYD. The treasurer, Mr. McBeth.

TESTIMONY OF MURRAY FREDERICKS, CITY SOLICITOR, ATLANTIC CITY, N. J.

Mr. MOSER. Mr. Fredericks, are you an official of the city?

Mr. FREDERICKS. I am the city solicitor.

Mr. MOSER. That is a part-time job?

Mr. FREDERICKS. It is supposed to be, but I am not so sure that it is any more.

Mr. MOSER. You practice law independently, too; do you?

Mr. FREDERICKS. That is right.

Mr. MOSER. Are you a partner of Mr. Frank S. Farley?

Mr. FREDERICKS. I wouldn't say a partner; no. I am associated with Frank S. and Paul J. Farley.

Mr. MOSER. Do they have a partnership between them?

Mr. FREDERICKS. Not to my knowledge.

Mr. MOSER. They just are associated together?

Mr. FREDERICKS. I would say so, Mr. Moser. It is a loosely knit arrangement, I would say, and I do not think there is any partnership between the brothers.

Mr. MOSER. You have a partnership name on the door?

Mr. FREDERICKS. No, sir.

Mr. MOSER. What appears on the door of the office?

Mr. FREDERICKS. There are a few doors. On my door it says, "Murray Fredericks," and nothing else.

Mr. MOSER. Is that the main entrance to the office?

Mr. FREDERICKS. On the other door it says—don't hold me to it—"Law Offices, Frank S. Farley." I think Mr. Paul Farley's name appears, my name appears, and also the suite number appears.

Mr. MOSER. That is the entrance door; is it?

Mr. FREDERICKS. You can get in that door, or you can get in my door.

Mr. MOSER. Well, I think we can excuse Mr. Boyd for the moment, and just keep Mr. Fredericks here. Be sure to bring those records with you when you come before the committee again.

Mr. BOYD. All right.

Mr. MOSER. We are going to subpoena Mr. Boyd to come to Washington to testify. Do you expect to represent him on that occasion?

Mr. FREDERICKS. It is something I don't know, Mr. Moser. Mr. Boyd—I have known him for many years. We went to school together. He asked me to come up here with him today. I had no more idea of being here than the man in the moon. I had a lot of other work to do than appear here, frankly. It is the first time I have ever appeared as a lawyer, and asked to be a witness.

Mr. MOSER. It is just a new experience.

Mr. FREDERICKS. If I can help, I am ready to tell you what I know here, if I know anything. The answer to your question whether Mr. Boyd wants me to be in Washington is that I don't know.

Mr. MOSER. We think you are probably in a good position to give us some information about something that operates, we understand, on the Boardwalk, where there are a great many so-called legal games for visitors to play, which are licensed by the city. Will you tell us what the ordinance is, roughly, and how it works as a matter of procedure?

Mr. FREDERICKS. Mr. Moser, some 7 or 8 years ago—I believe it was—it was before I was city solicitor, I think I was in the Army at the time, they passed an ordinance permitting—I should say, the licensing of certain legal games. At that time, as I recall the history of the situation, Vice Chancellor Berry up in Ocean County had issued a restraint order against the police officials for extra legal abuse of the police power in that there was no decision at that time as to whether or not this game, which was called Fascination, was legal or not legal. Since then, the city, through this ordinance, has issued permits, licenses, if you like, to these so-called group games. At the present time there is a case before Judge Naani here in the county court, I believe, involving five of the games. He has the decision on the case, I should say, under advisement now.

Mr. MOSER. What games does he have before him?

Mr. FREDERICKS. Five games with the city has heretofore licensed. I do not know the particular names of them. In other words, there is Thrillo, Play-Me, and things of that type. I do not know the names of the games.

Mr. MOSER. And is the test of the legality of those under the State gambling laws, or is it a matter of the city ordinance?

Mr. FREDERICKS. Naturally, the test as to whether they are legal or not is under State law.

Mr. MOSER. So that the city licenses legal games?

Mr. FREDERICKS. That is correct. The question of whether each particular game is legal depends upon the facts in each circumstance.

Mr. MOSER. Does the city make an investigation before it grants a license to determine whether it is legal or not?

Mr. FREDERICKS. I personally would not know that. I gave an opinion on a game called Fascination, about 3 or 4 weeks ago, in which I said the legality of that game had not been determined. In other words, that was the game that Vice Chancellor Berry said may be legal. It is a group game in which everybody plays their own, which was one of the tests which Attorney General Parsons sent down in the letter to the chief of police, I guess, and the prosecutor. If you control the object yourself, then it is an element that it is not a game of chance, but it is a game of skill.

Mr. MOSER. You mean if each person is doing theirs?

Mr. FREDERICKS. That is right. I understand Fascination is that type of game.

Mr. MOSER. So a game like bingo would be legal according to that?

Mr. FREDERICKS. If each particular person controlled the ball.

Mr. MOSER. Controlled the ball?

Mr. FREDERICKS. That is right. Some games are played with a ball.

Mr. MOSER. So Bingo would not be legal.

Mr. FREDERICKS. That is one of the elements.

Mr. MOSER. You control the card.

Mr. FREDERICKS. That is one of the elements.

Mr. MOSER. But you do not control the ball.

Mr. FREDERICKS. In bingo I do not think everyone throws their own ball. When you say "bingo" as such—I am not an expert on it.

Mr. MOSER. Who has authority in the city to determine whether or not a license will be granted for one of these games?

Mr. FREDERICKS. I would say unless it comes to me for an opinion as to whether or not a license should or should not be granted, I would never know about it in my official capacity as city solicitor.

Mr. MOSER. You only know about what games are submitted to you?

Mr. FREDERICKS. That is correct.

Mr. MOSER. But you are an expert, aren't you, on the subject of whether a game is legal or not? You have passed on a good many of them, I assume?

Mr. FREDERICKS. No; I haven't. I passed on very few games.

Mr. MOSER. Who grants the licenses? What individuals?

Mr. FREDERICKS. I think that comes under the commissioner of revenue and finance.

Mr. MOSER. What is his name?

Mr. FREDERICKS. Commissioner Bader.

Mr. MOSER. He decides initially whether a game is legal or not; does he?

Mr. FREDERICKS. I would say so. Until this incident of the attorney general's letter, for the last 5 or 6 or 7 years, I would assume the licenses were granted without any reference, I assume, to the city solicitor. I know since I was there, up until this time, I was never asked whether a game was legal or illegal. I do not feel the question can be answered easily.

Mr. MOSER. But, anyway, Mr. Bader decides each time he grants a license; doesn't he?

Mr. FREDERICKS. The end result is naturally if he grants the license he decides.

Mr. MOSER. And these are very close questions as to whether they are legal or not?

Mr. FREDERICKS. I think so.

Mr. MOSER. Even though they are close questions, Mr. Bader decides them himself without submitting them to the city solicitor, the city's legal counsel?

Mr. FREDERICKS. I don't want to answer that "Yes" or "No." It cannot be answered "Yes" or "No." I would say it was perfunctory for the last 4 or 5 or 6 years, since they had this amended ordinance, and the only time it has come up was this year when Attorney General Parsons sent this letter down sometime in, I guess it was, June, June 15.

Mr. MOSER. You know Herman Orman; don't you?

Mr. FREDERICKS. Yes; I have lived almost all my life—I know Herman Orman quite well.

Mr. MOSER. Have you ever discussed with him the question of Boardwalk games, their validity, which ones should stay open, or anything like that?

Mr. FREDERICKS. You have asked me about four questions there. I would say, in the main, "No."

Mr. MOSER. In the main, "No." Specifically now, what did you discuss with him about Boardwalk games?

Mr. FREDERICKS. Specifically, Mr. Moser, I do not know if I have discussed Boardwalk games with Mr. Orman. I say this thing has only come up about a month ago. I would say a month ago, roughly.

As to the legality or not of a bingo, or the bingo-type game, I guess that is what they call it, that only came up about a month ago.

I discussed the matter, I should say, with Kerstetter, who was the assistant director. I am sure he made an investigation of each game.

Mr. MOSER. He did?

Mr. FREDERICKS. He or someone under him, Mr. Moser.

I was given the peculiarities of the manner in which the games operated, and I am trying to give you the sequence. I think each notice was then sent out to these Boardwalk places to cease operating, and thereafter this proceeding was brought in the county court.

That is about it.

Mr. MOSER. A proceeding was brought in the county court to stop the city from—

Mr. FREDERICKS. The city was not enjoined. It was to stop the prosecutor from extralegal methods and perhaps a determination, I believe it is—I have not seen the proceedings—under the Declaratory Judgment Act or to have a declaratory judgment as to whether or not those four or five bingo-type games are legal or illegal.

Mr. MOSER. And what is the status of that case, that injunction proceeding?

Mr. FREDERICKS. It is not an injunction proceeding.

Mr. MOSER. It is a declaratory judgment proceeding?

Mr. FREDERICKS. I think so. To the best of my knowledge, the status is that it is practically ripe for a decision.

Mr. MOSER. When was it started?

Mr. FREDERICKS. I stated before, about a month ago. I may be off a week or two.

Mr. MOSER. Who is the plaintiff in that proceeding?

Mr. FREDERICKS. I don't know.

Mr. MOSER. Who represents the prosecutor?

Mr. FREDERICKS. The prosecutor himself.

Mr. MOSER. Who is the attorney for the plaintiff?

Mr. FREDERICKS. I see what you mean. I think Edward Feinberg.

Mr. MOSER. He represents the plaintiff?

Mr. FREDERICKS. I think so. The city is not a party to this proceeding.

Mr. MOSER. I understand that. The city has a definite interest, though.

Mr. FREDERICKS. Yes; about \$15,000 or \$18,000 worth.

Mr. MOSER. I should think the city would be very much interested in taking part in that proceeding. Has the city appeared as *amicus curiae*?

Mr. FREDERICKS. No; the city has not appeared. The city was not enjoined and has not appeared.

Mr. MOSER. The matter has not been referred to you as city counsel?

Mr. FREDERICKS. That is correct.

Mr. MOSER. How do you account for that?

Mr. FREDERICKS. I do not see why it should, since the city is not a party in the action. I have enough work over there to keep me busy from 8 in the morning until 10 at night.

Mr. MOSER. But the city is going to lose \$18,000 a year as a result of this decision, and it should want to know where its interest lies.

Mr. FREDERICKS. I wouldn't be surprised, Mr. Moser, if I gave an opinion that we should accept a \$3,000 license fee as of July 1 and

I assume the money is collected whether the games are declared legal or illegal.

I am pretty sure there is a written letter from me to the director of revenue and finance or the mercantile appraiser advising him to collect the \$3,000 from each one as of July 1, so the city won't lose.

Mr. MOSER. Do you know the operators of any?

Mr. FREDERICKS. If you tell me who the operators are, Mr. Moser, I can tell you whether I know them or not.

Mr. MOSER. Do you know Mr. Fred Packard?

Mr. FREDERICKS. I do not know Mr. Fred Packard, if he walked in the room; that is, by name.

Mr. MOSER. Would you know who he is?

Mr. FREDERICKS. I understand he is associated with one of the games, but I would be very much surprised if I knew him. I do not know him by name.

Mr. MOSER. Do you know Mr. Abe Baker?

Mr. FREDERICKS. Yes; I do.

Mr. MOSER. Does he run a game?

Mr. FREDERICKS. I do not know if he is connected with a game or not.

Mr. MOSER. Do you know where he comes from?

Mr. FREDERICKS. I have known him for about 5 years down here. I do not know where he is from originally.

Mr. MOSER. Do you know whether any of the operators of the games come from any other city?

Mr. FREDERICKS. Mr. Moser, you put me at a disadvantage. I will answer names if you ask me particular names, as you did Baker. I will be glad to answer whether I know them or not, but I do not know. There is a game down on the Boardwalk at Texas Avenue. I do not know, Mr. Moser, who operates that game. I do not know either the name of the game at Texas and the Boardwalk. If you ask me if John Smith operates that game and whether I know him, I may say I know him, but I do not know who operates that game.

Mr. MOSER. Do you know whether, as a matter of general information, it is believed they are operated by people outside the city?

Mr. FREDERICKS. No; I think, Mr. Moser, that most of the games are operated by people in Atlantic City. There may be one or two that are operated by, we will say, people who came from Illinois or, say, Oshkosh, Wis., 5, 6, or 7 years ago, but in Atlantic City, none of us were born here. We all came from somewhere else.

Mr. MOSER. You do not know whether anybody outside the city has any interest in them?

Mr. FREDERICKS. In the games themselves? Is that what you mean? In the Bingo or Fascination games?

Mr. MOSER. Yes.

Mr. FREDERICKS. It is alleged—I do not know for a fact—that Baker has an interest in one of the games. I know Baker very well, but I have never done any business for him, so that I would know that he is connected with Thrillo, we will say or Tanko or Play-Me. I do not know. Some of the men I know are native Atlantic City people, so to speak, and they have these games, but I, of my own knowledge, if you ask me who has the game at St. James Place and the Beach, would not know.

Mr. MOSER. Mr. Fredericks, we would like to ask you this about your functions as city solicitor with regard to the games. It is my understanding that Attorney General Parson wrote a letter in June directing the municipalities or prosecutors, I assume, to close down the games and set forth some kind of a statement in his letter as to standards to be used for determining whether it be legal or illegal. I assume any member of the police department was obligated to close down the games under his jurisdiction, was he not?

Mr. FREDERICKS. I do not think he was.

Mr. MOSER. He could just ignore the attorney general's letter?

Mr. FREDERICKS. Mr. Moser, I do not like to get into a legal discussion with you or any other lawyer on something of that nature. I think we are making a mountain out of a mole hill.

In the first place, Attorney General Parson's letter was not A, B, and C, and if it was A, B, and C, you do this. It was no such thing. Attorney General Parson's letter—I haven't seen it in weeks—sets forth certain elements. I believe he also said that whether or not a bingo game was legal or illegal was not an open-and-shut case. He referred to numerous cases on both sides, as I recall. He also said the question of whether or not it is legal or illegal depends upon the facts in each and every case, so that it wasn't something where you get a letter from a law-enforcement officer and then run out and pick up four or five people or confiscate four or five games and say, "Our duty is done." It wasn't any such easy matter by a long shot.

Mr. MOSER. In other words, it was a very serious open question as to whether they were legal or illegal; is that correct?

Mr. FREDERICKS. I would say so, Mr. Moser. Don't forget, Mr. Moser, you are talking about a total of five or six amusement devices in Atlantic City that has been here for many, many years. There were other things involved than the strict question of whether or not that is a legal game and this isn't a legal game. The letter wasn't just on the bingo-type games. He mentioned wheels. The wheels and bumper games were taken off immediately. There wasn't any question about that. But when you are discussing a letter which covered, as I said, a situation which was not an open-and-shut question—I do not mean to say that the attorney general wrote a letter and left somebody to slide through. I do want to put no onus on him at all. It wasn't that easy a question to just send a police officer down there to confiscate and arrest.

Mr. MOSER. You said the wheels and bumpers games were taken off immediately? How many of them were there?

Mr. FREDERICKS. Mr. Moser, I do not want to hedge with you. You have to start with the premise that I am not a law-enforcement agency.

Mr. MOSER. I understand that, but we are dealing with a question of importance to the city on a legal matter.

Mr. FREDERICKS. I would say offhand—and I have nothing to base this on, except maybe what I saw in the newspapers—two or three, what they call bumper games and a few wheels, maybe three wheels, I don't know.

Mr. MOSER. Isn't there evidence of the fact there were about 30 of these games on the boardwalk not long ago?

Mr. FREDERICKS. Thirty bumper and wheel games, Mr. Moser?

Mr. MOSER. Various entertainment and amusement games.

Mr. FREDERICKS. I guess the trouble with the native down here, Mr. Moser, is that we never get on the boardwalk from July 1 through Labor Day. I don't think so. I don't want to dispute you, but I wouldn't know. As far as I know, there were a couple of bumper games and to the best of my knowledge there were a few places with wheels in it. I do not think there were 30 wheels or bumper games on the boardwalk. There are not that many auction houses out there.

Mr. MOSER. All right, Mr. Fredericks, I think that is all we want to ask you. Thank you very much.

Mr. FREDERICKS. Thank you, sir.

TESTIMONY OF FRANK S. FARLEY, STATE SENATOR, ATLANTIC CITY, N. J., ACCOMPANIED BY MURRAY FREDERICKS, ATTORNEY, ATLANTIC CITY, N. J.

Senator HUNT. Just because it is a matter of custom and has applied to every witness we have ever had before our committee, I would like to have you sworn.

Will you stand and raise your right hand?

Do you solemnly swear in the testimony you will give this committee to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FARLEY. I do.

When I got the telephone message today I was in Philadelphia. I was under Dr. Matthew Erner's care. He is a specialist. I have been under his care for a year and a half. He is on Spruce Street. Also, I have been under Dr. Friedman's care. He is a specialist, in the 800 block, North Sixth Street. The address on Spruce Street is 1950.

I had no knowledge or information. My office called me at Dr. Friedman's office, otherwise I would have been here sooner.

Mr. MOSER. We understood that. We didn't attempt to reach you. We wanted to invite you rather than subpoena you. I did not get in until today, and I thought I ought to be the one to do it in your case, since you are a high public official.

Mr. FARLEY. I appreciate it and thank you very much for the courtesy.

Mr. MOSER. We would like to ask you some general questions. How long have you been a State senator?

Mr. FARLEY. I was elected in the fall of 1940, took office in January 1941, and presently my term expires in 1954.

Mr. MOSER. Prior to that how long had you been in the assembly?

Mr. FARLEY. Three years.

Mr. Moser, I was elected for three terms in the assembly and elected in 1940 for the senate, 1943, 1946, and 1949.

Senator HUNT. Your terms in the senate are 3 or 4 years?

Mr. FARLEY. Three years at that time, but since the constitution was changed and adopted they changed the term from 3 to 4 years, so at the last election I was elected for 4 years.

Senator HUNT. Four years now?

Mr. FARLEY. That is right.

Mr. MOSER. You are also the county chairman?

Mr. FARLEY. That is correct.

Mr. MOSER. How long have you had that position?

Mr. FARLEY. This is my second term.

Mr. MOSER. Three years a term.

The general practice down here is to have the position as county treasurer filled by the head of the party, shall we say, leader of the party?

Mr. FARLEY. Not necessarily; no. That is not correct.

Mr. MOSER. But you are the recognized leader of the party in Atlantic County, as I understand it.

Mr. FARLEY. I am county chairman and I imagine the public construction of the county chairman is the leader.

Mr. MOSER. Is it customary for the county senator to be the county chairman?

Mr. FARLEY. That is correct. We have one other fellow, Senator Tom Matthews, who was the senator.

Mr. MOSER. So it is unusual for the senator to be the county chairman?

Mr. FARLEY. It is not unusual. The reason here is—and this is all I know at the present time—would be, say, that Senator Matthews and I would say senators are keymen in each county. I do not want to discount their ability.

Mr. MOSER. Out of 21 counties you only know two where its senator also occupies the position of county chairman?

Mr. FARLEY. That is all I can recall.

Senator HUNT. Senator, you are probably in a position to answer this question.

Your new constitution does not prohibit your holding a State and local office at the same time?

Mr. FARLEY. There is no prohibition there.

Mr. MOSER. Serving as senator is a part-time job.

Mr. FARLEY. The session starts the first Tuesday after the second Monday in each January and usually runs until May, and we are usually called back for a special session under the constitution and we are obliged to return 45 days after the sine die adjournment for the purpose of treating conditional vetoes and other vetoes.

Mr. MOSER. You do not occupy any other political or official positions than the ones you have mentioned?

Mr. FARLEY. None at the present time.

Mr. MOSER. You have a law firm, I understand. I understood it was Farley & Farley, but Mr. Fredericks tells me it is not.

Mr. FARLEY. My brother Paul and myself are associated in a law practice. We have no partnership.

Mr. MOSER. You share expenses and office space?

Mr. FARLEY. To a degree. I share most of the expense. Mr. Fredericks pays for his own secretary.

Mr. MOSER. I would like to ask you something about your representation of the Atlantic City Racing Association, about which there was a lot of newspaper comment at one time or another. Would you like to explain that relationship to us?

Mr. FARLEY. I represented them from their inception.

Mr. MOSER. As their general counsel?

Mr. FARLEY. As their general counsel.

Mr. MOSER. They are located in Philadelphia?

Mr. FARLEY. They are located in Hamilton Township, McKey City, Atlantic County. They bank in Philadelphia.

Mr. MOSER. What is Quinn's connection with that?

Mr. FARLEY. James Quinn was my assistant at that time. He died about 2½ or 3 years ago.

Mr. MOSER. He was your assistant at that time?

Mr. FARLEY. Yes.

Mr. MOSER. What retainer did you get from that association?

Mr. FARLEY. I got a retainer of \$20,000 a year. From the first year I requested the association to include my brother Paul in that fee, so that Mr. Paul J. Farley gets \$10,000 out of it and I get \$10,000 out of it.

Mr. MOSER. And you divide the work between you?

Mr. FARLEY. That is right. As a matter of fact, he does most of the work.

Mr. MOSER. When did you become their general counsel? What year?

Mr. FARLEY. I believe it was in 1943. I can be mistaken about the year, but I believe it was 1943.

Mr. MOSER. Do you still represent them?

Mr. FARLEY. Oh, yes. I would like to explain that the contract of \$20,000 a year did not commence until the racing dates actually started.

Mr. MOSER. When was that?

Mr. FARLEY. That was in 1945, I believe. No; 1946.

Mr. MOSER. What work do you have to do for them?

Mr. FARLEY. What work do I do for the fee?

Mr. MOSER. Yes.

Mr. FARLEY. Sit in on conferences in connection with labor disputes.

Mr. MOSER. All of their business, legal matters?

Mr. FARLEY. All of their legal business involving condemnation of the railroad sites, negotiation for the original permit, their contractual matters that they had with individual clients, concessionaries, just general work, anything that may develop.

Mr. MOSER. And Quinn was just your assistant in that?

Mr. FARLEY. Quinn was just my assistant.

Mr. MOSER. Tell us about these breakage bills.

Mr. FARLEY. May I say something off the record?

(Discussion off the record.)

Mr. FARLEY. The breakage bill originally, when the track operated the breakage went to the race tracks. Other States passed legislation involving taking a percentage of the breakage, and they vary. Camden, which has been operating, I believe, for 2 or 3 years before Monmouth and Atlantic City, apparently was in very healthy financial condition. The Atlantic City and Monmouth tracks being new tracks, the legislature felt disposed to give them a 2-year grace to permit them to retain their breakage up to a point of a formula which, if my memory serves me right, was \$100,000. I do not recall the exact formula. It was back in 1945 or 1946 or 1947. Thereafter the State of New Jersey took the entire breakage. The purpose of it was to try to permit Monmouth and Atlantic City to get on their feet.

Atlantic City, having put substantial amounts of money back in the track the first and second years, the State was very anxious for

both those tracks to make as many improvements quickly and as expeditiously as possible, and they tried to have them the three best tracks in the country.

Senator HUNT. Senator, by breakage you mean percentage of total money bet?

Mr. FARLEY. No. The breakage, Senator, is the penny difference. In other words, if a horse by your formula would come in \$7.92 for \$2 as a winning ticket, you would get \$7.90 and the pennies, up to a breakage, were then a nickel. It is now increased to 10 cents. So their revenue has increased to a considerable amount, which the State of New Jersey is the recipient of.

Senator HUNT. It is sort of a sales tax on the horse race?

Mr. FARLEY. You can interpret it that way.

Mr. MOSER. It is sort of free money that is available, so the State takes it.

(The witness consulted with his counsel.)

Mr. FARLEY. I might add for the record I did nothing more for Atlantic City race track and racing than I did for any other interest in Atlantic County. The records will indicate where I voted in the senate to take the breakage away from the race tracks.

Mr. MOSER. You voted to take it away?

Mr. FARLEY. Yes.

Mr. MOSER. The only battle was in the early stages of this race track when there was an attempt to reserve the breakage for the tracks so that they could get going?

Mr. FARLEY. That was for the first 2 years. Then they passed a subsequent bill increasing it to 10 cents and I voted for that bill. As far as that interpretation which may be taken, it certainly would be against my interest, if anything, because it meant a considerable amount of money for the race tracks.

Mr. MOSER. You did fight for the race tracks to keep it the first 2 years?

Mr. FARLEY. I did what I would do for any other interest in the country. We passed a luxury tax bill for Atlantic City. We passed corrosion bills for the coastal lines. I can name innumerable bills that would show merely the interests of seashore resorts, resort areas, that are covered by ocean—Cape May and Atlantic and Monmouth Counties. Our interests are somewhat of a common nature.

Mr. MOSER. I understand you have been a friend of Herman Orman for a great many years.

Mr. FARLEY. I met him through my wife back in 1926 or '27. He was engaged in real estate with Benjamin R. Fox. My wife was employed there as a secretary.

Mr. MOSER. Are you an intimate friend of his?

Mr. FARLEY. I wouldn't say an intimate friend. I have known him. He has been a friend of mine.

Mr. MOSER. Did you associate with him socially a good deal?

Mr. FARLEY. I wouldn't say a good deal; no, sir.

Mr. MOSER. You go to sporting events with him, and things like that?

Mr. FARLEY. I have in the past. I have in the past 25 years or thereabouts.

Mr. MOSER. Often?

Mr. FARLEY. I wouldn't say often. I have been to sporting events with him.

Mr. MOSER. I have a picture of you at one. Would you like to see it?

Mr. FARLEY. I would like to see it.

(The witness examines the picture.)

Mr. FARLEY. This is at Convention Hall in Atlantic City.

Mr. MOSER. I don't know. Do you recognize the player?

Mr. FARLEY. I do not know. We have different sporting events in Atlantic City. I created an all-sports association—I do not like to use the word "I"—Dr. James A. Mason and I created it. One of the first things we did was to go out and raise money and we had a boxing show. We tried to sell the tickets to the first 5 or 10 rows for as much money as possible. I see Dr. Mason, who was associated with me in the all-sports program. He was president. He is a very high-type surgeon.

Mr. MOSER. Who is the man between you and Orman?

Mr. FARLEY. Dr. James Mason. I think that is at Convention Hall. I am not certain. I see the stage there. That background does look like the stage to me. It looks to me like Convention Hall. I can see the balcony, yes. There were no free passes. Everybody bought a ticket. Whether that was the particular night or not, I know we have had that and other events for the purpose of raising funds. The Boy Scouts and all sports are sponsoring at the present time an Icecapade for July 26 to raise funds. Our program is to encourage youngsters to run marathons, baseball leagues, and basketball leagues, and what not.

Mr. MOSER. Have you ever represented Orman legally as counsel?

Mr. FARLEY. I may have represented him years ago. I may have represented him. It is pretty hard for me to recall. I may have represented him back in 1934 and 1935. I do not recall it. I would not say I did or did not. I do not recall distinctly. Whatever it would have been, it would have been a minor matter because it wasn't something of a large nature, otherwise I would recall it.

Mr. MOSER. What kind of matters did he retain you for? Do you know?

Mr. FARLEY. I do not recall. I never represented any gamblers. I never represented anyone along that line in any way, shape or form. I never appeared in court for gamblers.

Mr. MOSER. I see.

Mr. FARLEY. I never appeared behind the court representing them directly or indirectly. The only fellow I can recall is a fellow who subsequently went into the gambling business before my time in politics and I took care of the settlement of his house.

Mr. MOSER. You have attended social gatherings with Orman at one time or another, I assume?

Mr. FARLEY. I have been at gatherings where he was there. May I tell you that in Atlantic City there is always a certain amount of people who support everything in Atlantic City. I think you will find probably 35 percent of the people support the same projects, whether it be the charity ball, whether it is Miss Atlantic City. So I say to you in my position I try to attend as many as I possibly can and I cannot determine who is going to be there.

Mr. MOSER. Did you represent the city at all in Atlantic City's refunding bond issue that occurred back in 1940?

Mr. FARLEY. What year was that?

Mr. MOSER. 1944 or 1945.

Mr. FARLEY. In 1944 or 1945 I did not represent Atlantic City.

Mr. MOSER. Never represented the city?

Mr. FARLEY. No.

Mr. MOSER. Represent anybody in connection with that issue?

Mr. FARLEY. Of course, I can answer you, but I think it is confidential communication between lawyer and client.

Mr. MOSER. Whether you represented them? No. The only confidential communication is what you told your client.

Mr. FARLEY. I do not know what it has to do with the case, to tell you the truth. I don't want to appear to be resistant to the committee. Personally, this interrogation is for the purpose of trying to find out about all my business involving interstate crime. That is something different. I have never had relations with anyone involving that type of amusement or any type of gambling. The answer is I did not represent Atlantic City.

Mr. MOSER. But you do not want to say whether you represented anybody in connection with that issue?

Mr. FARLEY. I think it is strictly confidential. I don't want to make an issue of it.

(Discussion off the record.)

Mr. FARLEY. Since I have been county chairman, naturally, the under people who are disappointed in seeking public office or who have been defeated for public office or who have not been reappointed to positions, have formulated a constant coalition of my enemies in this area who have stopped at nothing for the purpose of vilifying my character, who have attempted to frame me, who have importuned governors—and I say governors, plural—supreme court justices, superior court justices, to have investigations in Atlantic County, with the ulterior purpose and only purpose of destroying me.

Mr. Persky and Mr. Jack Woulfe are two of my political enemies.

Mr. MOSER. They are Democrats?

Mr. FARLEY. Mr. Persky was a Republican when he received the benefit of his appointment to the supreme court. He was a Republican at that time and had been for at least 40 years. That was when he was assistant city counsel, city counsel, supreme court justice.

When he was not reappointed, I importuned the Governor very vehemently and very strongly for his reappointment, seeking the aid of Senator Toulard and Senator O'Mara to prevail upon the Governor for his reappointment, which he did not make. I was then asked by him to see him. I was generous enough to come to his home rather than have him come to my house, and I asked him what he wanted to see me about.

He asked me to put in a bill to give him a pension, which I did. That was unheard of heretofore in the State of New Jersey, because I thought he was capable and I thought he deserved it. I passed a bill in the Senate. I received a lot of public criticism for the same. I received the necessary 31 votes in the assembly, but unfortunately it was the last day and it required an emergency resolution of 45 members in the assembly, and in the caucus downstairs there were indications there were 45 votes available, but when they came upstairs, Essex County refused to go along with the emergency and therefore it wasn't passed.

The following year his boy took a sound truck and stood it in front of city hall, in front of the Schwem Building, and called me vicious names. Mr. Woulfe berated me in the papers and tried to make a fool out of me. I said nothing in return. I never issued a statement, either through the medium of radio or the press, knowing that the newspapers were not friendly with me, so they would not give me the best of it.

Last year there was a demand made by a committee of policemen and firemen. They came to my office and asked me whether or not I would go along with a recommendation to the Republican committee in Atlantic City to support an \$850 increase.

I explained to them I would look into the matter. I made a searching inquiry of the whole picture, the financial picture, and the business minds and business interests as well as the home owner felt it was too much and it wasn't fair. I called them back and told them I couldn't possibly go along with it. If they felt disposed to keep the Republican Party out of it, they should let the people choose for themselves.

Thereafter, unfortunately, a few of them got into a controversy with different ward clubs and different precinct meetings. It reached a point where I had no alternative but to come out openly and oppose it.

Thereafter four men, through bitterness and everything else, have done everything humanly possible to try to create this investigation.

Mr. MOSER. Create this investigation?

Mr. FARLEY. Create this investigation. They bragged about it. Abe Portock stood out and remarked to a gentleman that he brought the investigation here. That is hearsay. Every one of my enemies is taking credit for this investigation, only on the theory of getting Farley. This has been continuous.

Atlantic City has sixty-four or sixty-five thousand population in the winter and two hundred thousand in the summer.

Mr. MOSER. Senator, may I interrupt just for a second, to say something also for the record, namely, that the one who recommended that we make an investigation in Atlantic City was myself. At the time I made the recommendation I had never heard of the so-called Four Horsemen. I had never heard of Woulfe. I knew you only by having met you on one brief occasion. I had no knowledge of these people.

The only one who was responsible for this investigation was myself. Those people did not instigate it, and had nothing whatever to do with it. That is for the record.

Mr. FARLEY. I do not disagree with you, but may I say to you that there were meetings in various locations in Atlantic City, including newspapermen, who were bragging they were bringing this investigation to town. One was Mr. Weintraub. The other was Mr. Shephard.

Mr. MOSER. I do not personally know them.

Mr. FARLEY. I am merely relating the information which is common knowledge in Atlantic City.

Mr. MOSER. I do not know either of them, although I may have seen them here today.

Mr. FARLEY. I'm merely relating about my enemies who seek my utter destruction.

I would like to also mention a boy named McCallum. This is off the record.

Mr. MOSER. It is not off the record.

Mr. FARLEY. I want to say something off the record.

Mr. MOSER. This is in defense of your actions. This is a dissent against these attacks. Why shouldn't they be on the record?

(Discussion off the record.)

Mr. MOSER. One of the things you have been attacked about, I suppose, is your failure to reappoint Judge Warke. Would you like to say something about that?

Mr. FARLEY. I will be very glad to. I made a considerable survey of Atlantic County Bar Association members. The ones I did contact said that 98 percent favored Judge Naami, our present judge. Likewise, the recommendation of the Democratic Party was opposed to Judge Warke.

Mr. MOSER. Is that E. G. Naami?

Mr. FARLEY. No. That is his brother. George Naami.

Mr. FREDERICKS. George T. Naami.

Mr. FARLEY. George Naami was a delegate to the constitutional revision convention. He has been an outstanding member here and is highly reputable. He ran against me for State senator, I believe, in 1940. He is very capable as a county judge, and I refer you to anyone who is a member of the bar where he has been sitting, in Hudson County or any other county in the State. He received nothing but public commendation from the entire bar.

Mr. MOSER. You recommended his appointment?

Mr. FARLEY. The Governor makes the appointment. All I have is the power of conservation.

Mr. MOSER. I understand.

Mr. FARLEY. The Democratic Party and the bar—the Democratic Party of this county—were against Judge Warke's appointment and pro—for Judge Naami. We recognized their recommendations as a matter of courtesy. We have bipartisan county judges, one Republican and one Democrat. We find, of course, when there is a Republican governor, we have a Republican; if there is a Democratic governor, there is a Democrat. So when we had a Democratic governor, he made a Democratic appointment. I have no say in the matter. I affirmed him. I could oppose him for personal reasons, but I did not oppose any governor's recommendation since I have been in the senate.

Mr. MOSER. It isn't true, is it, that the senator, in effect, is the one who decides?

Mr. FARLEY. He can importune the rule of senatorial courtesy and say that he is personally obnoxious, and he will be sustained. I have never done that.

Mr. MOSER. The reason you have never done that is because they have never appointed anybody that they didn't know you would approve.

Mr. FARLEY. That is true, except Governor Edison did not follow that rule. He had about 57 appointments withheld in the senate judiciary committee.

Mr. MOSER. But never one of yours?

Mr. FARLEY. Not one of mine.

Mr. MOSER. Isn't it pretty much common practice in New Jersey to reappoint judges unless there is some very serious charge against them?

Mr. FARLEY. County judges? No.

Mr. MOSER. How long had Warke served as judge?

Mr. FARLEY. I believe Warke had served two terms, maybe three terms. May I refer you, Mr. Moser, to any member of the Atlantic County bar or any bar that practices before them, and ask any lawyer. Don't take my word. I think you will be very pleasantly surprised in the decision of the governor in selecting Naami over Warke.

Mr. MOSER. Who is Babe Marsella?

Mr. FARLEY. Babe Marsella was a fellow I have known for 15 to 18 years around town. I do not know what he does.

Mr. MOSER. Does he have a criminal record?

Mr. FARLEY. I do not know that. I do not know him that well.

Mr. MOSER. You do not know him particularly well?

Mr. FARLEY. I know him to say "hello" to.

Mr. MOSER. Does Orman have a criminal record?

Mr. FARLEY. Not to my knowledge. I think at one time he was charged with something. I really don't know.

Mr. MOSER. Do you know Orman filed applications for a permit to carry a gun, which you probably knew about?

Mr. FARLEY. Back around in 1930 to 1935, or thereabouts, or 1937, he asked me if I would sign an application. He was selling jewelry. He was carrying valuable jewelery around. I signed his application.

Mr. MOSER. Why was he carrying jewelry around?

Mr. FARLEY. He was a jewelry salesman.

Mr. MOSER. Why didn't he sell it from a store?

Mr. FARLEY. We have several people down here. I know two or three people, without mentioning their names, who go around and sell jewelry. As a matter of fact, one of the chief consignors on the Boardwalk carries jewelry on his person. People in Atlantic City travel throughout the country with jewelry in their pockets trying to establish clientele and bring it out to them and establish customers. That is not novel.

Mr. MOSER. Who is James McCollough? He works for you?

Mr. FARLEY. No.

Mr. MOSER. Didn't he at one time?

Mr. FARLEY. No.

Mr. MOSER. Who is he?

Mr. FARLEY. Jim McCollough is an Atlantic City boy. He got into difficulty back when Mr. Johnson was here.

Mr. MOSER. "Nockey" Johnson?

Mr. FARLEY. Yes.

Mr. MOSER. Was he indicted with Johnson?

Mr. FARLEY. Not with him. I think around the same time.

He has been working for newspapers off and on. He has a great hobby for politics. He goes to Trenton occasionally when something there interests him.

Mr. MOSER. Has he been your chauffeur?

Mr. FARLEY. No. I have no chauffeur. He might have driven me, but I have no chauffeur.

Mr. MOSER. I want to ask you about the Warren Dickson investigation that took place back in 1948. He was appointed by the attorney general, as I understand it, as a special assistant attorney general.

Mr. FARLEY. That is correct.

Mr. MOSER. To prosecute gambling here?

Mr. FARLEY. That is right.

Mr. MOSER. How much did he get for that, do you know?

Mr. FARLEY. It is hard to recall. I think he got around \$20,000. I am not certain.

Mr. MOSER. You were county treasurer, so you paid him, I suppose.

Mr. FARLEY. That is correct.

Mr. MOSER. Is there any restriction on the amount that a special assistant attorney general can get in that kind of a job?

Mr. FARLEY. No. What happened is that the procedure is that the attorney general will refer someone to your county and then the supreme court justice, who was then Justice Eastwood, signs an order directing the county board of freeholders to pay it. Then the county board of freeholders either honors the order or they can be in contempt.

Mr. MOSER. It seems to me I have heard there is a law that restricts the amount that can be paid?

Mr. FARLEY. There has been a custom established where special prosecutors go in for a particular assignment. That is not in the category where you are assigned. If you are assigned, you take the year-round job and you are limited to the salary.

Mr. MOSER. What salary?

Mr. FARLEY. Whatever the salary may be. I know a fellow who was assigned to Salem County and he got the prosecutor's salary because he was assigned only for a year.

Mr. MOSER. Isn't there a law that restricts him to the county prosecutor's salary?

Mr. FARLEY. No. By custom.

Mr. FREDERICKS. I think there is a statute. I am not a county official, but I know there is a statute on the books—whether it ever has been interpreted by the courts, I do not know, but the statute runs something like that. A special prosecutor is limited to the amount that the prosecutor of that particular county gets per year.

Mr. MOSER. That is what I thought.

Mr. FREDERICKS. I don't believe—and I can remember investigations back, when I think Williams was down here, many years ago. He got more than the prosecutor for Atlantic County could get by the year. He got \$13,000.

Mr. FREDERICKS. It is not a clear-cut statute, nor the interpretation of it.

Mr. FARLEY. May I say to you in both instances, the board of freeholders was reluctant, and I was very reluctant to pay that money, but on the advice of the county solicitor the board paid it. I will tell you very frankly that I could never see the justification for those fees for either of those particular investigations.

Mr. MOSER. You are the chairman of the Atlantic County Republican Committee?

Mr. FARLEY. That is right.

Mr. MOSER. Who is Joseph P. McBeth?

Mr. FARLEY. He is assistant county treasurer, and treasurer of the Atlantic County Republican Committee.

Mr. MOSER. How many members are there on the committee?

Mr. FARLEY. Seventy-six.

Mr. MOSER. And they are all elected?

Mr. FARLEY. They are elected from the various locations.

Mr. MOSER. How much from each ward?

Mr. FARLEY. It depends upon the number of people.

Mr. MOSER. There are no dues required for membership on the committee; is there?

Mr. FARLEY. There are no dues necessary. They ask for contributions. They may call it that, but all it amounts to is a contribution. We do not have assessments, or anything like that.

Mr. MOSER. Who makes the contributions?

Mr. FARLEY. City, county employees, individuals. You have various individuals who make that.

Mr. MOSER. What is the money used for?

Mr. FARLEY. Campaign purposes, and sustaining the Republican Party.

Mr. MOSER. Are officeholders required to make contributions?

Mr. FARLEY. Nobody is required.

Mr. MOSER. Does anybody suggest how much they should give?

Mr. FARLEY. They themselves determine what would be a fair contribution, and I can point out to you a lot of instances where an awful lot have never made any contribution at all.

Mr. MOSER. That is city employees?

Mr. FARLEY. City and county.

Mr. MOSER. Are there any other individuals besides employees?

Mr. FARLEY. I do not like the words "have to." They don't have to. It is all voluntary. Whoever wants to make a contribution may do so.

Mr. MOSER. In any amount they like?

Mr. FARLEY. In any amount they like.

Mr. MOSER. Do you think any of the city officials, city employees feel they have to do it? Do they feel they have to do it to be in the good graces of the administration?

Mr. FARLEY. The four policemen have determined and interpreted that way, and everybody in town that they have spoken to thinks the same way.

Mr. MOSER. They haven't mentioned it to me.

Mr. FARLEY. They have to everybody else.

Mr. MOSER. I have a dues notice which I guess you already know about.

Mr. FARLEY. Would you mind letting me see it, please?

Mr. MOSER. I will let you see it on one condition, that you do not read what is on the back of it.

(The witness examined the form.)

Mr. FARLEY. The word "dues" certainly is not proper.

Mr. MOSER. Where does the \$30 come from?

Mr. FARLEY. Apparently what they have given in the previous years.

Mr. MOSER. That wouldn't be a percentage of the salary, would it?

Mr. FARLEY. Not necessarily. No.

May I say something so you will be conversant on it? They have a county committee, and their city and county employees make contributions.

Mr. MOSER. They do not have many city and county employees.

Mr. FARLEY. In the city. It is done voluntarily. There is no pressure. I have never known of anyone dismissed or suspended for not giving it.

Mr. MOSER. Coming back to that fee paid to Dickson, did you consult the attorney general at all about what his fee would be?

Mr. FARLEY. I consulted the board of freeholders, and their counsel. Very frankly, I opposed it.

Mr. MOSER. You didn't talk to Attorney General Van Ripper about it?

Mr. FARLEY. No, sir; I did not. Mr. Dickson was down here to knock my head in.

Mr. MOSER. He didn't succeed, though.

Mr. FARLEY. Apparently not.

Mr. MOSER. He got rather substantial fines from the cases he prosecuted.

Mr. FARLEY. There was a considerable number of fines collected at that time.

Mr. MOSER. Were no jail sentences given?

Mr. FARLEY. I don't know. He went to trial with one individual who was acquitted.

Mr. MOSER. The others pleaded non vult.

Mr. FARLEY. I think so. I have never followed it too closely.

Mr. MOSER. I think that is all I want to ask you at the present time. We are planning to have open hearings in Washington, and we would like to have you appear there. We feel that when we conduct an investigation like this, we ought to present the whole picture, and I do not think it is complete until you tell us on that occasion your side of it, which sounds like a good side.

Would you like to appear on Friday, or Thursday?

Mr. FARLEY. I would like to say something personal to Senator Hunt and Mr. Moser.

(Discussion off the record.)

Mr. FARLEY. Thank you. Gentlemen, I appreciate your courtesy, and particularly your call, and I am very glad to appear. If you call for me, I will appear at your session.

Senator HUNT. Thank you, Senator. Thank you, Mr. Fredericks.

**STATEMENT OF DAVID J. LATTA, DOCTOR OF HAROLD SCHEPER,
ACCOMPANIED BY WILLIAM CHARLTON, COUNSEL FOR HAROLD
SCHEPER**

Mr. MOSER. The only question is, are we going to get Scheper to testify, or aren't we?

Dr. LATTA. Let me make myself plain, gentlemen. I do not want a misunderstanding. I am not trying to keep him from coming up here.

Mr. MOSER. We know that.

Dr. LATTA. But the man is really very, very sick. When he came back from Boston, from Leahy Clinic last week, I started a routine course of building up his bloodstream, and getting some strength in his body, and trying to build up what this terrific X-ray treatment tears down in his body. His nerves are just about shot. I am trying to build them up. I do not know how long you gentlemen are going to be here.

Mr. MOSER. Just 1 day, sir; just today.

Dr. LATTA. I didn't know that.

Mr. MOSER. However, we have an open hearing in Washington on Thursday and Friday.

Dr. Latta. I started to write a letter over here, when I called on the phone today to speak to the Senator, requesting another 10 days to get this man in shape. I really didn't know what your plans were. He is really not in shape to come up here, because, if he does, he is only going to collapse on your hands.

Mr. Moser. Has he still got the edema you spoke of?

Dr. Latta. Yes, sir; he has. He got another series of X-ray treatments which wound up last Thursday, and Dr. Hare sent him down to me to start this blood work. I am building up blood strength, and building up some nervous reserve, which is practically shot. He gets the most powerful X-ray treatment you can get. It is the new million-volt X-ray up at MIT. It just about wears you out. You are so sick after those things. You are nauseated and weak, and washed out.

Mr. Moser. What does it do to his blood count?

Dr. Latta. It knocks his white-cell count all the way down. His hemoglobin falls down. You get a destruction of cells. Your blood pressure drops. When he came from Boston it was 90 over 70. Last night it was 101 over 70. It shows under treatment it is coming up.

When that episode occurred last week, the night before I had taken his blood pressure. It was 106 over 70. Then the shock drove it up to 160 over 70. With low pressure at his age, and the conditions of his blood vessels, which you know are cancerous, a rapid rise of blood pressure might be curtains for this man.

Mr. Moser. How old is he?

Dr. Latta. Around 60.

Mr. Moser. Let me ask his counsel some questions. It is our understanding that this man has been in the numbers business for a good many years, and is quite successful at it. If we should ask him the nature of his business, would you advise him to claim privilege?

Mr. Charlton. Yes.

Mr. Moser. You would?

Mr. Charlton. Yes, sir.

Mr. Moser. On the ground that numbers is illegal?

Mr. Charlton. On the ground that it may lead to an admission of a Federal crime.

Mr. Moser. What crime might that be?

Mr. Charlton. It might involve him in income tax fraud.

Mr. Moser. That seems very unlikely to me, because he has reported very high income. He has reported in 1950 a gross income of \$175,000, in 1948, \$118,000. A man who will report that much income is pretty likely to be reporting the correct amount.

Mr. Charlton. Could be. I don't know. I couldn't answer.

Mr. Moser. In other words, you would advise him not to answer any questions about his business activities?

Mr. Charlton. Yes, sir.

Mr. Moser. I see.

Mr. Charlton. Not his income tax. That you can tell about from his income tax.

Mr. Moser. He can tell us about his income tax?

Mr. Charlton. Certainly, his income tax.

Mr. Moser. Where is the privilege, if the only Federal crime involved is the income-tax evasion?

Mr. Charlton. If you want to ask him about the figures on his taxes, I presume he would have to answer them, because they are

official records, but as far as his business is concerned, I think he should claim his privilege.

Senator, Dr. Latta has a suggestion to make.

Dr. Latta. If you at any time want to have this man examined to verify what I have said, you are privileged any time you care to.

Mr. Charlton. We would be glad to have anyone of you come up and see him.

Mr. Moser. We think what we will do is just let Mr. Scheper go for the time being. We will keep him under subpoena, and subject to our call at a later time, and perhaps at a later time we will decide not to call him, but for the time being we will keep him under subpoena.

Mr. Charlton. If you gentlemen want to see him, we will be happy for you to see him. We are not trying to deceive the committee.

Mr. Moser. We understand that. We do not doubt the truth and integrity of what you say. We want to get the man's testimony, but, based on your statements, we think we will wait for him to testify.

TESTIMONY OF O. J. SILVERMAN, C. P. A., ATLANTIC CITY, N. J.

Senator Hunt. Would you mind standing and be sworn?

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Silverman. I do.

Mr. Moser. Do you know what the Beacon Finance Co. is?

Mr. Silverman. No; I don't.

Mr. Moser. Ever hear of it?

Mr. Silverman. Just offhand, not directly.

Mr. Moser. I think I should interrupt to state for the record, or have you state for the record that you are an accountant and so forth. Will you?

Mr. Silverman. That is right.

Mr. Moser. I understand you are a certified public accountant?

Mr. Silverman. That is correct.

Mr. Moser. Practicing in Atlantic City?

Mr. Silverman. Yes.

Mr. Moser. And then we will go on. You have never heard of the Beacon Finance Co.?

Mr. Silverman. I have heard of it.

Mr. Moser. What have you heard of it?

Mr. Silverman. Merely that it is operating out of Trenton. That is all.

Mr. Moser. But you do not know who owns it or has an interest in it?

Mr. Silverman. No; I don't.

Mr. Moser. Did you prepare Mr. Orman's income-tax return for 1950?

Mr. Silverman. Yes; from figures submitted to me by him.

Mr. Moser. Do you recall that he included in that receipts from Beacon Finance Co.?

Mr. Silverman. I would have to refer to my file.

Mr. Moser. Do you have your file?

Mr. Silverman. I don't recall offhand. That is for 1950, you say?

Mr. Moser. I think 1950.

Mr. SILVERMAN. Yes; there is \$507.52 in dividends from the Beacon Finance Co.

Mr. MOSER. And how about Planetary Recreations?

Mr. SILVERMAN. There is \$2,000 from them.

Mr. MOSER. City Service Cab Co.?

Mr. SILVERMAN. \$3,500.

Mr. MOSER. Yellow Cab Co.?

Mr. SILVERMAN. Yellow Cab Co. is not mentioned in here.

Mr. MOSER. Atlantic Amusement Co.?

Mr. SILVERMAN. That is not mentioned in here.

Mr. MOSER. Not in that year, but in another year.

Now, tell us what you did in connection with his returns; merely entered the figures he gave you?

Mr. SILVERMAN. I am the auditor for the Cosmopolitan Hotel Co. in which he has a minor interest.

Mr. MOSER. Are you sure it is a minor interest?

Mr. SILVERMAN. He has a one-third interest. He did have at that time.

Mr. MOSER. Do you know what interest he has now?

Mr. SILVERMAN. Since then he purchased the other two parties that had the two-thirds interest and he now owns it entirely.

Mr. MOSER. Do you know what other businesses he is in?

Mr. SILVERMAN. I don't.

Mr. MOSER. You don't know anything about his business activities?

Mr. SILVERMAN. No; I don't.

Mr. MOSER. Do you know whether he is in any other business activities?

Mr. SILVERMAN. I wouldn't know that.

Mr. MOSER. Your only connection is to put down the figures he gives you, to put down on his income tax returns?

Mr. SILVERMAN. That is correct.

Mr. MOSER. Would you say you are his accountant?

Mr. SILVERMAN. No; I wouldn't say that. I represented the Cosmopolitan Hotel Co. at that time in connection with my duties there and he requested me to fill out his income tax return from the figures he submitted to me. The entire preparation was a matter of 10 to 15 minutes. I filled it out and gave it to him and, in fact, I never even billed him for it because the amount of time it took was negligible.

Mr. MOSER. Would you say you prepared the return?

Mr. SILVERMAN. From the figures he submitted.

Mr. MOSER. Did you sign the return at the bottom where it is required to be signed by the person who prepared it?

Mr. SILVERMAN. I do not recall.

Mr. MOSER. Do you customarily do that?

Mr. SILVERMAN. When I prepare the return from the figures I verify, I sign the returns.

Mr. MOSER. Only where you verify the figures?

Mr. SILVERMAN. That is right.

Mr. MOSER. In a case where you merely enter the figures in the form, you do not sign it?

Mr. SILVERMAN. That is right.

Mr. MOSER. You know that Mr. Orman has a reputation around town that he is involved in some kind of racket?

Mr. SILVERMAN. Merely from hearsay.

Mr. MOSER. When he gave you figures to put in the return, you had some reason to wonder whether they were correct?

Mr. SILVERMAN. I had no reason to question them.

Mr. MOSER. If he had asked you to verify them, what would you have said?

Mr. SILVERMAN. I would not have been able to verify them.

Mr. MOSER. Why not?

Mr. SILVERMAN. He evidently gave me the information from records he compiled himself and unless I had a full and complete set of records to audit together with the normal operating system, I would not be able to verify it.

Mr. MOSER. As a professional man, don't you think it is rather dangerous to make out returns in that blind fashion for people who have reputations of that kind?

Mr. SILVERMAN. I don't see why. No.

Mr. MOSER. Doesn't it seem to you that an accountant who holds himself out to the public as being an expert in such matters ought to stand back of the figures he puts down in an income-tax return?

Mr. SILVERMAN. If I prepare them and verify the returns, yes.

Mr. MOSER. He didn't need you as an accountant to fill out his return. He could have done it himself in 5 minutes.

Mr. SILVERMAN. Yes.

Mr. MOSER. Why did he ask you to do it?

Mr. SILVERMAN. I happened to be there at the time, I suppose.

Mr. MOSER. I wonder if you know that there have been many, many examples throughout the United States of people like yourself who have filled out racketeers' and gangsters' income-tax returns in exactly the same way that you have and, when they are called upon to testify as to what was back of them, they merely say, "I just put in the figures he gave me and did not go back of it." Do you know that?

Mr. SILVERMAN. No; I don't.

Mr. MOSER. Do you know that the American Society of Public Accountants is engaged in investigating that situation because of the reflection on the trade, the profession?

Mr. SILVERMAN. I don't know that.

Mr. MOSER. I don't understand why, in some cases you will go back of the figures and in some cases you won't. Does it depend on what the client asks you to do?

Mr. SILVERMAN. It depends upon the nature and scope of the engagement.

Mr. MOSER. The net of it is that you do not know anything about his income at all and you do not know anything about his business?

Mr. SILVERMAN. Other than his interest in the Cosmopolitan Hotel.

Mr. MOSER. I think that is all, then.

Mr. SILVERMAN. Thank you.

Mr. MOSER. Thank you.

TESTIMONY OF HARRY HAGGERTY, ATLANTIC CITY, N. J.

Senator HUNT. Would you stand and be sworn?

Do you solemnly swear that the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HAGGERTY. I do.

Mr. MOSER. You are, or were, until recently the business agent of the bartenders' union here in Atlantic City; is that correct?

Mr. HAGGERTY. That is correct.

Mr. MOSER. What is your address?

Mr. HAGGERTY. My home address?

Mr. MOSER. Yes.

Mr. HAGGERTY. 121 St. James Place.

Mr. MOSER. Do you have an office?

Mr. HAGGERTY. The bartenders' union, 27 South Kentucky.

Mr. MOSER. Are you under probation at the present time?

Mr. HAGGERTY. I am.

Mr. MOSER. And what was the charge?

Mr. HAGGERTY. Working in a horse room.

Mr. MOSER. Working in a horse room?

Mr. HAGGERTY. Yes.

Mr. MOSER. How long ago were you arrested?

Mr. HAGGERTY. Exactly, I could not say.

Mr. MOSER. Roughly?

Mr. HAGGERTY. Over 3 years, I guess.

Mr. MOSER. How many more years of probation have you?

Mr. HAGGERTY. I think about 18 months left.

Mr. MOSER. And as a probationer, to whom do you report?

Mr. HAGGERTY. To the office up there, anybody that is in the office.

Mr. MOSER. To Vincent Lane?

Mr. HAGGERTY. Sometimes, or the girl.

Mr. MOSER. When you report, what do you do?

Mr. HAGGERTY. Just go up and say I am there to report. That is all.

Mr. MOSER. And you do not tell them anything about your business activities?

Mr. HAGGERTY. No. They ask you if you are still working, still the business agent.

Mr. MOSER. For the union?

Mr. HAGGERTY. Yes.

Mr. MOSER. Did you have a fine imposed upon you?

Mr. HAGGERTY. Yes.

Mr. MOSER. How much was that?

Mr. HAGGERTY. \$7,000 altogether.

Mr. MOSER. Was that in connection with Warren Dixon's prosecutions down here?

Mr. HAGGERTY. Yes.

Mr. MOSER. Did you borrow the \$7,000.

Mr. HAGGERTY. Wait a minute. You have me a little bit mixed up here. I do not think I better answer. I am in trouble. I am being investigated by the Internal Revenue Department. Somebody has been indicted down here. I am on probation. I don't think I can go much further. I am indicted.

Mr. MOSER. You are indicted?

Mr. HAGGERTY. Yes; I am.

Senator HUNT. At the present time?

Mr. HAGGERTY. Sure.

Mr. MOSER. For what?

Mr. HAGGERTY. McCallum here is supposed to have had me indicted. I am out on bail now.

Mr. MOSER. We are not trying to get you into trouble.

Mr. HAGGERTY. I am in enough trouble now. I do not think you can go any further with me.

Mr. MOSER. Do you take any part in politics at all?

Mr. HAGGERTY. No.

Mr. MOSER. Are you a member of any of these Republican clubs?

Mr. HAGGERTY. I am a member of the club. Everybody is a member of the club, more or less.

Mr. MOSER. You mean practically everybody in town?

Mr. HAGGERTY. Pretty nearly, I guess.

Mr. MOSER. Are you in the Third Ward Republican Club?

Mr. HAGGERTY. Yes.

Mr. MOSER. Who is the head of that?

Mr. HAGGERTY. I have the card of that. I don't know who is the head of it now. Frank Beatty is the financial secretary.

Mr. MOSER. Is this your membership card?

(The witness produced the card.)

Mr. HAGGERTY. Yes.

Mr. MOSER. Then you have shown us a membership card of the Third Ward Republican Club dated January 5, 1951—the Third Ward United Republican Club—showing payment of \$4?

Mr. HAGGERTY. Yes.

Mr. MOSER. What are the dues for the club?

Mr. HAGGERTY. Dues for the year.

Mr. MOSER. Four dollars dues for the year?

Mr. HAGGERTY. Yes.

Mr. MOSER. What are all these little checks in the front?

Mr. HAGGERTY. Those are the months, just like in the bartenders' union—January, February, and so forth.

Mr. MOSER. You pay \$4 every month?

Mr. HAGGERTY. A year. He checked off the months. It is \$3, I think, and \$1 welfare.

Mr. MOSER. How much did you pay in 1950?

Mr. HAGGERTY. Sir?

Mr. MOSER. How much did you pay in 1950?

Mr. HAGGERTY. Isn't that for 1950?

Mr. MOSER. That is for 1951.

Mr. HAGGERTY. I paid the same thing.

Mr. MOSER. It is the same every year?

Mr. HAGGERTY. It is the same every year.

Mr. MOSER. You don't have to pay any amount per month?

Mr. HAGGERTY. No; that is for the year.

Mr. MOSER. Any initiation fee?

Mr. HAGGERTY. No.

Mr. MOSER. All right; you may have that back.

You say you are in a lot of trouble?

Mr. HAGGERTY. Yes; I am. I can't be in much more. I don't think I can.

Mr. MOSER. Are you still head of the bartenders' union?

Mr. HAGGERTY. I think I will be. I am boxing that out now.

Mr. MOSER. What is happening?

Mr. HAGGERTY. Well, I don't know what happened. I haven't had any official notification from the international yet. I have 30 days in which to get a hearing. There are no charges.

Mr. MOSER. Did someone take some action to remove you?

Mr. HAGGERTY. The international sent a trustee in. Then they have 30 days in which to file charges.

Mr. MOSER. Have they sent in a trustee to see you?

Mr. HAGGERTY. Yes.

Mr. MOSER. To temporarily displace you?

Mr. HAGGERTY. That is right.

Mr. MOSER. And you had a car furnished you, didn't you?

Mr. HAGGERTY. That is right.

Mr. MOSER. And do you still have that?

Mr. HAGGERTY. No; when they take over, they take everything over. Everything belongs to the union. It belonged to the members and they hold it in abeyance until it is disposed of one way or the other and new officers are elected.

Mr. MOSER. This car didn't belong to you? It belonged to the union? They just let you use it?

Mr. HAGGERTY. That is right. It belonged to the members.

Mr. MOSER. You are divorced?

Mr. HAGGERTY. Yes.

Mr. MOSER. You have had a lot of trouble, haven't you?

Mr. HAGGERTY. Yes; I have.

Senator HUNT. Have any children?

Mr. HAGGERTY. No.

Mr. MOSER. We have information that in 1947 your wife purchased a home for \$17,000; is that correct?

Mr. HAGGERTY. That is her business. I ain't talking for her. I refuse to answer that.

Mr. MOSER. Mr. Haggerty, you have been very cooperative and we appreciate it. We want to interrupt your testimony for a few minutes. This has nothing to do with you. We wonder if you would mind leaving for a little while.

Mr. HAGGERTY. All right.

TESTIMONY OF HARRY HAGGERTY—Resumed

Mr. MOSER. I want to ask you about your conviction. The fine was \$7,000 and we understand that you borrowed the \$7,000 from Harold Scheper.

Mr. HAGGERTY. What?

Mr. MOSER. Isn't that correct?

Mr. HAGGERTY. I refuse to answer that question.

Mr. MOSER. Well how could that do you any harm? You paid it back, didn't you?

Mr. HAGGERTY. Nothing much can happen to me. Anything can be harmful. I have been kidding with the book. I have been hit from t'other field. I am not going to answer any more questions.

Mr. MOSER. I don't think anything we ask you will hurt you.

Mr. HAGGERTY. Do you mind if I don't take any more chances?

Mr. MOSER. I want to know if Stumpy Orman spoke to you about paying that loan back.

Mr. HAGGERTY. No.

Mr. MOSER. He didn't?

Mr. HAGGERTY. No. I have nothing to do with any loans. I don't know what you are talking about.

Mr. MOSER. You borrowed the money to pay your fine from Scheper?

Mr. HAGGERTY. I just refuse to answer.

Mr. MOSER. And you paid it back? Did anybody pay the fine for you?

Mr. HAGGERTY. I refuse to answer.

Mr. MOSER. Isn't it a general practice when those fines are imposed for the organization to pay them?

Mr. HAGGERTY. I refuse to answer.

Mr. MOSER. And did Hap Farley speak to you about paying that loan back?

Mr. HAGGERTY. I refuse to answer. I never talked to Hap Farley.

Mr. MOSER. Did you ever talk to Orman?

Mr. HAGGERTY. Just on the street to say "hello."

Mr. MOSER. He never spoke to you about that loan?

Mr. HAGGERTY. I didn't have any connection with that.

Mr. MOSER. Who paid the fine?

Mr. HAGGERTY. I said Stumpy had no connection with it.

Mr. MOSER. Did you pay the fine yourself?

Mr. HAGGERTY. I refuse to answer.

Mr. MOSER. This conviction was for numbers, wasn't it?

Mr. HAGGERTY. No.

Mr. MOSER. Horses?

Mr. HAGGERTY. It is on the record.

Mr. MOSER. Tell me. Bookmaking, isn't that right?

Mr. HAGGERTY. It is on the record.

Mr. MOSER. You already said that.

Mr. HAGGERTY. Yes.

Mr. MOSER. You were fined \$7,000 and put on 5 years' probation. You have already testified to that. Were you bookmaking alone or were you taking bets for somebody else?

Mr. HAGGERTY. I refuse to answer.

Mr. MOSER. You won't tell us about that?

Mr. HAGGERTY. No.

Mr. MOSER. Did you ever pay any protection to anybody?

Mr. HAGGERTY. I refuse to answer.

Mr. MOSER. You refuse to answer? You won't deny it?

Mr. HAGGERTY. I don't pay nobody. What was I going to pay for?

Mr. MOSER. You mean you didn't get protection?

Mr. HAGGERTY. Evidently I got pinched.

Mr. MOSER. Can you answer truthfully, did you pay anybody for protection?

Mr. HAGGERTY. Never paid nobody nothing.

Mr. MOSER. You didn't?

Mr. HAGGERTY. No.

Mr. MOSER. Did you ever make any contributions to the Republican Club?

Mr. HAGGERTY. No.

Mr. MOSER. Did you ever have to pay any money to Lester Bardick?

Mr. HAGGERTY. No.

Mr. MOSER. Doesn't he come into your shop once a week?

Mr. HAGGERTY. My shop?

Mr. MOSER. Yes.

Mr. HAGGERTY. I am business agent of the Bartenders' Union.

Mr. MOSER. I know. Didn't he ever come in to you once a week and pick up some money for what?

Mr. HAGGERTY. For what? He cannot put bartenders to work. I put them to work. He has nothing to do with that.

Mr. MOSER. Some of your bartenders, don't they collect numbers and bets for you?

Mr. HAGGERTY. No, they do not.

Mr. MOSER. Never have?

Mr. HAGGERTY. Never have.

Mr. MOSER. I think perhaps that is all for now. I could ask you a lot of questions which you could refuse to answer, I suppose.

(Discussion off the record.)

Mr. MOSER. Why do you refuse to answer?

Mr. HAGGERTY. I am in enough trouble now. It may hurt.

Mr. MOSER. How is it going to hurt you?

Mr. HAGGERTY. You are a lawyer. I am not a lawyer. I cannot answer that, but I am liable to get hurt.

Mr. MOSER. We will excuse you for the time being. Are you glad?

Mr. HAGGERTY. I guess so. I have been waiting here 3 days now.

TESTIMONY OF FRANCIS L. SMITH, MARGATE, N. J.

Senator HUNT. Mr. Smith, will you stand and be sworn?

Do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SMITH. I do.

Mr. MOSER. Mr. Smith, have you given your address to the stenographer?

Mr. SMITH. 9 South Madison Avenue, Margate.

Mr. MOSER. And have you any business address?

Mr. SMITH. 917 Boardwalk.

Mr. MOSER. What is your business there?

Mr. SMITH. It was a game.

Mr. MOSER. It was a game?

Mr. SMITH. Yes.

Mr. MOSER. What is it now?

Mr. SMITH. Novelties. I also sublet a concession up front.

Mr. MOSER. You sublet a concession up front?

Mr. SMITH. Yes.

Mr. MOSER. What kind of concession?

Mr. SMITH. Costume jewelry.

Mr. MOSER. In the back you have novelties?

Mr. SMITH. I am selling out the stock.

Mr. MOSER. You are in the process of liquidation?

Mr. SMITH. That is right.

Mr. MOSER. When did you start liquidating?

Mr. SMITH. Around the 16th of June.

Mr. MOSER. When did you come to Atlantic City?

Mr. SMITH. 1928.

Mr. MOSER. 1928?

Mr. SMITH. Yes, sir.

Mr. MOSER. You have been here a good many years?

Mr. SMITH. Yes.

Mr. MOSER. Have you ever had a game on the Boardwalk?

Mr. SMITH. Yes.

Mr. MOSER. When did you start that?

Mr. SMITH. About '44, I would say.

Mr. MOSER. 1944?

Mr. SMITH. Yes.

Mr. MOSER. What kind of game was it?

Mr. SMITH. Pokerino.

Mr. MOSER. Did you have a license from the city for that?

Mr. SMITH. Yes.

Mr. MOSER. How much did you have to pay for the license?

Mr. SMITH. \$500 license.

Mr. MOSER. To whom did you pay? To whom did you apply for the license?

Mr. SMITH. I was in partnership on that.

Mr. MOSER. In partnership?

Mr. SMITH. Yes. It was a license at that place for a good many years.

Mr. MOSER. And who was your partner?

Mr. SMITH. Jerome Joyce.

Mr. MOSER. Then, in a later year, did you open a place of your own?

Mr. SMITH. Yes, sir.

Mr. MOSER. What were the circumstances under which you did that?

Mr. SMITH. I sold out downtown. Then I went to open something myself.

Mr. MOSER. When you say you sold out downtown, you mean you sold your partnership interest?

Mr. SMITH. Yes.

Mr. MOSER. Go ahead.

Mr. SMITH. Then I opened up this bumper game above Steel Pier.

Mr. MOSER. What is that?

Mr. SMITH. It is like roulette, only it is straight. It stops on a number. An automobile is pushed by the players and it stops on a number. That designates the winner.

Mr. MOSER. When you opened up, did you have to get a license?

Mr. SMITH. Yes, sir.

Mr. MOSER. Did you apply for one?

Mr. SMITH. Yes.

Mr. MOSER. To whom did you make your application?

Mr. SMITH. To Kelly.

Mr. MOSER. Mr. Kelly?

Mr. SMITH. Francis Kelly.

Mr. MOSER. What is his job?

Mr. SMITH. He issues the license.

Mr. MOSER. Who is Mr. Bader?

Mr. SMITH. Mr. Bader is the director of finance. He is above Mr. Kelly.

Mr. MOSER. Mr. Kelly is his subordinate?

Mr. SMITH. That is right.

Mr. MOSER. Does Mr. Bader have anything to do with issuing licenses?

Mr. SMITH. Yes. It has to be approved by him.

Mr. MOSER. Did you see him?

Mr. SMITH. Yes, sir.

Mr. MOSER. You went to see him?

Mr. SMITH. Yes, sir.

Mr. MOSER. Did you tell him it was approved?

Mr. SMITH. Yes.

Mr. MOSER. How much did you pay for your license?

Mr. SMITH. \$1,000.

Mr. MOSER. \$1,000 for the fee?

Mr. SMITH. That is right.

Mr. MOSER. Is that the ordinary charge of the city?

Mr. SMITH. Yes, sir.

Mr. MOSER. Did you have to pay anything other than that?

Mr. SMITH. Another \$1,000.

Mr. MOSER. Another \$1,000?

Mr. SMITH. Yes.

Mr. MOSER. To whom did you pay that?

Mr. SMITH. Joe McBeth.

Mr. MOSER. Is Joe McBeth the treasurer of Atlantic County Republican Committee?

Mr. SMITH. Yes.

Mr. MOSER. Was that \$1,000 supposed to go into the funds of the committee?

Mr. SMITH. All I know it was supposed to go downtown. I don't know who got it.

Mr. MOSER. How do you know you were supposed to pay it?

Mr. SMITH. I know I wouldn't have gotten the license unless I paid it.

Mr. MOSER. How did you know that?

Mr. SMITH. It wasn't approved until I said I would pay the thousand.

Mr. MOSER. Was there a delay in the approval?

Mr. SMITH. Yes, sir.

Mr. MOSER. How did you get the signal that you were supposed to pay it?

Mr. SMITH. McBeth was a friend of mine and he called me and said I could get the license, but it would cost me \$1,000.

Mr. MOSER. More?

Mr. SMITH. Yes, sir.

Mr. MOSER. And that you should give it to him?

Mr. SMITH. Yes.

Mr. MOSER. Did you give it to him in cash?

Mr. SMITH. Yes.

Mr. MOSER. What denominations?

Mr. SMITH. Hundred dollar bills.

Mr. MOSER. Your license had to be renewed every year, did it not?

Mr. SMITH. Yes, sir.

Mr. MOSER. How much was the renewal fee?

Mr. SMITH. \$1,000.

Mr. MOSER. A thousand dollars every year?

Mr. SMITH. Yes.

Mr. MOSER. Did you ever have any game other than the bumper game?

Mr. SMITH. Pokerino.

Mr. MOSER. Did you have to get a separate license for that?

Mr. SMITH. Not in this location. That was before I went to that.

Mr. MOSER. The thousand dollar license that you applied for was for Pokerino, was it?

Mr. SMITH. No; just the bumper game.

Mr. MOSER. Then you opened Pokerino at the same establishment?

Mr. SMITH. No.

Mr. MOSER. When did you go to Pokerino?

Mr. SMITH. Before I opened the bumper. I opened the bumper a little over 2 years ago.

Mr. MOSER. You had to renew it the next year, did you not, your annual license fee?

Mr. SMITH. Yes.

Mr. MOSER. And you paid \$1,000 for the renewal?

Mr. SMITH. Yes.

Mr. MOSER. Did you have to pay anything else?

Mr. SMITH. No.

Mr. MOSER. You did not?

Mr. SMITH. Not until later in the season.

Mr. MOSER. What happened later in the season?

Mr. SMITH. I had a phone call from Dick Mahoney.

Mr. MOSER. Who is he?

Mr. SMITH. He has a bar in Brigenton.

Mr. MOSER. Yes. Does he have a connection with a political organization?

Mr. SMITH. Yes.

Mr. MOSER. What is that?

Mr. SMITH. He said, "Farley sent me to see you."

Mr. MOSER. Did he mean by that Senator Farley?

Mr. SMITH. Yes.

Mr. MOSER. He called you up on the telephone?

Mr. SMITH. Yes.

Mr. MOSER. Did he say anything besides that?

Mr. SMITH. He said that Hap said it was up to him to assess each one with a game how much he should pay.

Mr. MOSER. Did he tell you how much he had you down to pay?

Mr. SMITH. \$500.

Mr. MOSER. This was in the telephone conversation?

Mr. SMITH. No; he told me to meet him at Maryland and Milwaukee. I met him there.

Mr. MOSER. He told you you had to pay \$500?

Mr. SMITH. Yes.

Mr. MOSER. And did you pay the \$500?

Mr. SMITH. No, I called McBeth and explained it to him. He said, "Well, talk to him and see if he will take some now and take some later."

Mr. MOSER. What did you do then?

Mr. SMITH. I gave him half of it. I ran it out to his place.

Mr. MOSER. Who is he?

Mr. SMITH. Mahoney.

Mr. MOSER. You gave him half of it?

Mr. SMITH. Yes.

Mr. MOSER. That is \$250?

Mr. SMITH. Yes.

Mr. MOSER. Did you give it to him in cash?

Mr. SMITH. Yes.

Mr. MOSER. Did you ever pay the other half?

Mr. SMITH. Yes.

Mr. MOSER. Whom did you pay that to?

Mr. SMITH. Farley. I paid it to him personally.

Mr. MOSER. You paid it to him personally?

Mr. SMITH. Yes.

Mr. MOSER. Did you pay it in cash?

Mr. SMITH. Yes, sir.

Mr. MOSER. Tell us the circumstances under which you did that.

Mr. SMITH. I promised Dick that I would. I said, "How about if I give you half now and half after the season when I get straightened out?" So he talked to McBeth on the phone and it was all right. So at the end of the season I called McBeth, and he said, when I asked him whether he wanted me to bring it over, "Take it to him yourself."

Mr. MOSER. By "him," he meant Senator Farley?

Mr. SMITH. Yes, sir.

Mr. MOSER. So you did?

Mr. SMITH. Yes.

Mr. MOSER. Tell me what happened.

Mr. SMITH. I went to his house and he took me into the kitchen. I said that I wanted to give him that other money. So I handed it to him. I didn't know what the mix-up was. There was some mix-up on how I got this license because he acted like I was an enemy.

Mr. MOSER. He was very hostile to you?

Mr. SMITH. Not hostile, but showed a certain amount of condescension, that he had even let me into the house. He said "Why don't you come to me when you want something?"

I didn't know what he meant. I didn't want to press it. He is sort of a big man, so you do just what you are told and keep quiet about it.

After I got outside, I started to try to figure out what he meant. The only thing I could figure out was Orman was hostile to me because previously I had sort of blown my top with him.

Mr. MOSER. You had blown your top with Orman?

Mr. SMITH. Yes.

Mr. MOSER. You thought that maybe Farley was hostile to you because you had blown your top to Orman?

Mr. SMITH. Him too, because we tried to get bingo. To explain it to you I have to tell you the details why he didn't seem very friendly.

Mr. MOSER. Can you tell us that?

Mr. SMITH. Yes. We tried to get a bingo a few years back. I believe that was in 47. So Farley was the man I dealt with. I didn't go through Stumpy because I didn't know he was the power.

Mr. MOSER. Do you know he is the power?

Mr. SMITH. To my mind he is the power, politically.

Mr. MOSER. He is the power behind Farley, too, isn't he?

Mr. SMITH. He has everything to say.

Mr. MOSER. Go ahead.

Mr. SMITH. It seems that Farley is not interested in what goes on as far as the illegal business is concerned. You see, for example, that happen and you still don't believe it in your own mind. In any other cities or any other town he would figure it was because he didn't want to bother with it that Stumpy would handle it, but from what I have seen, Stumpy has more to say than he does. So at this time, when this thing happened to me, when I got closed, I went directly to Farley.

Mr. MOSER. Wait a minute. You are jumping ahead of the story. You said, when you got closed up. You were telling me about the payment you made to Farley in his kitchen and you started to explain why you thought he was hostile to you.

Mr. SMITH. He made the remark, "Why don't you see me when you want something?"

Mr. MOSER. Anyway, he took the \$250, did he?

Mr. SMITH. Yes.

Mr. MOSER. Did he say everything was O. K., then?

Mr. SMITH. No. He didn't say anything other than he gave me a pat on the back and said, "Whenever you want anything, see me, Smitty."

Mr. MOSER. Did you have your child with you at the time?

Mr. SMITH. That is right.

Mr. MOSER. Your little boy?

Mr. SMITH. That is right.

Mr. MOSER. Did he speak to your little boy?

Mr. SMITH. Yes; and he gave him a nickel.

Mr. MOSER. He gave your little boy a nickel?

Mr. SMITH. Yes.

Mr. MOSER. Sort of a kick-back?

Mr. SMITH. Probably.

Mr. MOSER. You said you were closed up. I want to ask you the denominations in which you paid the \$250 to Mr. Farley.

Mr. SMITH. It was large numbers.

Mr. MOSER. Around \$50?

Mr. SMITH. Probably fifties.

Mr. MOSER. You said, later you were closed up. When was that?

Mr. SMITH. June 6.

Mr. MOSER. Of this year?

Mr. SMITH. Yes.

Mr. MOSER. Who told you you had to close?

Mr. SMITH. Captain Detective Pike and Brower.

Mr. MOSER. Are they on the vice squad?

Mr. SMITH. No, they are boardwalk detectives.

Mr. MOSER. Did you know about a letter that was written by the Attorney General Parsons about closing up gambling games?

Mr. SMITH. I knew about it through the papers and Farley said he would even show it to me; but he never did.

Mr. MOSER. When did he say that? When did he say he would shut you up?

Mr. SMITH. When I got closed, I picked up the morning paper and, according to the paper, the only one closed was the Paddlewheel up the street and my place. It said nothing about the other places downtown. So naturally I got more excited than I would ordinarily. So I went right to his house in the morning.

Mr. MOSER. You thought you were being picked out, didn't you?

Mr. SMITH. Yes; I expected it.

Mr. MOSER. You expected it because he had been hostile to you?

Mr. SMITH. That is right.

Mr. MOSER. Go ahead. So you went to Mr. Farley's house?

Mr. SMITH. Yes. He was just leaving. He was going to leave town for something or other. So we went into the kitchen again. I said,

"What chances do I have of revising the game? Can I do anything or should I sit still and just wait?"

He said that I was in a nervous state. I was kind of upset.

Mr. MOSER. Angry?

Mr. SMITH. Yes.

Mr. MOSER. Lost your temper?

Mr. SMITH. I was just upset. It wasn't going to do me any good getting too hostile to him. But I couldn't restrain myself as far as being excited because I was under the impression that they knocked the two out and the papers didn't have in that they closed the other.

Mr. MOSER. Had they, in fact, closed the other?

Mr. SMITH. The pier had been closed during the week. They had not opened steadily, but they didn't reopen. The other place continued operations to one player for a day or two and then closed. But I asked Farley if there was any possibility of changing the game and he said, "Well, you will have to put skill into it. You get hold of Kerstetter and have him inspect it and, if he can do anything for you, tell him I said to do whatever he could."

So I went directly to Kerstetter from his house. I didn't waste any time because I figured I would be delayed and delayed. So I spoke to Kerstetter. He said he couldn't go; but then I asked him to delegate somebody to look at the game. I told him what I intended to do to change it. So he sent Pike right over. I explained it to Pike and I said, "Do you think I should do the actual work before you make a report?"

He said, "Yes; fix it up. Fix up what you are going to do. Then I will come over and take a report back."

That took 2 days and he came back and I never heard any more until I went over to see Kerstetter, myself. Kerstetter was noncommittal at first. Then I think I must have aggravated him because he got excited.

Mr. MOSER. What did you do to aggravate him?

Mr. SMITH. I wanted him to say who decided my game was illegal.

Mr. MOSER. All right, go ahead.

Mr. SMITH. He wound up saying, "I had." I asked what recourse I had.

He said, "Take it to the court."

With that I left his office.

Mr. MOSER. Then what did you do?

Mr. SMITH. After that I called my wife. I said it looks like we are out.

Then I had lunch with a fellow and a friend of mine walked in and he said, "Your wife was just in to see Scott."

Mr. MOSER. Scott is the county prosecutor?

Mr. SMITH. Yes, sir. She saw him and she demanded to know why he didn't shut the bingo game down, up the street, and had closed us. They opened about 3 days after we closed—the bingo.

Mr. MOSER. Yours is Skillo?

Mr. SMITH. No; mine was the bumper.

Mr. MOSER. You said you put a little skill into it. How did you do that?

Mr. SMITH. It is more of a loophole if they wanted to use it. If they wanted to let me operate, they could, because I could have dem-

onstrated skill, but I knew the minute I walked into Kerstetter's office I was out.

My wife is pretty hot tempered. So she went to Scott and he said, "Well, I am going to close the bingo."

She said, "Well, I am going to Parsons if you don't."

He said, "You do that, Madam, and he will see you."

So the following day she went to Parsons. I was up at the store and when she came back from Trenton she went to city hall again. She was going to swear out warrants to close the bingo. So I got a call from Stumpy Orman. He started to call me all kinds of names: Rat, and this and that. He said, "What, did you tell Farley that I was going to knock your brains out if I caught you paying cash in the game?"

I said, "You did, didn't you?"

He said, "Yes; but you operated."

So I didn't say any more and he wanted me to explain to him. He got pretty excited himself. So he said, "I am coming up and straighten you out."

I said, "It will be a pleasure."

So I expected him to come up and I was waiting for him. So I stand up in front of the store and I see two fellows—it didn't look right to me—who looked out of place. I asked a couple of fellows next door, the auctioneer, whether they knew those fellows.

He said, "Yes. That is Babe Marcella."

So I said, "Is he connected with Stumpy?"

He said, "Yes: he is. He is his bodyguard and his chauffeur."

I said, "That is enough for me. I know what the story is right now."

So I was going to call the police and I figured that would be foolish. If Stumpy sent them there, there would be nobody to phone in, to my mind, but the actual reason, I think, he sent them was just to have them look at me to see what I looked like.

So I called the FBI, at least, so, when they walked in, I could tell them I had their names at FBI because I was scared.

MR. MOSER. You say you called the FBI?

MR. SMITH. Yes, sir. I gave them story right over the phone. I think it was the Philadelphia FBI that I called.

MR. MOSER. Do you know who the agent was you called?

MR. SMITH. No, sir.

MR. MOSER. If I told you the name of the man you talked to, would you remember?

MR. SMITH. I doubt it, but I may.

MR. MOSER. All right. Go ahead.

MR. SMITH. So they told me they had no jurisdiction and to call the Newark branch or the local FBI. So I stood out on the boardwalk, because I was still scared that they were going to move into the back room. I couldn't put the doors down.

MR. MOSER. You mean you were afraid they were going to beat you up?

MR. SMITH. Yes.

MR. MOSER. Did they act as though they were going to do that?

MR. SMITH. No. They just stood watching their time. Maybe just to scare me. They didn't make a bad move. I know that if I had the same thing to do again, I would do it right over again.

MR. MOSER. What did you do after this?

MR. SMITH. I was afraid to go into the store, so I walked down to Tripschen's, the candy place. It is an open front. I was going to

call the State police. Then I saw Jack Galen coming up Michigan Avenue.

Mr. MOSER. Who is Jack Galen?

Mr. SMITH. He is a detective. I asked him to stay until I closed the store. My wife came up. Galen stayed with me and took me as far as the car, and I was going to go to the FBI in town.

I figured I would go to city hall first, just so that they will know I am not kidding them, that I am calling the FBI. I wanted them to know it because I figured I was in pretty good jeopardy. I knew that was the quickest way to get the word downtown to the police department. I went into the chief of police's office. He was out. There was a young fellow there. I made the call from there to Mr. Welsh. I told him what had happened. He said, "The FBI cannot help you. They cannot give you any protection."

I said, "How about Treasury?"

He said, "You come down to my house and see me."

So I asked if I could get an escort out of Atlantic City. In the meantime, just as I was getting ready to leave, Saunders, the chief, came in. He couldn't find anybody to escort me. He said, "I will drive down in my car and you follow me." So he did that.

Mr. MOSER. He took you home?

Mr. SMITH. No; to Welsh's house. Then I went in to Welsh. I went into more detail with him. Then I didn't go home that night. I stayed with my brother-in-law. I haven't heard anything more.

Mr. MOSER. How long ago did this incident occur?

Mr. SMITH. It must have been about 10 or 12 days after I was closed.

Mr. MOSER. About the 15th of June?

Mr. SMITH. Yes. Then a couple of days later McBeth called me. He said, "This is the first time I have had to talk to you this way, but, if you don't keep your mouth shut, we will close the store permanently, and we can do it."

I said, "I haven't been saying anything."

He said, "Well, Mary is. If you don't control her, we can close it, and you know we can."

I said, "O. K., Joe."

So he hung up.

Mr. MOSER. Did anybody give any reason other than the attorney general's letter for closing you down?

Mr. SMITH. No.

Mr. MOSER. Nobody said anything about anybody from Boston having a right to the games?

Mr. SMITH. No.

Mr. MOSER. No reference to a Boston mob having the preference?

Mr. SMITH. I know the situation is that they do have it and there were rumors that they were interested in my game.

Mr. MOSER. What do you mean, they do have it—a Boston mob?

Mr. SMITH. They can get more favors in town.

Mr. MOSER. Who are they?

Mr. SMITH. I don't know. I don't know one of them.

Mr. MOSER. What makes you think there is such a thing?

Mr. SMITH. Just general talk.

Mr. MOSER. Rumor?

Mr. SMITH. The bingo is a strong game.

Mr. MOSER. Why do you say it is Boston?

Mr. SMITH. Well, I don't know why I say it, sir.

Mr. MOSER. Just rumor?

Mr. SMITH. Yes, sir. I don't know one of them.

Mr. MOSER. Did you ever have any conference with Stumpy Orman and Farley at the Cosmopolitan Hotel?

Mr. SMITH. Yes, sir.

Mr. MOSER. When was that?

Mr. SMITH. That was when the bingo was in question. I worked through Farley.

Mr. MOSER. Wait. When you say the bingo was in question, can you give me a date, a year?

Mr. SMITH. 1947. I am almost sure.

Mr. MOSER. It was back when you were first opening up?

Mr. SMITH. Yes.

Mr. MOSER. Before you signed the lease?

Mr. SMITH. Before we signed the lease. A friend of mine, Vince Lane, spoke to Farley and I didn't bother Farley because I didn't know him too well. But we were not making much headway. So Vince said, "Why don't you see him, yourself?"

He said he would make an appointment for me in his office. I went up and had an appointment with him and Farley was also non-committal. He never said, "Yes; you will go." But on the strength of what he would tell us, we signed the lease. We equipped the place and we never opened.

Mr. MOSER. You never opened?

Mr. SMITH. Never got it opened, because Stumpy—when I say Stumpy—

Mr. MOSER. Wait a minute. You have brought in something that isn't too clear. You told me that up until 1947 you were working as a partner with somebody else.

Mr. SMITH. In Pokerino.

Mr. MOSER. Then you decided to go on your own in this bumper?

Mr. SMITH. We decided to try to open up a bingo.

Mr. MOSER. You mean you and your partner?

Mr. SMITH. Yes.

Mr. MOSER. You tried to open up a bingo?

Mr. SMITH. Yes.

Mr. MOSER. You didn't tell us about that incident. You jumped over that and told us about opening the bumper game. Now, will you tell us about the bingo? You made application for a license to open the bingo?

Mr. SMITH. Never got that far.

Mr. MOSER. You saw Vince Lane to see whether it would be all right?

Mr. SMITH. Yes. He said he would talk to Farley.

Mr. MOSER. Later on he told you he wasn't making good progress?

Mr. SMITH. He didn't tell us, but we weren't. We should have gotten definite word.

Mr. MOSER. You went to see him and he told you to see Mr. Farley?

Mr. SMITH. That is right.

Mr. MOSER. You saw Farley at his office?

Mr. SMITH. Yes.

Mr. MOSER. Where?

Mr. SMITH. Schwimm Building.

Mr. MOSER. His law office?

Mr. SMITH. Yes.

Mr. MOSER. What happened at that conversation? You and your partner were together?

Mr. SMITH. I went, myself.

Mr. MOSER. Go ahead.

Mr. SMITH. I spoke to him and he was still noncommittal, nothing definite yet. That was probably early in June, but we still kept equipping the place and we had the whole works ready to open. So my partner said, "It doesn't look like we are going to get open." I said, "It doesn't look good to me either. I will go to see Stumpy. I will go down to see him anyway."

So I went down to see Stumpy and I got talking to him. He said, "What are you trying to open up there?"

I said, "Don't you know? We are trying to get bingo open."

He said, "I have already made a commitment across the street on the pier."

Then he went on to say, "Don't quote me, but I don't see how you can open."

So we didn't hear anything about the license. By that time we were resigned that we were not going to get opened. So I went down to Farley's house, and spoke to him, and still no word. Never a definite no, but "Wait a while, wait a while."

So a few other people came to me. They wanted to open. They said they would get me open.

Mr. MOSER. A few other people came to you and said they could get you open?

Mr. SMITH. Yes.

Mr. MOSER. Who were those people?

Mr. SMITH. Mike Sursock.

Mr. MOSER. Politicians?

Mr. SMITH. No. He is pretty shrewd.

Mr. MOSER. What is his business?

Mr. SMITH. He used to be a fortune teller. Then he had Hammer's pier before it burned down.

Mr. MOSER. Go ahead.

Mr. SMITH. I said I wasn't interested if it is not all right with the organization, I don't want it.

Mr. MOSER. So then you gave up?

Mr. SMITH. Yes.

Mr. MOSER. After that you decided to go into the bumper games yourself?

Mr. SMITH. Yes.

Mr. MOSER. So that brings us up to date. Is there anything else you wanted to add?

Mr. SMITH. No. I went down to see Farley again at the Cosmopolitan. I just discussed it.

Mr. MOSER. When was that? Back in 1947 again?

Mr. SMITH. Yes.

Mr. MOSER. You went to see him at the Cosmopolitan?

Mr. SMITH. Yes.

Mr. MOSER. Was Stumpy there?

Mr. SMITH. Yes.

Mr. MOSER. What did they say?

Mr. SMITH. Farley said, "What can we do for this guy?" Stumpy said, "We can't do a thing this year."

So we just forgot about it. I didn't see them for a good while after that.

Mr. MOSER. Anything else you want to add?

Mr. SMITH. Nothing else I can think of.

Mr. MOSER. It is a good story.

Mr. SMITH, if you should testify in an open hearing the way you testified here, what do you think would happen to you?

Mr. SMITH. I am in jeopardy. I would figure I would leave town.

Mr. MOSER. You would leave town?

Mr. SMITH. Yes.

Mr. MOSER. Are you prepared to leave town?

Mr. SMITH. Well, not overnight, but it would be untenable. It is practically that now. It is difficult to try to make a living. This thing I got into, I didn't want to, but my wife—I admired her. She has more guts than I have. I wouldn't have gone this far. I have been in the racket business and when a legitimate person testifies it is a little different.

Mr. MOSER. Tell us, have you ever been convicted of a crime?

Mr. SMITH. I was arrested for numbers.

Mr. MOSER. When?

Mr. SMITH. Just before the war.

Mr. MOSER. Here?

Mr. SMITH. Yes, sir.

Mr. MOSER. In 1941, approximately?

Mr. SMITH. About that. Before 1941. I think right around that time.

Mr. MOSER. Have you ever had any other convictions?

Mr. SMITH. No.

Mr. MOSER. What happened to you that time?

Mr. SMITH. Taggart raided the office and I was fined \$1,000.

Mr. MOSER. What was your function in the office?

Mr. SMITH. I was one of the partners.

Mr. MOSER. You were a partner running a numbers bank?

Mr. SMITH. Yes.

Mr. MOSER. You were fined \$1,000?

Mr. SMITH. Yes.

Mr. MOSER. Who were your partners?

Mr. SMITH. Bennie Rubenstein.

Mr. MOSER. Anybody else?

Mr. SMITH. That was a syndicate at that time, but at the time I got arrested, it was Bennie Rubenstein.

Mr. MOSER. Had you previously been in numbers with anybody else?

Mr. SMITH. Yes.

Mr. MOSER. Who?

Mr. SMITH. Pasquale Dicanio.

Mr. MOSER. Have you been in numbers with anybody besides those people?

Mr. SMITH. Yes. Originally when Johnson was here there were eight groups.

Mr. MOSER. When Nockey Johnson was here?

Mr. SMITH. Yes. Then it dwindled down to four. Then we pulled away from the other three and we operated ourselves.

Mr. MOSER. Rubenstein and you?

Mr. SMITH. Rubenstein and I.

Mr. MOSER. When you had a fine of \$1,000, who paid the fine?

Mr. SMITH. I did.

Mr. MOSER. It was paid out of the bank?

Mr. SMITH. Yes.

Mr. MOSER. Was Rubenstein fined, too?

Mr. SMITH. He wasn't there.

Mr. MOSER. He was away at the time?

Mr. SMITH. He was in town.

Mr. MOSER. The fine was paid out of your joint bank?

Mr. SMITH. That is right.

Mr. MOSER. Then did you shut down?

Mr. SMITH. No, we continued to operate for a few months after that, I think.

Mr. MOSER. Then, did Taggart shut you down again?

Mr. SMITH. No, I went to work out in Mays Landing. It was just about the war time.

Mr. MOSER. What kind of job?

Mr. SMITH. Maintenance.

Mr. MOSER. How long did that last?

Mr. SMITH. Until the end of the war.

Mr. MOSER. Then after the war, what did you do?

Mr. SMITH. During the war I pulled out of numbers. I think that was around the end of '41. Bennie Rubenstein continued. I worked at the war plants and bought partnership at the Boardwalk in the pokerino.

Mr. MOSER. As soon as you went out of the defense plants you got into pokerino?

Mr. SMITH. I was in both, the war plants and pokerino.

Mr. MOSER. Do you know Officer Mooney?

Mr. SMITH. Yes.

Mr. MOSER. Do you know anything about his activities as far as rackets are concerned?

Mr. SMITH. No.

Mr. MOSER. Never paid any money to him?

Mr. SMITH. No.

Mr. MOSER. Do you know anything about Lester Burdick?

Mr. SMITH. No, sir. Know him to see.

Mr. MOSER. Do you know anything about any other policemen who get payoffs from bookies and numbers people?

Mr. SMITH. No, I don't know most of them now.

Mr. MOSER. When you and Rubenstein were in business together, did you make payments for protection?

Mr. SMITH. Stumpy got it then.

Mr. MOSER. You paid it directly to him?

Mr. SMITH. No.

Mr. MOSER. To whom did you pay it?

Mr. SMITH. I was the cashier, but Patsy paid Stumpy.

Mr. MOSER. He paid Stumpy directly?

Mr. SMITH. Yes.

Mr. MOSER. And "Nockey" Johnson was in then?

Mr. SMITH. "Nockey" Johnson was in jail then when Taggart was raising hell around here. Stumpy just started to come into the picture. Naturally, we were in favor of dumping Taggart, too, because he was pretty rough on all rackets. So we started contributing to Stumpy. I never handed it to him.

Mr. MOSER. But you know that your partner did?

Mr. SMITH. Yes. Patsy said Stumpy was his partner.

Mr. MOSER. You said Patsy was doing this, but you and Rubenstein were alone in business together?

Mr. SMITH. Yes.

Mr. MOSER. Whom did you pay, then?

Mr. SMITH. I didn't pay anybody because Bennie handled the money then.

Mr. MOSER. Do you know whether Bennie paid anybody or not?

Mr. SMITH. He had to pay. Just how much it was I don't recall. But each something went to operating.

Mr. MOSER. You had to pay somebody?

Mr. SMITH. Yes.

Mr. MOSER. But you don't know whom he paid?

Mr. SMITH. I know, in my own mind.

Mr. MOSER. You mean you would rather not say?

Mr. SMITH. It was just marked "Ice."

Mr. MOSER. In the books?

Mr. SMITH. You only deal in net figures when you are in the numbers business. So on Mondays the "Ice" goes on, whatever that figure was.

Mr. MOSER. You don't know who got the "Ice"?

Mr. SMITH. In my mind.

Mr. MOSER. Did Rubenstein tell you that Stumpy got it?

Mr. SMITH. Yes.

Mr. MOSER. Did you ever hear of Reginelli?

Mr. SMITH. Marco? I heard of him.

(Whereupon, at 7:30 p. m., the hearing adjourned.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

THURSDAY, JULY 19, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The subcommittee met, pursuant to call of the chairman, at 10:20 a. m., in room 318, Senate Office Building, Senator Herbert R. O'Connor (chairman) presiding.

Present: Senators O'Connor, Kefauver, and Hunt.

Also present: Richard G. Moser, chief counsel; James M. Hepbrun, administrative assistant; and John J. Winberry, special consultant.

The CHAIRMAN. The hearing will please come to order.

At the outset of the hearing I desire to announce that the committee has, by resolution, authorized the chairman to appoint a subcommittee to conduct this hearing, and pursuant to that authorization the Chair appoints the Senator from Wyoming, Mr. Hunt, the Senator from Tennessee, Mr. Kefauver, and the Senator from Maryland, myself, to constitute the subcommittee, and also by reason of its provisions to announce that any one member of the subcommittee will constitute a quorum.

We are to interest ourselves in matter affecting Atlantic City, N. J., and we are now prepared to call the first witness.

Mr. Moser, will you call the first witness, please.

Mr. MOSER. Yes, I will call Mr. Fred Warlich.

The CHAIRMAN. Mr. Warlich, will you kindly raise your right hand and be sworn, please.

In the presence of the Almighty God, do you swear the testimony you give shall be the truth, the whole truth and nothing but the truth?

Mr. WARLICH. I do.

The CHAIRMAN. Very well. Thank you, sir. You may be seated.

TESTIMONY OF FREDERICK J. WARLICH, POLICE OFFICER. ATLANTIC CITY (N. J.) POLICE DEPARTMENT

The CHAIRMAN. Now, Mr. Warlich, will you kindly give us your full name.

Mr. WARLICH. Frederick J. Warlich.

The CHAIRMAN. Mr. Warlich, will you just move up a little closer. Thank you very much. And your address?

Mr. WARLICH. 1522 Madison Avenue, Atlantic City, N. J.

The CHAIRMAN. 1522 Madison Avenue, Atlantic City?

Mr. WARLICH. Yes, sir.

The CHAIRMAN. In what business are you engaged?

Mr. WARLICH. Police patrolman in the Atlantic City Police Department.

The CHAIRMAN. For what period of time have you been engaged in that work?

Mr. WARLICH. Approximately 5 years.

The CHAIRMAN. What did you do before that?

Mr. WARLICH. I was in the service for 4 years.

The CHAIRMAN. In what branch of the service?

Mr. WARLICH. United States Coast Guard.

The CHAIRMAN. United States Coast Guard?

Mr. WARLICH. Yes.

The CHAIRMAN. Mr. Warlich, could I ask you at the very outset if you will please keep your voice up and answer the questions slowly and distinctly so that everybody can hear you.

Mr. WARLICH. Yes, sir.

The CHAIRMAN. Thank you very much indeed.

Mr. Moser, will you proceed, please.

Mr. MOSER. Mr. Warlich, it is my understanding that you and another group of policemen in Atlantic City undertook to obtain a pay raise for yourselves and the rest of the force, if that correct?

Mr. WARLICH. Yes, sir; that is correct.

Mr. MOSER. Will you please state the circumstances under which that was done?

Mr. WARLICH. The pay raise committee was composed of a joint police and firemen group, who got together to go out for a pay raise. A committee was formed composed of several policemen and several firemen, and we named the chairman of the policemen—well, the chairman of the firemen was a man by the name of Ferguson, and he was head of the whole committee, and I became secretary of the joint police and fire committee.

We went to our various superiors, and got their authorization to go see Senator Farley, who was the State Senator from Atlantic County.

Mr. MOSER. His full name is Frank S. Farley, is that correct?

Mr. WARLICH. Yes, Frank S. Farley, and we got the permission to go out for this pay raise. That was in June of 1950.

The committee went in to see Senator Farley, they went into Senator Farley's office, and told him how the pay situation was, and we asked his consent to go out for a pay raise.

Senator Farley said that he would have to think it over, and to come back within a week.

We came back the next week, and Senator Farley informed us that due to circumstances he would have to remain neutral on this pay raise, meaning that he could not go out for us, but that he would not go out against us.

We then set up our campaign with the idea of the political organization staying neutral. We advertised and spent various sums of money which we took from each man, each man contributed, say, \$20, I believe it was, toward the campaign for a pay raise.

In the latter part of September 1950, the policemen-firemen committee was called into the mayor's house, Mayor Joseph Altman, mayor of Atlantic City.

The CHAIRMAN. Excuse me a moment. Is his name spelled A-l-t-m-a-n?

Mr. WARLICH. That is right; his last name.

Mr. MOSER. May I interrupt you for just a moment?

Mr. WARLICH. Yes, sir.

Mr. MOSER. You said the first step you took in order to obtain your pay raise was to go to Senator Farley.

Mr. WARLICH. Yes.

Mr. MOSER. Now, as I understand it, Senator Farley is the State senator for Atlantic County, is that right?

Mr. WARLICH. Yes, sir.

Mr. MOSER. And the police department presumably is run by the city, is it not?

Mr. WARLICH. Yes, sir.

Mr. MOSER. Why would you go to a State senator in order to get the city to give you an increase?

Mr. WARLICH. Because it is a known fact in Atlantic City that anything you get you have to get the Senator's O. K. in order to obtain anything.

Mr. MOSER. All right. Then you said you went to see Mayor Altman about it.

Mr. WARLICH. Yes, sir.

Mr. MOSER. Go ahead.

Mr. WARLICH. In the mayor's house were the city commissioners and other officials of both political organizations.

Senator Farley was spokesman for the committee, and in brief he advised us that he would have to go against our pay raise, unless we accepted an alternative of a \$200 bonus added to the \$200 bonus we were now receiving.

We advised the senators and the other commissioners that we could not take it upon ourselves, that he would have to address the policemen and firemen himself to get them to accept that alternative.

Mr. MOSER. What salaries were you getting?

Mr. WARLICH. The permanent salary was \$2,950, plus a \$200 temporary bonus.

Mr. MOSER. Yes.

Mr. WARLICH. That was the maximum pay.

Mr. MOSER. Yes.

Mr. WARLICH. Senator Farley told us that for reasons of his own he could not go along with us by staying neutral and that he would have to go against us, because we opposed the plan that he wanted instead of the pay raise which we were seeking.

As I stated before, we told Senator Farley that he would have to bring that before the policemen and firemen himself.

The next day an appointment was made in the city commission chambers, and the majority of the policemen and firemen were there, and Senator Farley put his proposition before them, and they unanimously agreed not to accept it, but to go out and fight for a pay raise.

The CHAIRMAN. I would like to break in to ask whether that meeting was a public one or private.

Mr. WARLICH. No; it was closed to the press. It was a private meeting, among the policemen and firemen, Senator Farley, and Mayor Altman.

The CHAIRMAN. Where was it held?

Mr. WARLICH. In the city commission chambers, Atlantic City Hall.

Mr. MOSER. Go ahead. You were saying that the mayor and Senator Farley opposed the raise before this meeting?

Mr. WARLICH. Yes, sir.

Mr. MOSER. And it was voted by all members of the police and fire departments to go ahead and fight for their raise?

Mr. WARLICH. That is right.

Mr. MOSER. What happened after that?

Mr. WARLICH. Senator Farley, at this meeting, said he also had the authorization of the other political party that they would come out against us, too, if we did not accept this bonus. He was speaking for both political parties.

As stated before, we turned it down, and we went out and conducted our campaign. We put petitions out. We needed 20 percent of the signatures of the voters of Atlantic City. We doubled the amount of signatures needed on the petition for a referendum, but a week later, about the first or about the middle of October, I believe it was, loyalty pledges were put out to the various policemen and firemen, that were in good positions within the department, stating that they would vote against the pay raise, and they were asked to sign it, that they would be loyal to Senator Farley and vote "no" on the pay raise.

Mr. MOSER. You say a loyalty pledge was passed around?

Mr. WARLICH. Yes, sir.

Mr. MOSER. What did that pledge say?

Mr. WARLICH. Well, the pledge, in brief—I did not read it—but Officer Portock, I believe, can elaborate on it. They were pledges to sign.

Mr. MOSER. What did the pledge say?

Mr. WARLICH. In brief, I believe it said, "We will be loyal to Senator Farley and the organization and go out and vote 'no' on the policeman and fireman pay raise."

Mr. MOSER. In other words, this pledge was sent around to all the top men in the police and fire departments?

Mr. WARLICH. Yes, sir.

Mr. MOSER. And they were asked to sign a pledge of loyalty to Senator Farley and pledged to vote against their own pay raise?

Mr. WARLICH. That is correct.

Mr. MOSER. Who sent that pledge around?

Mr. WARLICH. It was brought around by the various ward leaders and precinct captains.

Mr. MOSER. That is, the members of the political organization brought it around to the members of the fire and police departments; is that correct?

Mr. WARLICH. Yes, sir.

Mr. MOSER. What did you do about that pledge?

Mr. WARLICH. I did not receive a loyalty pledge. I was on vacation, and I was working on the advertisement for the police and fire pay raise, and I was not approached directly myself.

Mr. MOSER. Do you know anybody who did sign it?

Mr. WARLICH. There were various members of the police department signed it.

Mr. MOSER. Who were they, do you know?

Mr. WARLICH. Well, it would be all the men that were in good positions, radio car or inside jobs or detective bureau, any man that had a good position in the department. I don't believe that they ap-

proached the beat men, or the men out on the street that had regular beats. They were afraid to approach them to sign. They knew that they would refuse. The men in good positions could not very well refuse, or they would be put out on the streets, I assume.

Mr. MOSER. And that was passed around?

Mr. WARLICH. Yes.

Mr. MOSER. Then what happened after that?

Mr. WARLICH. That went on up until election day, and as I stated before, I was on vacation. I was called into the chief's office and they told me that my vacation was cancelled. He said he could not help it, it was beyond his control, he had to cancel my vacation.

That was to take me off the pay raise campaign.

Mr. MOSER. Who was the chief?

Mr. WARLICH. Harry Saunders.

The CHAIRMAN. How is that spelled?

Mr. WARLICH. S-a-u-n-d-e-r-s.

Mr. MOSER. The chief notified you that your vacation was cancelled?

Mr. WARLICH. Yes, sir; and he also notified Jack Portock, who had assisted me on the pay raise campaign.

Mr. MOSER. He is also a policeman?

Mr. WARLICH. Yes.

The CHAIRMAN. How do you spell his name?

Mr. WARLICH. P-o-r-t-o-c-k.

Mr. MOSER. You were both notified that your vacations were cancelled?

Mr. WARLICH. Yes, sir.

Mr. MOSER. Did he give you any reason for it?

Mr. WARLICH. He says he couldn't help it, and that is what he had to do. We protested very much, and the next day he called us—or the same afternoon he called us back, and he says, "I straightened it out. You will still be on vacation."

In other words, he contacted somebody and he protested himself, and he let us have our vacation, and we went through the pay raise campaign while on vacation.

Mr. MOSER. This was a few days before the election, was it not?

Mr. WARLICH. Yes. This was about 2 days before the election.

Mr. MOSER. I don't understand what the significance was of cancelling your vacation and then restoring it again.

Mr. WARLICH. Well, the general idea was to take us out of circulation on the pay raise campaign, because we were the main cogs in the pay raise campaign.

Mr. MOSER. He was going to put you back on duty so you could not work for the campaign, is that correct?

Mr. WARLICH. That is right; that is it.

Mr. MOSER. All right, I see. Go ahead.

Mr. WARLICH. Well, we worked all during election, election day, on the campaign, and that night our committee naturally lost.

I was called back, and about 3 days after election, into the chief's office, and I was at that time the vice president of the Patrolmen's Benevolent Association in Atlantic City, and I was also assigned to the chief's office as secretary.

Mr. MOSER. Mr. Warlich, before you go on to what happened after the election, on election day I assume that all the members of the police force went to the polls and cast their votes; is that correct?

Mr. WARLICH. That is correct.

Mr. MOSER. Was that a secret ballot?

Mr. WARLICH. All ballots were supposed to be secret. Many of them cast their ballots openly to show the organization that they were voting against their own pay raise.

Mr. MOSER. They were asked to do that?

Mr. WARLICH. A lot of them did it voluntarily.

Mr. MOSER. You mean that when a policeman or fireman went to the polls and cast a vote on the subject of the pay raise issue, that he would either vote secretly, if he wanted to, or in order to show his loyalty to the organization he would show his ballot to somebody before casting it?

Mr. WARLICH. That is correct.

Mr. MOSER. To whom did he show it?

Mr. WARLICH. He would show it to the judge of the election in there, or I don't recall what his title would be, in each precinct.

Mr. MOSER. An inspector of some kind?

Mr. WARLICH. Head of the elections.

Mr. MOSER. Is the head of the election board, who is there, or the inspector of elections who is there, a political appointee?

Mr. WARLICH. That I could not say.

Mr. MOSER. But in any case some of the policemen would show their ballots?

Mr. WARLICH. Both policemen and firemen.

Mr. MOSER. They would show their ballots to show that they were voting against their own pay raise?

Mr. WARLICH. That is correct.

Mr. MOSER. Did any of the ones voting in favor of it show their ballots, so far as you know?

Mr. WARLICH. That I don't know.

Mr. MOSER. All right. Then after the election—you lost, by the way?

Mr. WARLICH. Yes.

Mr. MOSER. Then what happened? The chief called you in, you said.

Mr. WARLICH. The chief called me in and told me, "I am sorry, but I am going to put you out on the street. You have done a very good job in the year that you have been in my office. I have no complaint about your work whatsoever. In fact, I am the one who put you in the office, as you know." He said, "You were not put in the office for any political reasons."

Mr. MOSER. May I interrupt a moment?

Mr. WARLICH. Yes.

Mr. MOSER. You were at that time working in the chief's office as a clerk?

Mr. WARLICH. Yes, sir.

Mr. MOSER. At an inside job?

Mr. WARLICH. Yes, sir.

Mr. MOSER. And you said he put you out on the street. What does that mean?

Mr. WARLICH. That means from duty in his office in plain clothes, I was put out on the street in uniform, on a beat.

Mr. MOSER. I see. All right. What did you say to that?

Mr. WARLICH. I says, "Well, Chief, you can put me anywhere you want. I can work any place in the police department." He says, "My hands are tied, and I can't do anything about it."

Mr. MOSER. All right. So then the chief put you out on the beat, and what happened while you were out there?

Mr. WARLICH. Well, after a few days out on the beat, I became aware of the serious gambling situation they had around there from contact with various people, and from my own personal observations.

Previous to that I had worked for 4 years inside, and had not been out on a beat, except for the first 6 months in the 5 years I was with the department.

I observed the condition, and contacted Jack Portock, who assisted me in the pay-raise campaign, and I told him, I said, "Look at all this gambling going around here. Are we going to let it happen? What are we going to do about it?"

Portock said, "Nobody did anything about it." He said, "Let's contact Gribbin, he knows more about it."

So we contacted Officer Francis Gribbin—

The CHAIRMAN. Excuse me. First tell us what you observed. You say you observed certain things.

Mr. WARLICH. I observed cigar stores openly writing numbers on slips, and talked to various people on the street who told me that it was a common practice, they don't even try to hide it.

Mr. MOSER. In other words, numbers were being written openly on the streets of Atlantic City; is that correct?

Mr. WARLICH. Oh, yes.

Mr. MOSER. When was this, 1950?

Mr. WARLICH. In 1950, November 1950.

Mr. MOSER. And you did not realize that until you were put out on the beat and you saw it?

Mr. WARLICH. I knew that gambling existed, but I had no personal knowledge of it previous to that.

The CHAIRMAN. Did you know of other forms of gambling, other than numbers writing?

Mr. WARLICH. Bookmaking and card games at night, and dice games. I just knew that from the talk around the hall, I mean, among the fellows it was common knowledge.

Mr. MOSER. It is common knowledge there are dice games?

Mr. WARLICH. There are.

Mr. MOSER. Going on all the time?

Mr. WARLICH. Yes; and card games.

Mr. MOSER. Where did they go on?

Mr. WARLICH. They have various places. I could not state the exact addresses, they moved from night to night.

Mr. MOSER. The crap games moved around from night to night?

Mr. WARLICH. Oh, yes.

Mr. MOSER. What kind of places do they have them in?

Mr. WARLICH. Usually in back rooms of stores and restaurants.

Mr. MOSER. You said there was bookmaking going on. In what kind of a place do they have bookmaking?

Mr. WARLICH. They have bookmaking in stores, cigar stores, private houses, and usually it was pretty open right in the stores.

They would have the Armstrong sheet, and also a sheet which they call a rundown sheet. A man would come in, place a bet, and look at the Armstrong sheet right in the store, and place his bet right with the storekeeper.

Mr. MOSER. Is it common in Atlantic City to have cigar stores used as fronts for bookie places?

Mr. WARLICH. Very common.

Mr. MOSER. Are there a lot of those?

Mr. WARLICH. That is what it is mainly composed of.

Mr. MOSER. Mostly cigar stores?

Mr. WARLICH. I would say mostly cigar stores.

Mr. MOSER. And they have a horse room in back of them?

Mr. WARLICH. Yes; they have a room in the back, when things are open they use the room. In other words, there are various cycles. The town is open and then the town is closed, for various reasons.

Mr. MOSER. What are some of those reasons?

Mr. WARLICH. That I could not specifically state. I just know it from general talk and observation.

Mr. MOSER. Do you know what the word is that describes what the situation is when it is closed?

Mr. WARLICH. They say, "The slough is on."

Mr. MOSER. They say the slough is on?

Mr. WARLICH. That is right.

Mr. MOSER. And everybody goes under cover?

Mr. WARLICH. That is right.

Mr. MOSER. That word "slough," is that spelled s-l-o-u-g-h?

Mr. WARLICH. That is right.

Mr. MOSER. So when the slough is on they go under cover?

Mr. WARLICH. Yes.

Mr. MOSER. And when the slough is off, everything is open?

Mr. WARLICH. That is right.

Mr. MOSER. How often is the slough on?

Mr. WARLICH. Well, it changes. Maybe it will be open for 6 months, and it may be on for 2 months. I should say, maybe it would be open for 6 months, and then it may be off for 2 months. When we went into action, the slough was on all winter.

Mr. MOSER. What other forms of gambling do they have that are in the open? They have Boardwalk games, don't they?

Mr. WARLICH. The information received is that the various hotels conduct gambling on the boardwalk and in cabanas in front of the boardwalk.

Mr. MOSER. What kind of gambling do the hotels offer?

Mr. WARLICH. Mostly night games—bookmaking in the daytime, and dice games at night, and the cabanas are mostly used by bookmakers from out of town, usually the cabana bookmakers are from out of town.

Mr. MOSER. The bookmakers go into the cabanas and take bets?

Mr. WARLICH. That is right.

Mr. MOSER. They walk around and—

Mr. WARLICH. No, the bookmaker is established in a cabana. That is not from my personal observation, but from knowledge in talk among the men. The bookmakers are established in the cabana, and he has a little portable radio and sits there and takes bets from the guests of the hotels, and on the beach or from other bookmakers.

The CHAIRMAN. You say, Officer Warlich, that the ones operating in the cabanas are from out of town.

Mr. WARLICH. Yes.

The CHAIRMAN. Did I understand you to state that?

Mr. WARLICH. Yes, from the knowledge I receive, they are mostly from out of town.

The CHAIRMAN. And from where are they, generally?

Mr. WARLICH. Well, Philadelphia and New York, say, but I think Officer Gribbin could elaborate more on that. He has had more experience with the way these things are conducted than I have had.

The CHAIRMAN. You have some knowledge of that, however. Do you know that people from out of State have been operating in that manner?

Mr. WARLICH. Yes, sir.

The CHAIRMAN. All right.

Mr. MOSER. You say the people from New York, Philadelphia, and other places, have places on the boardwalk, where they use radios at the cabanas to receive racing news and they take bets?

Mr. WARLICH. That is right.

Mr. MOSER. How do they place bets, do they take them themselves or pass them over to somebody else?

Mr. WARLICH. Well, that I could not state. The way I understand it is, they take a slip, and they go right in to a phone and phone it in somewhere. Whether it would be locally or out of town, I couldn't say.

Mr. MOSER. Well, now, after you had been put on a beat and had observed these gambling conditions, did you and the other policemen get together and make any plans about what you were going to do?

Mr. WARLICH. Yes, we got together, and we talked it over, and we decided to do something about the gambling.

Officer Gribbin, upon talking with him, says, "Yes; I know it has been existing for years." He says, "But nobody has got guts enough to do anything about it."

So we said, "Do you have?" He said, "Well, who else is going to go along with me?" He says, "One man cannot go out; they will knock his head right off." We said, "Let's get together and do something about the gambling."

Mr. MOSER. So when you say "you," you mean yourself, Fred Warlich—

Mr. WARLICH. Yes, sir.

Mr. MOSER. And Officer Gribbin?

Mr. WARLICH. And Officer Gribbin.

Mr. MOSER. And Officer Portock?

Mr. WARLICH. And Officer Portock.

Mr. MOSER. Anybody else?

Mr. WARLICH. We used various other men in the department from time to time, but we were afraid to use too many men, because the majority of the men that were with us were the new men within the ranks, and we were afraid that they would take their jobs away from them, through economy reasons. In the civil service they can take the last—if they want to discard 10 men, they will take the last 10 or 20 men.

Mr. MOSER. You were afraid of using those men because of reprisals?

Mr. WARLICH. That is right, and the older men would not go along with it.

Mr. MOSER. The younger men were more subject to reprisal than the older men?

Mr. WARLICH. They were more subject to reprisals in losing their jobs, yes; and the older men were very reluctant to go along. In fact, I doubt if we could get one of the older men to go along. They all came in before civil service, and they were appointed politically. They were set in their ways. "The organization is too powerful; they will knock your head off. You cannot fight gamblers by yourself. Resign yourself to fate. Sit back and be a good boy."

Mr. MOSER. And you say that the organization is too strong?

Mr. WARLICH. Yes.

Mr. MOSER. Can you tell us what they mean by "the organization"?

Mr. WARLICH. Well, the organization is composed of ward leaders, various ward leaders. There are four wards in Atlantic City, and each ward leader controls his own ward.

Under each ward leader there are various precinct captains, who controls his own precinct, and they are the powers in the city. They can bring all kinds of pressure to bear and deter anybody from doing anything against their wishes.

Mr. MOSER. All right. You said the three of you got together.

Now, I have heard the expression "The Four Horsemen." What does that mean?

Mr. WARLICH. "The Four Horsemen" were composed—the name was composed by one of our local newspaper reporters. He dubbed us with that name, and it seemed to stick.

Mr. MOSER. But there was not a fourth one?

Mr. WARLICH. The fourth horseman was actually a question mark. It was any one of a various number of men we used. Actually we had 15 to 20 men, maybe we had 6 or 7 going out with us at different times, and other men were working under cover and giving us information.

Mr. MOSER. It was really the three musketeers with one horseman who went along with them, is that it?

Mr. WARLICH. That is correct.

Mr. MOSER. After the horseman got together and got going, will you tell us what they did in the way of conducting raids, and so forth?

Mr. WARLICH. Well——

Mr. MOSER. Did you make any arrests?

Mr. WARLICH. Oh, yes. During the course of 6 months we made 20 raids and arrested 28 individuals. Every case resulted in convictions, we have very good evidence.

Mr. MOSER. They were arrested for what?

Mr. WARLICH. Bookmaking or numbers, either one or both.

Mr. MOSER. Were many of the people arrested for bookmaking using the backs of cigar stores, or using cigar stores as fronts?

Mr. WARLICH. Two of the bookmaking arrests were rather elaborate set-ups, horse rooms.

The first horse room we raided was equipped with speakers, three or four telephones, radios, lounges, and so forth.

In that raid we seized over a hundred telephone numbers. Many of them were out-of-town phone numbers, as far away as Los Angeles, Calif., indicating that bets were laid off from Atlantic City as far as California and points south.

The CHAIRMAN. Mr. Warlich, will you give us just what that 6-month period covered? Just what time of the year?

Mr. WARLICH. Well, the 6-month period covered the first raid, which was made November 20, 1950, and our last raid was made on April 28, 1951.

The CHAIRMAN. All right.

Mr. MOSER. You say one of these horse rooms was a large place and had telephones, blackboards, lounges, and so forth?

Mr. WARLICH. Yes, sir.

Mr. MOSER. Did they have a radio to receive horse news, or what?

Mr. WARLICH. They did have a radio, but I was not on that raid. Portock and Gribbin conducted that raid. I was on duty at the time. They can elaborate on it.

Mr. MOSER. You say you did not conduct the raid because you were on duty?

Mr. WARLICH. I was on duty.

Mr. MOSER. When you were on duty didn't you conduct any raids?

Mr. WARLICH. Where they put me on duty there were no places—I was put on the end of town or in an isolated district on the boardwalk, where there was no gambling.

Mr. MOSER. You mean when you and the other two got together and formed the Four Horsemen they changed your duty again?

Mr. WARLICH. The first change they made, they put Officer Portock and I in the extreme end of town called the Inlet Section. It was known as beat 1 and 3, if you are not familiar with beats, you would not know, but the idea of that was that it was an isolated district, and they did not believe there was much gambling there themselves.

Within 2 days Officer Portock made a raid by himself while he was in uniform on the beat, and made a bookmaking, combined bookmaking and numbers arrest.

Mr. MOSER. Out on beat No. 1 or No. 2?

Mr. WARLICH. Beat No. 1 and 3, it is called.

Mr. MOSER. Are those beats regularly patrolled or were they regularly patrolled prior to the time you were put there?

Mr. WARLICH. Very seldom.

Mr. MOSER. You mean there was occasionally a man assigned there, but not often?

Mr. WARLICH. That is right.

Mr. MOSER. As soon as you people started to conduct raids the police department moved you into outlying districts where they usually did not have patrolmen?

Mr. WARLICH. Yes.

Mr. MOSER. But Portock made an arrest out there, too?

Mr. WARLICH. Previous to the first attempt we were all on the same shift. The first attempt to break us up was to put us each on a different shift. The idea was that we could not get together, because one would always be working, and the three of us could not get together to plan anything.

Mr. MOSER. Who put you on these shifts?

Mr. WARLICH. Well, I could not state definitely where the order came from, but we were notified by our respective captains.

Mr. MOSER. Your captain informed you your shift was changed?

Mr. WARLICH. That is right.

Mr. MOSER. So the three of you were put on different shifts so you could not get together?

Mr. WARLICH. Yes, sir.

Mr. MOSER. Now, what did you do then?

Mr. WARLICH. We still conducted our campaign against gambling.

So the next move they made, they put us on the boardwalk, the extreme end of the boardwalk in an isolated district, which had never been patrolled before, and cut down our calling time into headquarters to a half hour instead of the usual hour, and extended the beat, thereby making it extremely difficult for us, in other words, to walk from one end of the beat to the other end of the beat, because it would take you a full half hour just walking in a straight line without doing anything else.

Mr. MOSER. In other words, they lengthened the distance you had to walk on your beat?

Mr. WARLICH. That is right.

Mr. MOSER. And they cut down the number of calls so that you would be busier?

Mr. WARLICH. That is right.

Mr. MOSER. It was on an outlying beat where they never had officers before?

Mr. WARLICH. Yes; commonly known and called by the police department as the Horn. In order to go around the bend in the winter-time, you would have to hold onto the rail on the boardwalk when the wind was high.

The CHAIRMAN. Officer Warlich, would you say that the number of transfers that happened in your case, such as you have described, and the frequent reassignment, was a usual thing with other officers, or was it peculiar to you and to the few that you have mentioned?

Mr. WARLICH. It was extremely unusual. Officers are very seldom changed, once they have a steady beat. In the 5 years I was in the department I was only changed three times, and they were offered better positions.

Mr. MOSER. You said that you made some of these raids while on duty. Did you make others while you were not on duty?

Mr. WARLICH. We only made one raid on duty. I believe that was Officer Portock's raid.

Mr. MOSER. But once they put you on the Horn, you could not make any more raids on duty; is that correct?

Mr. WARLICH. On duty; that is correct.

Mr. MOSER. What did you do then?

Mr. WARLICH. Then we made some of them off duty. After our tour of duty we went around checking various places, and going out on information, and still kept making raids. That did not stop us; so the next move was to form a traffic squad. I think it was December 13, 1950, they formed a traffic squad, with a police captain, William A. Malloy, in charge.

Mr. MOSER. Before you come to the step taken to put you on the traffic squad, tell us what you did when you made a raid, and what did you do when you found information about gambling? Did you make any reports?

Mr. WARLICH. Oh, yes; we made reports to our superiors. And after the raid on this elaborate horse room on the boardwalk we sent a report in, notifying the chief and the assistant director of public safety of the conditions in town, and we told them in the report that we believed if we were assigned to plain clothes that we could alleviate tremendously, if not wipe out entirely, the gambling in town.

Director Kerstetter called——

Mr. MOSER. Director Kerstetter?

Mr. WARLICH. Yes.

The CHAIRMAN. How do you spell that?

Mr. WARLICH. K-e-r-s-t-e-t-t-e-r.

Mr. MOSER. And he is the assistant director of public safety, is he not?

Mr. WARLICH. Yes.

Mr. MOSER. All right.

Mr. WARLICH. And he called Officers Portock and Gribbin into his office and told them that their request was refused.

Mr. MOSER. That is, he told them that he had turned down their request that they be given special duty to shake down——

Mr. WARLICH. They wanted to investigate this list of over a hundred phone numbers that they confiscated in this gambling establishment, and go out and try to make more arrests on this list of phone numbers. He forced them to turn this list in to him, and would not let them leave the hall until they turned the list in to him, and then he told them their request was refused.

Mr. MOSER. Where is that list now?

Mr. WARLICH. The director has it, I assume. We have a copy of it.

Mr. MOSER. You had a copy of it made?

Mr. WARLICH. We had a photostatic copy made before he took them off us.

Mr. MOSER. So you gave him the original, but he did not know you obtained photostatic copies; is that right?

Mr. WARLICH. He knew it later on, because when he asked them to turn the list in to him they went up to the detective bureau and asked one of the sergeants to make them a photostatic copy of the list; and after considerable difficulty up there—they called back and forth—the director finally O. K.'d the making of the photostatic copy for the patrolmen.

Mr. MOSER. Now, you were saying that the next step, in order to stop you from making your gambling raids, was to form a traffic patrol.

Mr. WARLICH. Yes.

Mr. MOSER. How did that work?

Mr. WARLICH. The traffic patrol was formed and composed of nine men. As I understand it, they told Captain Malloy that he would be totally in charge of the traffic squad, and he would have no outside interference, and that he could pick the traffic squad, but that three of the "Four Horsemen" would have to be put on it.

Now, the hours on this traffic squad were from 10:30 in the morning until 6:30 at night, and that is the time when all gambling goes on in the city. After 6:30 p. m. and before 10:30 a. m., you are never able to catch any gambling. It is called bookmakers' hours. Our assignment was in the middle of the street for the 8 hours, and we could not move from there to check any gambling whatsoever. So, that stymied us for that time.

Mr. MOSER. And these hours were from what to what?

Mr. WARLICH. From 10:30 a. m. to 6:30 p. m.

Mr. MOSER. Those are called the bookmakers' hours?

Mr. WARLICH. That is what we called them.

Mr. MOSER. That is because the race tracks are operating during those hours?

Mr. WARLICH. Numbers and horses.

Mr. MOSER. Numbers and horses?

Mr. WARLICH. That is correct.

Mr. MOSER. Don't they play numbers after bookmaking hours?

Mr. WARLICH. No, sir, numbers are played in the morning. They must get into their various drops or headquarters by 2 p. m.

Mr. MOSER. In other words, the department put you on the bookmakers' hours on traffic duty, so that you would not be in a position to make raids, and you would have to be out on the street directing traffic?

Mr. WARLICH. That is correct.

Mr. MOSER. The only thing left for you to raid was the night games; is that correct?

Mr. WARLICH. Yes; that is correct. But on the night games we could not do much with them, because we needed warrants, and we were unable to obtain warrants.

Mr. MOSER. You needed warrants to arrest on the night games?

Mr. WARLICH. Yes, because they were in residences.

Mr. MOSER. You say you would not be able to get warrants, and that you needed warrants. Did you try to get them?

Mr. WARLICH. Yes. Officer Gribbin tried to get a warrant.

Mr. MOSER. To whom did they go for the warrants?

Mr. WARLICH. He went to the municipal court, to Judge Stephen A. Damico.

Mr. MOSER. What did Judge Damico do?

Mr. WARLICH. He issued the warrant, but when Officer Gribbin went to raid the place he found the place had been tipped off.

Mr. MOSER. In other words, every time a warrant was issued the place to which the warrant was issued would be tipped off; is that correct?

Mr. WARLICH. That is right.

Mr. MOSER. Did you therefore give up trying to make arrests in the night games?

Mr. WARLICH. We gave up trying to make arrests on warrants, so that would take in the night games.

The CHAIRMAN. Had you finished?

Mr. WARLICH. Or any of the private residences where they conducted bookmaking.

The CHAIRMAN. In many instances would you say that you made raids or attempted raids only to find out that there were evidences of a tip-off?

Mr. WARLICH. Well, that was the only instance we were actually sure of a tip-off on. The others we could not be sure of a tip-off. But we kept our things very, very secretive.

The CHAIRMAN. I would like to ask you one question about one other phase of it right there. You stated that you made 20 raids, arresting 28 people in the period from November until April, which is a span of 5 months. That is correct; isn't it?

Mr. WARLICH. That is right.

The CHAIRMAN. And I understood you to say that convictions were gotten in those cases.

Mr. WARLICH. In every case that has been heard so far.

The CHAIRMAN. Could you tell us how many that would be, what total, approximately?

Mr. WARLICH. Out of the 20 arrests, I believe 16 have been heard so far—15 or 16.

The CHAIRMAN. What happened to the people? What was done by the courts?

Mr. WARLICH. They were given fines and/or suspended sentences.

The CHAIRMAN. And/or suspended sentences?

Mr. WARLICH. That is right.

The CHAIRMAN. Was there any other form of penalty imposed?

Mr. WARLICH. The only man that was sent to prison was one who was named Lawson Johnson. We arrested this man as a numbers runner on November 20. That was our first arrest. About 6 weeks later we arrested him again for the same charge. The man at that time was on 5 years' probation on another charge.

The CHAIRMAN. Of what?

Mr. WARLICH. That I don't recall.

The CHAIRMAN. All right.

Mr. WARLICH. I think it was a highway-robbery charge.

The CHAIRMAN. All right.

Mr. WARLICH. And he was let out on bail the second time, even though he was still on probation. Officer Portock and I went to the prosecutor's office and demanded to know why the man had been let out on bail. He had been arrested twice on a numbers charge, and was on 5 years' probation, and he still was let out on bail.

The prosecutor issued a warrant for violation of probation at our request, and they brought him in and locked him up. Then, after they locked him up, they let him out on bail for the violation of probation the next day.

The CHAIRMAN. In the various cases where you say the majority of the 20 raids that you made resulted in convictions, have you any information as to what the people did after they paid their fines or got suspended sentences, whether they went back to the usual operations or not?

Mr. WARLICH. The majority of them are operating today. They go right back. That is their business. They know no other business.

Mr. MOSER. How much of a fine was imposed on them?

Mr. WARLICH. Well, the numbers arrest was usually a \$350 fine, and a suspended sentence of 2 years, I believe.

The bookmaking arrests usually resulted in a \$1,350 fine or an \$850 fine, with suspended sentence.

Mr. MOSER. Then they went right back into business the next day practically?

Mr. WARLICH. Oh, yes.

Mr. MOSER. Was there any other activity that occurred? When you were put on traffic patrol, I suppose that stopped everything for you. What happened then?

Mr. WARLICH. Temporarily it did stop us, but at that time the grand jury was in session, and the grand jury called us in for testimony, and we gave them our testimony, and told them just what was occurring, and through their pressure and another request from us they took us off this traffic squad and placed us back on a beat again.

This time they put us on a beat at the other end of town.

Mr. MOSER. What beat is that called?

Mr. WARLICH. Twenty-two beat. It is known as that. That is the extreme downtown district; that is on the other end of town. It is mostly all residences, no stores whatsoever.

Mr. MOSER. Beat 22?

Mr. WARLICH. Yes.

Mr. MOSER. Were you all put on there?

Mr. WARLICH. Yes.

Mr. MOSER. All three of you?

Mr. WARLICH. Yes, sir.

Mr. MOSER. At different hours?

Mr. WARLICH. Yes, sir, on different shifts.

Mr. MOSER. So that you could not get together.

Mr. WARLICH. That is right.

Mr. MOSER. Were there any other steps taken to try to stop you from conducting these raids? Did anybody say anything to you about it directly?

Mr. WARLICH. Why, only in the beginning, in November, is when they put the pressure on us to stop us. When they seen this thing was starting, they put pressure on us then.

Mr. MOSER. What kind of pressure?

Mr. WARLICH. Why, Officer Gribbin was called into the office of the leader of the fourth ward.

Mr. MOSER. Who is that?

Mr. WARLICH. James Boyd.

Mr. MOSER. James Boyd called him in?

Mr. WARLICH. Yes, sir.

Mr. MOSER. You say James Boyd called him in?

Mr. WARLICH. Or had him called in through Director Kerstetter.

Mr. MOSER. Yes. What is James Boyd's job?

Mr. WARLICH. He is the clerk of the board of freeholders.

Mr. MOSER. He is clerk of the board of freeholders?

Mr. WARLICH. That is right.

Mr. MOSER. Does he have anything to do with the police department?

Mr. WARLICH. He is not supposed to have anything to do with it.

Mr. MOSER. But Officer Gribbin was sent to see him by Kerstetter?

Mr. WARLICH. That is correct.

Mr. MOSER. What did Mr. Boyd say to Mr. Gribbin?

Mr. WARLICH. I think you will have to get the exact wording from Gribbin himself on that, but he threatened him, and the same day that he did that I was sent into the office of Vincent J. Lane, who is leader of the third ward, in which I live.

Mr. MOSER. What is his job?

Mr. WARLICH. He is assistant county probation officer.

Mr. MOSER. Did Kerstetter tell you to go to see him?

Mr. WARLICH. No.

Mr. MOSER. Who sent you to see him?

Mr. WARLICH. I was notified by——

Mr. MOSER. Well, that is not important. You were notified to go and see the probation officer?

Mr. WARLICH. Yes.

Mr. MOSER. What did the probation officer say to you?

Mr. WARLICH. He did give me a talk about "What are you doing this for?" He said, "It is not doing you any good, and you cannot fight the organization." He said, "Take it easy."

I told him that I was then acting president of the Patrolmen's Benevolent Association, due to the fact that the president went on leave of absence without pay, as soon as the reprisals started, and left me with the responsibility of the men.

I says, "I am not concerned about myself." I said, "I am concerned about the men here. They are being pushed around by politicians and racketeers, and." I said, "I don't like it."

Mr. MOSER. By "the men," you mean the other members of the police force, besides the three of you?

Mr. WARLICH. That is right.

Mr. MOSER. Did you feel most of the other members of the police force felt the same way you do?

Mr. WARLICH. I believe they did at that time.

Senator HUNT. You were not on probation at this time—were you?—when you were called in by the probation officer?

Mr. WARLICH. No, sir.

Senator HUNT. And you never had been on probation?

Mr. WARLICH. No, sir.

Senator HUNT. Then why did he call you in? What position did he hold as probation officer, that he had authority over you to call you in and direct your activities?

Mr. WARLICH. He was the leader in the ward in which I live, and each leader in a ward is supposed to have complete control of the men in their wards. They are supposed to be able to persuade them to do nothing that the organization does not want them to do.

Mr. MOSER. The ward leaders control the members of the police department who live in their wards; is that correct?

Mr. WARLICH. That is right.

Senator HUNT. You speak of ward leaders, and then you speak of precinct captains.

Mr. WARLICH. Yes, sir.

Senator HUNT. Are any of these ward leaders or precinct captains Democrats?

Mr. WARLICH. Yes; they have Democratic precinct captains and also Republicans.

Senator HUNT. Were you called in or spoken to with reference to your activities by any Democratic ward captain or precinct captain?

Mr. WARLICH. No.

Senator HUNT. Just by Republicans?

Mr. WARLICH. That is correct.

Mr. MOSER. Atlantic City is a Republican administration; is it?

Mr. WARLICH. That is correct.

Mr. MOSER. Did you have any conversations with anybody besides Mr. Lane, the assistant probation officer?

Mr. WARLICH. No; not myself.

Mr. MOSER. You did not?

Mr. WARLICH. No, sir.

Mr. MOSER. When you appeared before the grand jury, were you permitted to tell your story freely and openly?

Mr. WARLICH. When I appeared before the grand jury to give my testimony, I was in there approximately 15 minutes, and I was just starting on my story when the prosecuting attorney, or the prosecutor, Scott, told me, "You are working on the 12 to 8 shift tonight; is that

correct?" I says, "Yes." "Well," he says, "you will probably be pretty tired. That is all we will hear from you."

So, then I left the grand-jury room practically by request, I believe.

Mr. MOSER. Did the other officers have the same experience?

Mr. WARLICH. No; Officer Portock was in there for about an hour and a half before I was called in. I think he completed his testimony.

Mr. MOSER. I see. Now, is there anything else you would like to tell us about this situation besides what I have asked you?

Mr. WARLICH. Not that I can recall.

Mr. MOSER. All right.

The CHAIRMAN. Well, Officer, I would like to ask you this again, going back to the series of raids and the persistent efforts that you have made to curb lawlessness and to prefer charges against those guilty of violation of the laws: Have you received any compliments from your superiors?

Mr. WARLICH. That is the crux of the whole situation: We were never even commended. It was hardly ever that an officer who did a good job was not commended. Even if he recovered a stolen car he would usually get a commendation from his superiors.

The CHAIRMAN. That is the reason why I asked you the question. It is customary in the metropolitan police departments to give recognition to men who are vigilant and active and attentive to their duties.

Mr. WARLICH. Yes.

The CHAIRMAN. And I am just anxious to know whether in your case, in regard to this series of raids, which apparently were successful, judging from the outcome of the cases, whether your superiors gave you any recognition or any commendation whatsoever.

Mr. WARLICH. None whatsoever.

In fact, it was just the opposite. We were shunned by the majority of the men in the detective bureau and the superiors.

It was very obvious that they did not want us to conduct these raids; there is no doubt about it.

The CHAIRMAN. Of course, it is unnecessary to ask you the further question; but, in your opinion, as an officer, is such treatment of a policeman calculated to encourage him to go out and perform his duty?

Mr. WARLICH. It is calculated to discourage him. In our department you are in a unique position. The policeman is sworn in, and he has no knowledge of the gambling situation whatsoever. Soon after he is sworn in he finds there are such things as numbers, bookies, politicians, and racketeers: and he finds that they wield tremendous influence and insurmountable power, and if he goes out to do anything he finds himself on an isolated beat; and the majority of them give up in despair.

The CHAIRMAN. All right, Officer. Just a minute. Mr. Moser has some questions, I believe.

Mr. MOSER. When a man is arrested for bookie work and for numbers—well, first, numbers—what is the charge that is usually made against him?

Mr. WARLICH. The numbers can be put under two charges: under the Disorderly Persons Act and under the high misdemeanor, under the New Jersey law.

Mr. MOSER. "High misdemeanor" is what most people call a felony, I suppose.

Mr. WARLICH. That is correct; it is known in other States as a felony, but in New Jersey it is known as a high misdemeanor.

Mr. MOSER. And a disorderly person charge is a charge of simple misdemeanor?

Mr. WARLICH. Under the disorderly person charge, they can be charged with having a number of slips on their person. There you have an alternative of charging a guy with just the number slips on his person or, as we made it, possession of number slips and also aiding and abetting a lottery. Therefore, all our cases were held for the grand jury.

When raids are made by the vice squad, they are just held for possession, and they would be fined \$175 in the municipal court, and were not held for the grand jury, and then they went out again the next day.

Mr. MOSER. Oh, the charge was \$175 if it was for possession?

Mr. WARLICH. Yes, sir. In all our cases we had them held for the grand jury.

Mr. MOSER. Now, when a man is caught running numbers, is the charge sometimes reduced to that of a disorderly person, instead of the other charge?

Mr. WARLICH. Yes; numerous times.

Mr. MOSER. In any of your raids has that been done?

Mr. WARLICH. Not to my recollection.

Mr. MOSER. But when the vice squad conducts a raid, irrespective of what they find, they usually make the charge of disorderly person?

Mr. WARLICH. It is our understanding they are mostly cover-up raids to cover up their own inactivity due to our activity.

Mr. MOSER. In other words, when you conduct a few raids, they make some, too; is that correct?

Mr. WARLICH. That is right. If we don't conduct any, they don't conduct any.

Mr. MOSER. Oh, if you don't conduct any raids, there are none conducted?

Mr. WARLICH. That is the usual procedure.

Mr. MOSER. As soon as you start raiding, they make counterraid to balance it off?

Mr. WARLICH. That is right.

Mr. MOSER. And the ones they made, they would just place a disorderly person charge, so it would be a \$175 fine?

Mr. WARLICH. That is right.

Mr. MOSER. Which was practically a license fee, because they could go back to work the next day.

Mr. WARLICH. That is correct.

The CHAIRMAN. Senator Hunt?

Senator HUNT. What estimate do you place on the number of bookies and number games operating in Atlantic City?

Mr. WARLICH. I would say, from compiling certain figures, that there are at least 1,100 men who actually make their living from illegal gambling in Atlantic City. I would say that there are about 200 cigar stores that have numbers and/or bookmaking. I believe there are from about 75 to 100 bookmakers in private residences, with about 25 men in private residences laying off the big bets to out-of-State interests.

Senator HUNT. What is the population of Atlantic City?

Mr. WARLICH. Sixty-six thousand.

Mr. MOSER. Who is the head of what you refer to as the political organization or the organization?

Mr. WARLICH. The organization, the head of the organization is Senator Frank S. Farley.

Mr. MOSER. He is the official head of it?

Mr. WARLICH. He is the official head of it; yes, sir.

Mr. MOSER. Is there anybody else who seems to be a leader in it?

Mr. WARLICH. Under Farley there would be the various ward leaders, and the sheriff of Atlantic County is a potent factor in the association or organization.

Mr. MOSER. Who is Herman Orman?

Mr. WARLICH. He is the gambling kingpin of Atlantic City. He is the boss of gambling in Atlantic City, in my estimation.

Mr. MOSER. Does he have anything to do with the political association?

Mr. WARLICH. I believe he works very closely with the political organization. I believe he gives orders to the political organization.

The CHAIRMAN. That is all right. That is all. Thank you.

Now, who is our next witness?

Mr. MOSER. Herman Orman.

The CHAIRMAN. Mr. Orman, will you come forward, please, and raise your right hand.

In the presence of the Almighty God, do you solemnly swear you shall testify the truth, the whole truth, and nothing but the truth?

Mr. ORMAN. I do.

The CHAIRMAN. And you, sir, are counsel, I presume.

Mr. ROBB. I am Roger Robb, a member of the bar here in Washington, and Mr. Orman's attorney.

The CHAIRMAN. We are very glad to have you present.

Mr. ROBB. Thank you, sir.

TESTIMONY OF HERMAN ORMAN, ATLANTIC CITY, N. J., ACCOMPANIED BY ROGER ROBB, ATTORNEY, WASHINGTON, D. C.

The CHAIRMAN. Now, Mr. Orman, will you state your full name?

Mr. ORMAN. Herman Orman.

The CHAIRMAN. And, Mr. Orman, your address.

Mr. ORMAN. 3850 Atlantic Avenue, Atlantic City, N. J.

The CHAIRMAN. All right. And may I ask, if you will, that you just keep your voice up and talk loudly so we can hear you.

Mr. ORMAN. I will, if the photographers ever finish.

The CHAIRMAN. Well, that won't last so long. Now, if you will just talk slowly and distinctly so we can hear you.

Mr. ORMAN. I will.

The CHAIRMAN. For what period of time have you lived in Atlantic City?

Mr. ORMAN. Approximately 30 years.

The CHAIRMAN. Thirty years?

Mr. ORMAN. Yes.

The CHAIRMAN. You have a family? Are you married?

Mr. ORMAN. No; I am not married. I am single.

The CHAIRMAN. I see.

All right, Counsel, will you take up the questioning.

Mr. MOSER. Have you ever been married?

Mr. ORMAN. Yes, sir.

Mr. MOSER. When was that?

Mr. ORMAN. 1944.

Mr. MOSER. 1944?

Mr. ORMAN. Yes.

Mr. MOSER. And when were you divorced?

Mr. ORMAN. 1945.

Mr. MOSER. You were married for 1 year, then?

Mr. ORMAN. Approximately.

Mr. MOSER. Mr. Orman, what is your business address?

Mr. ORMAN. 3850 Atlantic Avenue, Atlantic City.

Mr. MOSER. Is that the address of the Continental Hotel—

Mr. ORMAN. The Cosmopolitan Hotel.

Mr. MOSER. Or the Cosmopolitan Hotel, rather?

Mr. ORMAN. That is right.

Mr. MOSER. I wonder if you would tell me something about the set-up of Atlantic City? For example, who is this senator from Atlantic County?

Mr. ORMAN. Senator Frank S. Farley.

Mr. MOSER. Is he Hap Farley?

Mr. ORMAN. That is right, sir.

Mr. MOSER. Who is the mayor of Atlantic City?

Mr. ORMAN. Joseph Altman.

Mr. MOSER. Joseph Altman?

Mr. ORMAN. That is right, sir.

Mr. MOSER. What does the council of the city consist of?

Mr. ORMAN. Five commissioners.

Mr. MOSER. Who are they?

Mr. ORMAN. They are Bader, Casey, Cuthbert, Gravett—what is that, four?

The CHAIRMAN. And Altman?

Mr. ORMAN. That is right, Altman, the mayor. I gave you that.

The CHAIRMAN. That is five.

Mr. ORMAN. That is five; that is right, sir.

Mr. MOSER. Who is the director of public safety?

Mr. ORMAN. Director Cuthbert.

Mr. MOSER. Cuthbert?

Mr. ORMAN. That is right.

Mr. MOSER. And he is a member of the council?

Mr. ORMAN. He is a member of the commissioners.

Mr. MOSER. Who is the assistant director of public safety?

Mr. ORMAN. Meredith Kerstetter.

Mr. MOSER. Meredith Kerstetter?

Mr. ORMAN. Yes.

Mr. MOSER. Is he sometimes called "Todd"?

Mr. ORMAN. That is correct.

Mr. MOSER. That is his nickname?

Mr. ORMAN. That is correct.

Mr. MOSER. Who is the city solicitor?

Mr. ORMAN. Murray Fredericks.

Mr. MOSER. Is he a good friend of yours?

Mr. ORMAN. He is a friend.

Mr. MOSER. Have you seen a good deal of him?

Mr. ORMAN. Occasionally; I see him now and then.

Mr. MOSER. Who is the prosecutor?

Mr. ORMAN. Louis Scott.

Mr. MOSER. Is he the prosecutor of Atlantic County?

Mr. ORMAN. That is right, sir.

Mr. MOSER. Who is the probation officer?

Mr. ORMAN. Preston Crook.

Mr. MOSER. Preston Crook?

Mr. ORMAN. Crook.

Mr. MOSER. Who is the assistant probation officer?

Mr. ORMAN. Vincent Lane.

Mr. MOSER. Who is the clerk of the board of freeholders?

Mr. ORMAN. James Boyd.

Mr. MOSER. And who is the secretary of the State senate?

Mr. ORMAN. Secretary of the State senate?

Mr. MOSER. Yes.

Mr. ORMAN. Well, if you are referring to Lester Burdick, he may be the secretary. I am not sure what his title is.

Mr. MOSER. Does Mr. Burdick have something to do with the State senate?

Mr. ORMAN. He does.

Mr. MOSER. Does he have some official capacity there?

Mr. ORMAN. He does, sir.

Mr. MOSER. Lester Burdick lives in Atlantic City?

Mr. ORMAN. In Margate.

Mr. MOSER. Who is the sheriff of Atlantic County?

Mr. ORMAN. Gerald Gormley.

Mr. MOSER. Now, turning to the police department, who is the chief of police?

Mr. ORMAN. Harry Saunders.

Mr. MOSER. Does he have any connection with an automobile agency called Saunders Motors in Atlantic City?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. Is he related to the owner of it?

Mr. ORMAN. He is.

Mr. MOSER. What is his relationship?

Mr. ORMAN. Brother.

Mr. MOSER. Do you know Louis Arnheim?

Mr. ORMAN. Yes, sir.

Mr. MOSER. Who is he?

Mr. ORMAN. Inspector of police presently.

Mr. MOSER. Is he the second in command under the chief?

Mr. ORMAN. I wouldn't know whether he was second, first, or third. I guess he is second; I don't know.

Mr. MOSER. Who is George Frye?

Mr. ORMAN. A detective.

Mr. MOSER. On the police department?

Mr. ORMAN. In the police department.

Mr. MOSER. Do you know Jack Portock?

Mr. ORMAN. I have seen him.

Mr. MOSER. You have seen him?

Mr. ORMAN. Yes, sir.

Mr. MOSER. You have just seen him, but you don't know anything about him?

Mr. ORMAN. I don't know anything about him.

Mr. MOSER. Do you know Officer Gribbin?

Mr. ORMAN. Just to see him.

Mr. MOSER. How about Officer Warlich?

Mr. ORMAN. Only to see him.

Mr. MOSER. George Frye; do you know him quite well?

Mr. ORMAN. I am fairly well familiar with him, 20 years.

Mr. MOSER. And do you know Officer Arnheim quite well?

Mr. ORMAN. A good many years.

Mr. MOSER. How about Frank Sullivan; do you know him?

Mr. ORMAN. I know Frank Sullivan.

Mr. MOSER. Do you know John Mooney?

Mr. ORMAN. Yes, sir.

Mr. MOSER. Do you know these men fairly well?

Mr. ORMAN. I would say I know them pretty well.

Mr. MOSER. And Charles Haney; do you know him?

Mr. ORMAN. I know him; not too well.

Mr. MOSER. How about Bud Hanesberry?

Mr. ORMAN. I know him.

Mr. MOSER. Those four men I just mentioned—Sullivan, Hanesberry, Mooney, and Hahn—constitute the vice squad?

Mr. ORMAN. I don't know what their positions are at the present time.

Mr. MOSER. Have they ever been on the vice squad?

Mr. ORMAN. I think they have.

Mr. MOSER. Who is Wilbur Spriggs?

Mr. ORMAN. He is an officer, I think.

Mr. MOSER. How about William Baird?

Mr. ORMAN. He is an officer.

Mr. MOSER. That gives us a very clear picture, I think, of the official set-up.

Mr. ORMAN, tell us about the city committee or the county committee. How is that composed?

Mr. ORMAN. I don't know.

Mr. MOSER. Who is the Republican leader of the county?

Mr. ORMAN. Frank S. Farley.

Mr. MOSER. Is he chairman of the Republican County Committee?

Mr. ORMAN. I think that is his title.

Mr. MOSER. And the county committee consists of members from various wards; does it?

Mr. ORMAN. As I understand it; and the county.

Mr. MOSER. Senator Farley also occupies the position of county treasurer; doesn't he?

Mr. ORMAN. That is right, sir.

Mr. MOSER. So he occupies three positions—State senator, county treasurer, and chairman of the County Republican Committee—is that correct?

Mr. ORMAN. As far as I know.

Mr. MOSER. And are you the No. 1 kingpin of gambling in Atlantic City?

Mr. ORMAN. Not to my knowledge; I am not.

Mr. MOSER. I would like to ask you a little bit about your business activities in the past. Have you ever been convicted of bootlegging?

Mr. ORMAN. No, sir.

Mr. MOSER. Never?

The CHAIRMAN. Won't you keep your voice up, Mr. Orman. The reporters and all can't hear you.

Mr. MOSER. Have you ever been involved in any violation concerning liquor?

Mr. ORMAN. I have, sir.

Mr. MOSER. What was that?

Mr. ORMAN. I just don't recall.

Mr. MOSER. You don't remember?

Mr. ORMAN. No.

Mr. MOSER. Was it in 1927?

Mr. ORMAN. Possibly. I don't remember.

Mr. MOSER. But you do remember that you were involved in some kind of a violation?

Mr. ORMAN. That is right, sir.

Mr. MOSER. Quite a good many years back?

Mr. ORMAN. I am glad you finally got that out, sir. Are you happy?

Mr. MOSER. But you don't remember it?

Mr. ORMAN. No; I do not. You certainly have been trying a long while, haven't you?

Mr. MOSER. What is the Pyramid Trading Co.?

Mr. ORMAN. That was at one time an importation house.

Mr. MOSER. What was imported?

Mr. ORMAN. Liquor.

Mr. MOSER. When were you in that?

Mr. ORMAN. I just forget the year. Around 1933, '34, '35. Right after repeal, whatever that was.

Mr. MOSER. Repeal was in 1933. Does that help you remember?

Mr. ORMAN. Yes; about 1934 or 1935.

Mr. MOSER. How long were you in that business? Until about 1937 perhaps?

Mr. ORMAN. No; I wouldn't say that; maybe 1936.

Mr. MOSER. What was your connection with the Pyramid Trading Co.? Were you the owner?

Mr. ORMAN. No; just a salesman; public relations.

Mr. MOSER. What did you do after you left Pyramid Trading Co.?

Mr. ORMAN. Opened a tavern in Atlantic City.

Mr. MOSER. That was in about 1936?

Mr. ORMAN. No; that was a little after that. I don't know what year, somewhere around 1938 or '39.

Mr. MOSER. You left the Pyramid Trading Co. in 1936?

Mr. ORMAN. I am not sure of the dates. I do not have the exact dates; it is just rough.

Mr. MOSER. Throughout the year 1936 you were connected with that company?

Mr. ORMAN. '36 or '37.

Mr. MOSER. You were only a salesman?

Mr. ORMAN. That is right.

Mr. MOSER. Did you handle any money for Pyramid Trading Co.?

Mr. ORMAN. I don't think I did, sir.

Mr. MOSER. You didn't handle any money for them at all?

Mr. ORMAN. No.

Mr. MOSER. Did you make much money as a salesman for that company?

Mr. ORMAN. Made a little bit of money; don't recall what it was.

Mr. MOSER. Do you remember whether it was \$50,000 a year?

Mr. ORMAN. I don't remember.

Mr. MOSER. It might be \$50,000?

Mr. ORMAN. I don't remember; some nominal amount.

Mr. MOSER. Five or six thousand?

Mr. ORMAN. Don't pin me down. I don't recall what it was.

Mr. MOSER. Did you handle any money for anybody else besides Pyramid Trading Co. at that time?

Mr. ORMAN. I don't remember.

Mr. MOSER. You don't remember, but, if you had handled any large sums, you would remember?

Mr. ORMAN. Probably I would.

Mr. MOSER. Do you remember any real large sums?

Mr. ORMAN. No; I don't.

Mr. MOSER. You may have handled some nominal amounts for people?

Mr. ORMAN. Not to my knowledge. I don't know what I would handle for anyone.

Mr. MOSER. Do you recall in June 1936, making a deposit of \$6,300 for anybody?

Mr. ORMAN. I don't recall it.

Mr. MOSER. Don't recall anything like that?

Mr. ORMAN. It is too far back for me; I have a bad memory.

Mr. MOSER. Yes; I observe you have. That is quite a lot of money?

Mr. ORMAN. It is.

Mr. MOSER. You said you don't remember handling any money for anybody?

Mr. ORMAN. No; I don't.

Mr. MOSER. Do you remember making perhaps a deposit of around \$10,000?

Mr. ORMAN. I wouldn't recall.

Mr. MOSER. At that time?

Mr. ORMAN. I don't recall.

Mr. MOSER. That is quite a lot of money.

Mr. ORMAN. Maybe it wasn't too much; maybe it was. I don't remember.

Mr. MOSER. I wonder if you would recognize some deposit slips that I have here. I have a receipt here addressed to H. Orman, Paramount Hotel, New York City. That would be you; wouldn't it?

Mr. ORMAN. Yes.

Mr. MOSER. It acknowledges receipt of \$6,300 for wire transfer to the Equitable Trust Co. of Atlantic City, signed by the Guaranty Trust Co. of New York. That sounds right; doesn't it?

Mr. ORMAN. Possibly. If it is there, it must be so.

The CHAIRMAN. Would counsel like to see it?

Mr. ORMAN. If it is there, it is all right. It must be so; it is my name.

The CHAIRMAN. You say that is your name?

Mr. ORMAN. That is right.

Mr. MOSER. Would that money be cash or a check, or perhaps a group of checks?

Mr. ORMAN. Really, I wouldn't know what to answer. I may be checks, it may be cash; I wouldn't remember.

Mr. MOSER. That is quite a lot of cash to handle.

Mr. ORMAN. Yes.

Mr. MOSER. I should think if you handled that much cash, you would remember?

Mr. ORMAN. Not necessarily.

Mr. MOSER. You probably handled a lot of cash in your days?

Mr. ORMAN. Maybe.

Mr. MOSER. I see.

I have here another deposit slip date May 20, 1936, showing a deposit of cash of \$10,450 at the Guaranty Trust Co. of New York to be wired to the Equitable Trust Co. of Atlantic City. Would you like to see that?

(The deposit slip was shown to the witness.)

Mr. ORMAN. I had a lot of money then.

Mr. MOSER. That is correct.

Mr. ORMAN. Must be so.

Mr. MOSER. And you still don't remember it?

Mr. ORMAN. No.

Mr. MOSER. You have a bad memory.

Mr. ORMAN. Very bad, sir.

Mr. MOSER. I don't think we need any proof of that.

The CHAIRMAN. I thought your memory was excellent in giving us the names and full titles of all those officials in Atlantic City. You were almost a walking directory.

Mr. ORMAN. I read so much about them. That is what the papers have in Atlantic City. The poor officials.

Mr. MOSER. Cash doesn't interest you quite so much?

Mr. ORMAN. I do care so much about money.

Mr. MOSER. I have here another slip which consists of a receipt which is dated May 18, 1936, for \$4,500 to be telegraphed to the Equitable Trust Co. of Atlantic City. Does that sound right, too?

Mr. ORMAN. That is possible.

Mr. MOSER. You don't want to see the rest of them?

Mr. ORMAN. No.

Mr. MOSER. You admit they are all correct?

Mr. ORMAN. Yes.

Mr. ROBB. Wait a minute.

(Deposit slip was shown to counsel.)

Mr. MOSER. You admit that is probably correct?

Mr. ORMAN. I do, sir.

Mr. MOSER. You don't remember it?

Mr. ORMAN. No; I don't.

Mr. MOSER. Even though \$4,500 is a lot of money?

Mr. ORMAN. Yes.

Mr. MOSER. I have one here for a small amount. I am sure you won't remember that. It is for \$1,900, dated May 28, 1936, from the Postal Telegraph Co. for telegraphing that amount of money to Atlantic City, the Equitable Trust Co. Does that sound correct, too?

Mr. ORMAN. That does, sir. I must have been kiting a lot of checks.

Mr. MOSER. Well, we don't know what you were doing, but you were handling a lot of cash.

Mr. ORMAN. I don't remember. I might have been kiting checks.

Mr. MOSER. People who have cash do not do that.

I have here another receipt from the Postal Telegraph Co. for sending funds to the Equitable Trust Co. on May 29, 1936, for \$100. I am sure you do not remember that.

Mr. ORMAN. I don't think so.

Mr. MOSER. You are willing to admit it is so?

The CHAIRMAN. I just suggested that we read them all and pass them to counsel at one time.

Mr. MOSER. I have another dated June 13, 1936, for \$1,500 to send the money from New York City to Equitable Trust in Atlantic City. Does that sound correct?

Mr. ORMAN. It sounds like it might be correct. If you have the receipts, sir, I will acknowledge all of them.

Mr. MOSER. Another one dated June 5, 1936, for \$2,200 of the same nature. That is correct also; is it?

Another one dated June 10, 1936, for \$1,000; the same.

Mr. ORMAN. Possibly.

Mr. MOSER. Possibly? Probably; is that right?

Mr. ORMAN. All right.

Mr. MOSER. Still don't remember these?

Mr. ORMAN. No.

Mr. MOSER. One dated June 15, 1936, for \$100. Another dated June 26, 1936, for \$1,500. Another, June 30, 1936, for \$1,870. Another one, July 15, 1936, for \$2,500. Another one, October 1, 1936, for \$1,500. The next is October 7, 1936, for \$500. The next is October 19, 1936, for \$10—very minor, that one.

The next is November 1, 1936, for \$1,300. The next is November 2, 1936, for \$1,000. The next is November 9, 1936, for \$300. The next is November 9, 1936, for \$1,700.

The last one, the most recent, is November 10, 1936, for \$1,000.

The same answer applies to all of those, that you do not remember them, but they are probably correct?

Mr. ORMAN. Yes.

The CHAIRMAN. I do think counsel ought to have an opportunity to see them and inspect them.

The total of those is approximately \$41,000. Would that cause you to have any idea of whether or not those specific items are correct?

Mr. ORMAN. Was this money wired to the bank in Atlantic City, did you say?

Mr. MOSER. Equitable Trust.

Mr. ORMAN. It was wired?

Mr. MOSER. Yes.

Mr. ORMAN. I was probably playing a lot of horses that year, writing out a lot of checks to the bookmakers—winning and losing—and wiring the money.

The CHAIRMAN. From New York to New Jersey?

Mr. ORMAN. No. That is wired money to my bank to make my checks good, I assume.

The CHAIRMAN. The money going from New York to New Jersey?

Mr. MOSER. You were sending cash down there to cover your checks?

Mr. ORMAN. Either that or the checks would have bounced back. That wouldn't be too good. I would lose my credit rating.

Mr. MOSER. I want to ask about one of these checks dated October 19, 1936, payable to J. Saunders. Do you know who J. Saunders is?

Mr. ORMAN. Yes; I know a J. Saunders. I don't know what it was for.

Mr. MOSER. Who is J. Saunders?

Mr. ORMAN. I have known him for 15 to 18 years.

Mr. MOSER. Did J. Saunders work for you?

Mr. ORMAN. Not for me, sir.

Mr. MOSER. Work for anybody you know?

Mr. ORMAN. I think he works for the Seabrook Farms; has been for quite a few years.

Mr. MOSER. Who was Mrs. J. Saunders? His wife, I assume?

Mr. ORMAN. I don't know her; I assume so.

Mr. MOSER. Never heard of her?

Mr. ORMAN. Never heard of her. I never saw her. I do not know her personally.

Mr. MOSER. You have no reason to give her money?

Mr. ORMAN. No.

Mr. MOSER. This check is made payable to Mrs. J. Saunders.

Mr. ORMAN. He may have gotten me to give him a check and given me the check in exchange.

Mr. MOSER. This is the only one you haven't had, counsel.

The total of those checks is \$41,220, consisting of cash sent to the Equitable Trust Co. over a 6 months' period in 1936. That was the period during which you were working for Pyramid Trading Co. and not handling any money for them and getting a nominal salary. Therefore, possibly this is money you got from some other source; is that correct?

Mr. ORMAN. Well, I just do not know whether I got that money from some other source. I may have been playing horses and winning one day and losing the next. That is the only thing I can answer about it. That is all I can remember. I don't think I earned that money in 1936.

Mr. MOSER. You don't think you did?

Mr. ORMAN. Not \$41,000. In fact, I know I didn't.

Mr. MOSER. But you did have some money set aside that you could use?

Mr. ORMAN. I probably had some money somewhere laying around.

Mr. MOSER. Mostly in Washington?

Mr. ORMAN. I think so.

Mr. MOSER. Where does it lie around? In a safe-deposit box?

Mr. ORMAN. If I had one, it is possible. I don't think I have one.

Mr. MOSER. Do you maintain a safe-deposit box?

Mr. ORMAN. I do.

Mr. MOSER. Do you have any cash in it?

Mr. ORMAN. No.

Mr. MOSER. None at all?

Mr. ORMAN. No.

Mr. MOSER. Did you take any cash out yesterday by chance?

Mr. ORMAN. I haven't been near my box.

Mr. MOSER. When did you last have cash in it?

Mr. ORMAN. I don't recall. It may be some months ago.

Mr. MOSER. How much did you have then?

Mr. ORMAN. I don't remember.

Mr. MOSER. You don't remember how much you had?

Mr. ORMAN. No.

Mr. Moser. Was it maybe \$500?

Mr. Orman. It could have been a little more.

Mr. Moser. Could it have been \$50,000?

Mr. Orman. Oh, God, no.

Mr. Moser. Could it have been maybe \$20,000?

Mr. Orman. Sir?

Mr. Moser. Around \$20,000?

Mr. Orman. No.

Mr. Moser. You don't have any cash transactions?

Mr. Orman. I don't recall the exact amount.

Mr. Moser. Somewhere between \$500 and \$20,000?

Mr. Orman. It was some money. It was some cash.

Mr. Moser. But between \$500 and \$20,000?

Mr. Orman. It was some cash.

Mr. Moser. How much, approximately?

Mr. Orman. I don't remember.

Mr. Moser. What is the most you ever had there?

Mr. Orman. In the box?

Mr. Moser. Yes.

Mr. Orman. I don't remember.

Mr. Moser. You don't remember?

Mr. Orman. No.

Mr. Moser. What is the Seashore Radio Co.?

Mr. Orman. Seashore Radio Co. was a corporation in the State of New Jersey which operated five radio stores.

Mr. Moser. What was your connection with it?

Mr. Orman. I think when they were about to go broke, I became president.

Mr. Moser. But it did go broke?

Mr. Orman. Yes.

Mr. Moser. And liquidated?

Mr. Orman. Yes, sir.

Mr. Moser. Did you make any money out of that?

Mr. Orman. I don't think so.

Mr. Moser. You came out a little short on it perhaps?

Mr. Orman. Pretty close to a stand-off.

Mr. Moser. How did you happen to get into that business?

Mr. Orman. There was a friend of mine who had the business and we had a little money difficulty, maybe going back twenty-some years, 15 years.

Mr. Moser. Maybe back to 1927?

Mr. Orman. That is possible.

Mr. Moser. Around those bootlegging days?

Mr. Orman. That is possible.

Mr. Moser. So you loaned him some money?

Mr. Orman. You won't let me be a nice fellow. You must bring bootlegging days in. I don't think it will get you anywhere, or me anywhere.

Mr. Moser. The man owed you some money, so he gave you an interest in this business to pay you?

Mr. Orman. That is correct.

Mr. Moser. Do you remember that clearly?

Mr. Orman. Not clearly.

Mr. Moser. A little vaguely?

Mr. ORMAN. A little vaguely.

Mr. MOSER. It was liquidated in 1938?

Mr. ORMAN. Somewhere around then—1936 or 1937.

Mr. MOSER. Have you ever been in the Army?

Mr. ORMAN. Yes, sir.

Mr. MOSER. When did you go into the Army?

Mr. ORMAN. February 10, 1943.

The CHAIRMAN. 1943?

Mr. ORMAN. Yes, sir.

Mr. MOSER. When did you get out?

Mr. ORMAN. June 1945.

Mr. MOSER. Where were you stationed?

Mr. ORMAN. Fort Monmouth.

Mr. MOSER. The entire time?

Mr. ORMAN. Well, between there and Camp Wood, around that vicinity.

Mr. MOSER. How far is Fort Monmouth from Atlantic City?

Mr. ORMAN. Ninety miles.

Mr. MOSER. How far is Camp Wood from Atlantic City?

Mr. ORMAN. Close to that—88 or 92 or 91.

Mr. MOSER. Did you go home week ends?

Mr. ORMAN. Once in a while.

Mr. MOSER. Not every week end?

Mr. ORMAN. Only when I received a pass.

Mr. MOSER. How often did you receive a pass?

Mr. ORMAN. A couple of times a month.

Mr. MOSER. Twice a month you went home?

Mr. ORMAN. Three times, maybe, sometimes.

Mr. MOSER. Do you have any criminal record?

Mr. ORMAN. I don't remember. I was arrested one time. I told you the other day at the closed hearing. You can refer back to it there.

Mr. MOSER. Do you remember what you were arrested for? I have an FBI report before me indicating an arrest on July 9, 1938, for bookmaking. Does that sound correct?

Mr. ORMAN. That was the one I told you about in Somer's Point. You have it there, where I wasn't the bookmaker, but I think I was so charged,

Mr. MOSER. You were working there anyway?

Mr. ORMAN. No. I was in the place at that time.

Mr. MOSER. You just happened to be there?

Mr. ORMAN. Yes.

Mr. MOSER. They charged you with bookmaking when you just happened to walk into the place?

Mr. ORMAN. Yes, sir; that is right.

Mr. MOSER. Were you convicted?

Mr. ORMAN. I paid a fine.

Mr. MOSER. You paid a fine?

Mr. ORMAN. Yes.

Mr. MOSER. Were you ever arrested after that?

Mr. ORMAN. No, sir. I was arrested by Mayor Taggart.

Mr. MOSER. By Mayor Taggart?

Mr. ORMAN. Yes.

Mr. MOSER. Tell us about Mayor Taggart. Who is he?

Mr. ORMAN. He is dead. Let him be there.

Mr. MOSER. What was his first name?

Mr. ORMAN. Thomas Taggert.

Mr. MOSER. He was the mayor?

Mr. ORMAN. Yes, sir.

Mr. MOSER. What was your objection to him?

Mr. ORMAN. Don't let's go into that. He is dead.

Mr. MOSER. I know he is dead. What did he do? Did he make life hard for you?

Mr. ORMAN. He tried.

Mr. MOSER. He tried?

Mr. ORMAN. Yes. He wasn't very successful.

Mr. MOSER. How did he try?

Mr. ORMAN. False arrest.

Mr. MOSER. Was the arrest in January 1942 a false arrest?

Mr. ORMAN. Somewhere around there. That is right, sir.

Mr. MOSER. What were you arrested for?

Mr. ORMAN. Just picked me up on the street.

Mr. MOSER. What was the charge?

Mr. ORMAN. Dissemination of race-horse news.

Mr. MOSER. Why do you say it was a false arrest?

Mr. ORMAN. Because I had nothing to do with the dissemination of race-horse news.

Mr. MOSER. Why was Mayor Taggert after you?

Mr. ORMAN. He would have to answer that, and I do not think he can.

Mr. MOSER. That is interesting, but you must have known why he was interested in going after you. What did he claim was wrong with you?

Mr. ORMAN. I would rather not talk about the man. The man is dead.

Mr. MOSER. After all we are just trying to get information here. I don't see why you can't tell us what you know about him.

Mr. ORMAN. I don't know too much about him. I sort of dismissed it all from my mind.

Mr. MOSER. We are trying to find out what Taggert was after you for.

Mr. ORMAN. I don't know.

Mr. MOSER. Didn't anybody ever tell you?

Mr. ORMAN. No.

Mr. MOSER. You had no idea why he was after you?

Mr. ORMAN. Maybe because I didn't like him politically.

Mr. MOSER. Was he a Republican?

Mr. ORMAN. Yes; and a bad Republican.

Mr. MOSER. A bad Republican?

Mr. ORMAN. Yes.

Mr. MOSER. Was he engaged in conducting raids on various gambling establishments?

Mr. ORMAN. I read about him conducting some.

Mr. MOSER. But you didn't know anything about that?

Mr. ORMAN. Personally?

Mr. MOSER. Yes.

Mr. ORMAN. No; only what I read. I used to read about his walking around with two guns strapped to his sides.

Mr. MOSER. Did you ever see the guns?

Mr. ORMAN. No; I never got that close to him.

Mr. MOSER. Is your gun strapped to your side?

Mr. ORMAN. No; I don't have any strapped to my side.

Mr. MOSER. You don't have it with you?

Mr. ORMAN. No.

Mr. MOSER. You do have a gun?

Mr. ORMAN. No.

Mr. MOSER. How long have you carried a gun?

Mr. ORMAN. I haven't had one on me for 5 years.

Mr. MOSER. That would be 1946, approximately, that you stopped carrying a gun.

Mr. ORMAN. I never carried one every day.

Mr. MOSER. Not every day?

Mr. ORMAN. I had one around my business.

Mr. MOSER. When did you first start having a gun?

Mr. ORMAN. Oh, a good many years back.

Mr. MOSER. You had a permit for it, I assume?

Mr. ORMAN. I assume.

Mr. MOSER. The records indicate that you obtained the permit on March 22, 1935. Does that sound correct?

Mr. ORMAN. Whatever is in the record, sir, you have.

Mr. MOSER. So you haven't carried the gun for the last 5 years?

Mr. ORMAN. For a good many years. I may have had it.

Mr. MOSER. You had a permit.

Mr. ORMAN. I always had a permit.

Mr. MOSER. For 15 years?

Mr. ORMAN. Possibly for 15 years.

Mr. MOSER. Where did you get the gun?

Mr. ORMAN. I don't recall. Purchased it somewhere.

Mr. MOSER. You don't remember from whom?

Mr. ORMAN. No.

Mr. MOSER. Why did you carry a gun when you did carry it?

Mr. ORMAN. No special reason. I answered all that the other day. I wouldn't like to sit here all through that. You have it all. I sat for 2½ hours.

Mr. MOSER. You would rather we took it out of the record?

Mr. ORMAN. I would rather you took it out of the record. It is more exact and I may change a bit now from lack of memory. It may not be exactly as you have it in the closed hearing. I would rather have the same story I told you the other day.

Mr. MOSER. You would rather not tell us now why you carried a gun?

Mr. ORMAN. I would rather not go through it again.

Mr. MOSER. We will leave it that way.

Mr. ORMAN, do you now who Fred Masucci is?

Mr. ORMAN. Yes.

Mr. MOSER. Is he a close friend of yours?

Mr. ORMAN. Very close friend of mine.

Mr. MOSER. What is his business?

Mr. ORMAN. I think he is retired.

Mr. MOSER. But you do not know anything more than that?

Mr. ORMAN. That is all.

Mr. MOSER. What was his business before he retired?

Mr. ORMAN. A taproom.

Mr. MOSER. You do not know of any gambling activities he ever had?

Mr. ORMAN. No. I am not concerned about that.

Mr. MOSER. Do you know about his partnership with Rubenstein?

Mr. ORMAN. Nothing at all about his personal business.

Mr. MOSER. His partner was Benjamin Rubenstein.

Mr. ORMAN. I wouldn't know, sir.

Mr. MOSER. You don't know that Masucci and Rubenstein are in the bookmaking business, Mr. Orman?

Mr. ORMAN. I do not, sir.

Mr. MOSER. You do not?

Mr. ORMAN. I do not, sir.

Mr. MOSER. You do not know whether they are in the numbers game?

Mr. ORMAN. I do not, sir.

Mr. MOSER. Do you remember the time that Officer Arnheim conducted a raid on Rubenstein's bank in 1945?

Mr. ORMAN. No; I do not, sir.

Mr. MOSER. You do not remember that?

Mr. ORMAN. I do not, sir.

Mr. MOSER. You had nothing to do with that?

Mr. ORMAN. I certainly did not.

Mr. MOSER. Masucci doesn't represent you as a front in that partnership?

Mr. ORMAN. He certainly does not. I resent it. I resent the inference. He does not. I am not in the gambling business and haven't been.

Mr. MOSER. Is there any possibility that there is a connection between the fact that Arnheim raided Rubenstein in 1945 and shortly after that Masucci became his partner?

Mr. ORMAN. As far as I know, there isn't the remotest possible connection. I don't know anything about it. I don't know anything about it.

Mr. MOSER. That wasn't a muscle operation?

Mr. ORMAN. I don't know anything about it. I don't know anything about muscle operations.

Mr. MOSER. Especially that Rubenstein-Masucci one?

Mr. ORMAN. I don't know anything about any muscle operation.

Mr. MOSER. Who is "Red" Saunders, Jack Saunders?

Mr. ORMAN. Jack Saunders is a man I have known for a good many years. He is presently working at the Seabrook Farms.

Mr. MOSER. Is he an intimate friend of yours?

Mr. ORMAN. I have known him. I wouldn't say he is too intimate. I have known him.

Mr. MOSER. Is he the man whom you gave the \$10 to in 1936?

Mr. ORMAN. Probably; yes, sir.

Mr. MOSER. Was he working in New York with you at that time?

Mr. ORMAN. He wasn't working in New York with me at any time.

Mr. MOSER. Was he with you in New York?

Mr. ORMAN. Not to my knowledge. He may have been. I don't recall.

Mr. MOSER. Did he place any bets for you?

Mr. ORMAN. I don't remember, sir.

Mr. MOSER. Has he ever been in jail?

Mr. ORMAN. I think so.

Mr. MOSER. You do not know for sure?

Mr. ORMAN. I think so.

Mr. MOSER. Do you know or don't you know?

Mr. ORMAN. I think so.

Mr. MOSER. The answer is "Yes," then.

Mr. ORMAN. That is your answer. I think so.

Mr. MOSER. Do you know why he was in jail?

Mr. ORMAN. I don't recall the exact charges.

The CHAIRMAN. Counsel, do you want to confer with your client?

Mr. ROBB. Yes.

The CHAIRMAN. It is perfectly all right.

(The witness conferred with his counsel.)

Mr. ORMAN. My attorney here informs me that this receipt is received from J. Saunders to be paid to Mrs. Saunders, via Postal telegraph, in the amount of \$10.

I had nothing to do with it. But that is inconsequential.

Mr. MOSER. That is only \$10. Was Saunders with you up in New York at all?

Mr. ORMAN. I wouldn't remember, it is possible he was.

Mr. MOSER. How do you account for the fact that was in your possession?

Mr. ORMAN. I really couldn't say other than I don't know how it came into my possession.

Mr. MOSER. He must have been with you, then?

Mr. ORMAN. The receipts were taken out of my apartment, 37 South Iowa, by Thomas Taggart.

Mr. MOSER. They were in your possession. You admit that?

Mr. ORMAN. I admit that.

Mr. MOSER. Who is Babe Marcella?

Mr. ORMAN. He is a fellow around Atlantic City that I know.

Mr. MOSER. Do you know him well?

Mr. ORMAN. Very well.

Mr. MOSER. You lived together?

Mr. ORMAN. No, sir; we do not.

Mr. MOSER. Have you ever lived together?

Mr. ORMAN. No, sir; we did not.

Mr. MOSER. Did you ever live with "Red" Saunders?

Mr. ORMAN. No, sir.

Mr. MOSER. Marcella isn't your bodyguard; is he?

Mr. ORMAN. I don't need a bodyguard.

Mr. MOSER. No, I shouldn't think so. Anyway, he wasn't your bodyguard; was he?

Mr. ORMAN. He hasn't been up until the present day.

Mr. MOSER. Was he ever a bodyguard for "Red" Saunders?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. Is "Red" Saunders related to the chief of police?

Mr. ORMAN. No; no relation whatsoever.

Mr. MOSER. No connection?

Mr. ORMAN. No, sir.

Mr. MOSER. But you do not know whether Babe Marcella was bodyguard for Saunders; do you?

Mr. ORMAN. I do not think Babe Marcella was ever a bodyguard for anyone, sir.

Mr. MOSER. Did you ever visit "Red" Saunders when he was in prison?

Mr. ORMAN. I did, sir.

Mr. MOSER. Where was he in prison?

Mr. ORMAN. Wilmington, Del.

Mr. MOSER. When he was in prison, did he ever write to you?

Mr. ORMAN. He could have.

Mr. MOSER. But you do not remember?

Mr. ORMAN. I do not remember. He could have.

Mr. MOSER. Did you go to get him the day he was released from prison?

Mr. ORMAN. Did I get him the day he was released? I do not think I did.

Mr. MOSER. You do not remember?

Mr. ORMAN. I do not remember.

Mr. MOSER. You do not remember that you and Babe Marcella drove up to pick him up?

Mr. ORMAN. We drove up? I don't remember.

Mr. MOSER. You don't deny it?

Mr. ORMAN. I would have been very happy to have done it.

Mr. MOSER. I have a letter written to you from "Red" Saunders. I suppose you remember that letter; do you?

Mr. ORMAN. I don't remember that, sir.

Mr. MOSER. It was written in 1941, addressed to "Dear Stump." That is you; isn't it?

Mr. ORMAN. It is a nickname I have.

Mr. MOSER. It refers to somebody named Babe in there. Could that be Babe Marcella?

Mr. ORMAN. That could be.

Mr. MOSER. He said he is sorry to hear "My Babe is not at his best."

Mr. ORMAN. Must have had a cold.

Mr. MOSER (reading):

Please give him my best wishes and tell the lug if he doesn't give more attention to his health and not be so neglectful of his condition, I will whale seven kinds of hell out of him when I get the chance.

Then he says:

What am I going to do with a sickly bodyguard?

Does that indicate maybe Babe was his bodyguard?

Mr. ORMAN. No; it does not. He didn't have enough money to keep himself, let alone a bodyguard.

Mr. MOSER. Who is Beldorf?

Mr. ORMAN. I imagine he is referring to Beldorf Seabrook.

Mr. MOSER. He is a friend of yours?

Mr. ORMAN. Ever since he has gotten out of jail he has been working for Seabrook Farms and Beldorf Seabrook is one of the officers of the corporation.

Mr. MOSER. Do you have dealings with Beldorf Seabrook?

Mr. ORMAN. I did not, but I know him.

Mr. MOSER. You know him quite well?

Mr. ORMAN. Fairly well.

Mr. MOSER. Did you try to make a deal with him of any kind?

Mr. ORMAN. About what?

Mr. MOSER. Anything.

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. "Red" Saunders says to you in this letter, "Stump, why trouble yourself in regard to Beldorf if you are so sure nothing further can develop from the meat?" What does that "meat" mean? Of course, this is written from prison; therefore, it has to be in some kind of code. What does he mean by the "meat"?

Mr. ORMAN. I wouldn't remember, sir.

Mr. MOSER. You wouldn't remember that?

Mr. ORMAN. I do not know what the expression could be.

Mr. MOSER. You don't know what you were worried about in regard to Beldorf?

Mr. ORMAN. Was I worried?

Mr. MOSER. He says, "Why trouble yourself in regard to Beldorf * * *?" You must have been troubled or worried.

Mr. ORMAN. Maybe he meant I should have gone over Beldorf's head and seen S. Seabrook, Beldorf's dad.

Mr. MOSER. You don't remember having any deals with him, though?

Mr. ORMAN. No; I don't.

Mr. MOSER. Here is a part which is obviously prison code. I was wondering whether you could tell us what you mean.

Mr. ORMAN. Not being familiar with prisons, I don't know whether I could.

Mr. MOSER. I assume you might since you received a letter from a man in prison.

Mr. ORMAN. You just assume that.

Mr. MOSER (reading):

I have only to have my teeth cleaned to complete the job. I made four submissions on the deal, but, Stump, tell me where will I get a steak to give them a work-out? Spring it, Pal, even if it is as tough as a fisherman's boot; I will tackle it.

Mr. ORMAN. That is one on me. I don't know what that code means. I certainly would not.

Mr. MOSER. "Hope Nate has a little good news when you meet." Who is Nate?

Mr. ORMAN. I don't know who he is referring to. I don't recall.

Mr. MOSER. He says this, which is very significant, and I wonder if you can tell us what actually came of it. He says:

Oh, yes, I am gunning for something here. Hope my aim is as good in here as it used to be out there. If so, it will sure be to my advantage.

What was he gunning for? Do you know?

Mr. ORMAN. Maybe the warden had him gunning for some rabbits. I don't know.

Mr. MOSER. But he was gunning for something else?

Mr. ORMAN. Probably some position. That is a deduction on my part. I wouldn't know.

Mr. MOSER. Well, had Babe been hurt at all?

Mr. ORMAN. Had Babe been hurt?

Mr. MOSER. Yes.

Mr. ORMAN. Well, Babe has been in several fights in his life when he drinks and maybe he was.

Mr. MOSER. Well, anyway, he ends up by saying:

Regards to Babe, and tell him to please be more careful.

So Babe had apparently been hurt in some kind of a fight; is that correct?

Mr. ORMAN. That is probably correct.

Mr. MOSER. Do you know Masucci quite well?

Mr. ORMAN. Very well, sir.

Mr. MOSER. Did you telephone him in New York City recently, in the last 6 months? Did you talk to him while he was in New York City on the long-distance telephone?

Mr. ORMAN. If he was in New York: it is possible I did.

Mr. MOSER. Have you been in New York?

Mr. ORMAN. Oh, yes.

Mr. MOSER. Did you telephone him while you were in New York?

Mr. ORMAN. I don't recall, but it is possible.

Mr. MOSER. You probably did?

Mr. ORMAN. Probably did.

Mr. MOSER. Do you know Arthur Samish, of California?

Mr. ORMAN. No, sir; I do not.

Mr. MOSER. Do you know why it is that your 1932 driver's license has a notation on it in your handwriting:

Arthur Samish, Colorado Building, secretary and treasurer of the Pacific Coast Stage Lines.

You don't know why that was?

Mr. ORMAN. No.

Mr. MOSER. Do you know who Marco Reginelli is?

Mr. ORMAN. I know of him.

Mr. MOSER. Do you know him well?

Mr. ORMAN. Not too well.

Mr. MOSER. The first executive hearing of this committee in Atlantic City occurred on July 6, 1951.

Mr. ORMAN. That is right.

Mr. MOSER. Did you see Reginelli on that date?

Mr. ORMAN. No, sir; I did not.

Mr. MOSER. Did you see him on the next day?

Mr. ORMAN. No, sir; I did not.

Mr. MOSER. Did you know that you and Mr. Fredericks and Mr. Burdick and Mr. Reginelli were all seen together at 7 p. m. outside your hotel on July 6?

Mr. ORMAN. That is an outrageous lie, an outrageous lie.

The CHAIRMAN. Just a minute, Mr. Orman. Answer the question. We need not characterize it.

Mr. ORMAN. It is untrue.

Mr. MOSER. Did it occur on July 7?

Mr. ORMAN. It hasn't occurred any day to my knowledge prior to July 6 or after or up until the present day, where we four were in front of my hotel.

Mr. MOSER. Then, you deny that?

Mr. ORMAN. I certainly do, emphatically so.

Mr. MOSER. Do you know Nig Rosen?

Mr. ORMAN. Know of him?

Mr. MOSER. See him often?

Mr. ORMAN. No, sir.

Mr. MOSER. Does he have anything to do with your business?

Mr. ORMAN. He certainly does not.

Mr. MOSER. Do you know "Nockey" Johnson?

Mr. ORMAN. Very well.

Mr. MOSER. How long have you known him?

Mr. ORMAN. Fifteen, twenty years.

Mr. MOSER. Did you work with him?

Mr. ORMAN. Never worked with him in my life.

Mr. MOSER. Do you know Harry Haggerty?

Mr. ORMAN. Yes, sir.

Mr. MOSER. Do you know what his business is?

Mr. ORMAN. Bartenders' union.

Mr. MOSER. He is the head of the bartenders' union?

Mr. ORMAN. That is right.

Mr. MOSER. Is he in the numbers game?

Mr. ORMAN. I wouldn't know that.

Mr. MOSER. Did you know that he was fined?

Mr. ORMAN. I read about it, sir.

Mr. MOSER. \$7,000 in 1947?

Mr. ORMAN. I read about it one time, sir.

Mr. MOSER. Where did he get the money to pay that fine?

Mr. ORMAN. I don't know. I cannot remember my own transactions, let alone his.

Mr. MOSER. You do not remember whether you paid his fine?

Mr. ORMAN. I did not pay a fine at any time, whether a dollar or \$7,000.

Mr. MOSER. Did you have anything to do with paying the fine?

Mr. ORMAN. Never had anything to do with Harry Haggerty or his business.

Mr. MOSER. Did you know he borrowed that \$7,000 from Harold Scheper?

Mr. ORMAN. I don't know anything about his business.

Mr. MOSER. You didn't put pressure on Harry Haggerty to make him pay that fine back, pay that loan back?

Mr. ORMAN. Mr. Moser, I stated I never had anything to do with Harry Haggerty. I never had participation in any of his businesses, whatever they may have been. I never had anything to do with a fine for anything, or anything about it, and, when you make a statement about me using pressure, I wish you wouldn't do that. I am not a tough guy. If that is what you are trying to infer.

Mr. MOSER. What is Planetary Recreations, Inc.?

Mr. ORMAN. That is owned by Mr. Abe Ellis.

Mr. MOSER. You indicated to us the other day that you received \$2,000 from that organization in 1950. What was that for?

Mr. ORMAN. Public relations work.

Mr. MOSER. Public relations work?

Mr. ORMAN. That is right, sir.

Mr. MOSER. What did you do for that?

Mr. ORMAN. I got him a concession, a food concession in Atlantic City.

Mr. MOSER. You got him a concession? How were you in a position to get him a concession?

Mr. ORMAN. I happened to know one or two of the partners who owned the Million-Dollar Pier and through them I was able to get

the concession for Mr. Abe Ellis. I am to be paid every year for my services, as far as I know.

Mr. MOSER. You weren't able to use any political influence to help get that, were you?

Mr. ORMAN. That would have hindered me. That would not have helped me.

Mr. MOSER. It was purely through friendship you were able to collect \$2,000 for getting them a concession?

Mr. ORMAN. I performed a service. He is making money out of that concession. He is not giving it to me because he likes me. He is giving it to me because he earned some money from that concession.

Mr. MOSER. You reported the other day to us that you received \$5,000 a year for several years from the Yellow Cab Co.

Mr. ORMAN. Approximately for 7 or 8 years.

Mr. MOSER. Do you still get that?

Mr. ORMAN. No, I haven't received it in the last couple of years.

Mr. MOSER. But you get \$3,500 from the City Service Cab Co. instead?

Mr. ORMAN. That is correct.

Mr. MOSER. What do you do for those companies?

Mr. ORMAN. Public relations work.

Mr. MOSER. Do you get them concessions?

Mr. ORMAN. When I am able to.

Mr. MOSER. What does a concession consist of?

Mr. ORMAN. Stands.

Mr. MOSER. Stands at hotels?

Mr. ORMAN. At a hotel or cafe or restaurant.

Mr. MOSER. Who decides whether they can have a stand at a hotel?

Mr. ORMAN. The owners of the place.

Mr. MOSER. The hotel?

Mr. ORMAN. Yes.

Mr. MOSER. Is the stand in the street?

Mr. ORMAN. It would have to be.

Mr. MOSER. So the police department has to approve that stand?

Mr. ORMAN. Not necessarily, I do not think. I have never had any dealings with the police department in regard to any stands for taxicab concerns, whether Yellow or City Service.

Mr. MOSER. You have done it for 7 or 8 years. How many stands have you gotten for Yellow?

Mr. ORMAN. I wouldn't remember.

Mr. MOSER. You testified the other day that you had not gotten more than one of them in the last 3 or 4 years.

Mr. ORMAN. There isn't much more to get.

Mr. MOSER. Why do they keep on paying you?

Mr. ORMAN. I performed the service for them and the term of the contract was not just for 1 year.

Mr. MOSER. What was the term of the contract?

Mr. ORMAN. As long as they keep making money and can afford to pay me, I expect to get it.

Mr. MOSER. As long as they make money, you get a share of it, is that right?

Mr. ORMAN. I don't get a share. I get the specified sum of \$3,500 per year.

Mr. MOSER. And that isn't for the purpose of using your influence to keep those stands open?

Mr. ORMAN. I have no influence, sir.

Mr. MOSER. You have no influence at all?

Mr. ORMAN. No.

Mr. MOSER. You have no influence over the police department?

Mr. ORMAN. I certainly do not.

Mr. MOSER. You couldn't control anything in the police department, could you?

Mr. ORMAN. I certainly could not.

Mr. MOSER. You could not have anything to do with a police officer being shifted from one post to another?

Mr. ORMAN. I have never tried it, not to my knowledge.

Mr. MOSER. I see.

The CHAIRMAN. Mr. Orman, just to that point, because the previous testimony has referred to you, you heard the reference made as to whether or not you might be the kingpin of the gambling fraternity or in gambling operations in or about Atlantic City. What have you to say with reference to that?

Mr. ORMAN. Senator O'Connor, I am very glad you asked me that question. I think people make a lot of rash, rank statements. I wish you would ask the man who made the statement to prove anything like that. I am accused of a lot of things like most anybody would be in a small town. A lot of people are very jealous. I don't know why. A lot of people write letters into the Internal Revenue Bureau about me. I am investigated year in and year out. I do not know why.

The CHAIRMAN. Has that accusation against you been made before, to your knowledge?

Mr. ORMAN. Not as plainly as it was today, I do not think, sir. Not in my presence anyway.

The CHAIRMAN. Have you thought as to what it would be based upon or what would lead to the accusation?

Mr. ORMAN. Senator, the only way I can possibly answer that is probably because I know some of these people. I know people in all walks of life. Whether that is a deduction from which such an accusation can be drawn, I do not know. I really do not have an answer to that. I really do not.

Mr. MOSER. I would like to ask you again about this \$5,000 a year you got from the Yellow Cab Co. and the \$3,500 you now get from the City Service. Isn't it true that your public relations work really consists of a pay-off so that you will cause the Police Department to permit those people to park their cabs in those stands? Isn't that correct?

Mr. ORMAN. It is not correct, Mr. Moser.

Mr. MOSER. And they continue to pay it to you year after year, although you perform no service; is that correct?

Mr. ORMAN. Mr. Moser, I do perform services when I am able to. I wouldn't say I do not perform services. But I have nothing to do with the police department. And it is incorrect about me being able to maintain any stands in any street for them. That is not part of my service.

Mr. MOSER. I understand your principal business consists of running the Cosmopolitan Hotel?

Mr. ORMAN. For the past 6 years.

Mr. MOSER. Your income from that is what? How much do you receive from that?

Mr. ORMAN. I haven't received anything recently from it. I haven't taken anything from the business.

Mr. MOSER. Except perhaps some interest?

Mr. ORMAN. Bond interest, \$1,200 a year, until the past year, including 1950.

Mr. MOSER. Your 1950 income tax return shows a receipt of \$12,100 under the heading of "Other income." What is that?

Mr. ORMAN. I am not going to answer that.

(The witness consulted with his counsel.)

Mr. ORMAN. On advice of counsel, I decline to answer any more statements regarding my income, primarily because it looks like you are trying to build up an income tax case against me, although I have nothing to fear, but I do not see why I should go on answering all these questions about my income. I have filled in my income return and have paid it.

The CHAIRMAN. On behalf of the committee, Mr. Orman, I want to give assurance that we are not trying to build up an income tax case for the Internal Revenue or anyone else. That is not the purpose or the function of this committee.

Mr. ORMAN. Senator, if you won't think me fresh, if I ask you a question—

I am not a lawyer. I had been subpoenaed as a witness before this committee and I think, Senator Hunt, you will bear me out, that I tried very hard for 2 hours the first day to answer all these questions intelligently. I have nothing to hide. I want to be cooperative.

The heading of the subpoena reads "Crime and interstate gambling," which I assured the counsel who was Sam Lane at the time that I had nothing to do with any of that. A lot of the questions asked of me inferred that I had something to do with gambling. I emphatically stated, which I will do again for the record, that I have nothing to do with gambling. I receive no money from gamblers. I have nothing to do with any partnership or any other form of association with the gambling business, which they say exists in the city of Atlantic City.

Mr. MOSER. You also would say you have nothing whatever to do with the matter of how the police force is run?

Mr. ORMAN. I emphatically make that statement again.

Mr. MOSER. And have you ever had a meeting of the vice squad in your hotel?

Mr. ORMAN. Not to my knowledge. I would have no reason to have such a meeting.

Mr. MOSER. Our investigations previously have shown that people who are in illegal businesses, gamblers and racketeers, ordinarily report in their income tax returns the major source of their income under the heading of "other income," which they do not specify. I do not care whether you have paid your income tax liability or not. That is your problem. But I want to know why it is that you fall into this pattern that we have found and in 1950 you have reported as "other income" \$12,100, and I want to know what the source of it is.

Mr. ORMAN. As long as I am paying my good friend here, he advises me not to answer.

Mr. MOSER. On what ground?

Mr. ORMAN. On the ground that it tends to incriminate me in some manner or respect, and I think that I will have to let it stand that way.

Mr. MOSER. So you refuse to tell us what "other income" is on the ground that it may incriminate you; is that correct?

Mr. ORMAN. That is correct.

Mr. MOSER. In 1949 you reported under the heading "Miscellaneous income," \$14,480. What was that from?

Mr. ORMAN. The same thing applies, sir.

Mr. MOSER. You refuse to answer on the ground that it may incriminate you; is that correct?

Mr. ORMAN. That is correct, sir.

Mr. MOSER. In 1948 you reported miscellaneous income of \$10,650. Do you refuse to tell us what that is on the ground that it may incriminate you also?

Mr. ORMAN. The same thing applies.

Mr. MOSER. What kind of a car do you drive?

Mr. ORMAN. A Fleetwood, 1951 Cadillac.

Mr. MOSER. What is the license number?

Mr. ORMAN. AJ-17.

Mr. MOSER. Did Senator Farley get that number for you?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. Isn't that considered a low number?

Mr. ORMAN. It is No. 17. It doesn't mean a thing. It gets you more tickets than you can handle.

Mr. MOSER. But isn't it true that in order to get a low number you have to get the senator to approve it?

Mr. ORMAN. I don't know whether that is true, Mr. Moser, because I think twenty-some years Senator Richards offered to do the same thing at that time and, to my knowledge, some magistrate offered to get me AR-16 or whatever they had in those days. I do not know. I do not know why I have it. I think I better get rid of it.

Mr. MOSER. Saunders Motors is the place you bought your automobile?

Mr. ORMAN. No, sir, it is not. Atlantic Cadillac Co.

Mr. MOSER. The income you have shown here for 1950, on your 1950 return, shows a total of approximately \$19,000. Can you tell me why you deposited \$15,000 in your bank account on December 21, 1950?

Mr. ORMAN. I refuse to answer on the same ground.

Mr. MOSER. Do you remember what you deposited it for?

Mr. ORMAN. I certainly do, but I refuse to answer, sir.

Mr. MOSER. You testified in closed hearing that you had deposited \$5,000 on December 14, \$15,000 on December 21, and \$5,000 on December 26—that is \$5,126.88. You stated that it was a loan; is that correct?

Mr. ORMAN. Whatever I said goes in the closed hearings, but the same answer prevails at this time.

Mr. MOSER. In other words, you told us it is a loan, but you refuse to tell us so now; is that correct?

Mr. ORMAN. I am not telling you anything now, sir. I just refuse to answer.

The CHAIRMAN. We feel in this case somewhat differently from the previous instances and that, inasmuch as the witness has given testimony, he should be required to answer that question.

Mr. ROBB. I have just come into this case this morning. I do not know what was on before. I advised this witness that he should refuse to answer on the ground that he just stated, with no disrespect to this committee or to you, and that is his position at this time.

The CHAIRMAN. We understand. He refuses on the ground that it might tend to incriminate him.

Mr. ROBB. Of possible self-incrimination.

Mr. MOSER. On December 14 you deposited \$5,000 in the Boardwalk National Bank, of which \$4,000 was in large notes, cash. Do you remember that transaction?

Mr. ORMAN. Same answer, sir.

Mr. MOSER. You refuse to tell us where you got the cash?

Mr. ORMAN. Same answer, sir.

Mr. MOSER. On December 21 you deposited \$15,000, of which \$5,000 was in cash. I show you a copy of the deposit slip. Will you tell us whether that is correct?

Mr. ORMAN. That is correct, sir.

Mr. MOSER. We have our answer, then. I show you another deposit slip for December 14; is that correct?

Mr. ORMAN. I cannot answer that. I have been advised not to answer.

Mr. MOSER. You refuse to answer?

Mr. ORMAN. Yes.

Mr. MOSER. On the ground of self-incrimination?

Mr. ORMAN. That is correct.

Mr. MOSER. At least we have you admit that \$5,000 in cash was deposited on December 21.

(The witness consulted his counsel.)

The CHAIRMAN. Mr. Moser, next question, please.

Mr. MOSER. On February 1, 1951, you made a deposit in the Guarantee Bank & Trust Co. of \$50,000. Where did you get that?

Mr. ORMAN. I refuse to answer, sir.

Mr. MOSER. You refuse to answer on the ground that it may incriminate you; is that correct?

Mr. ORMAN. That is correct.

Mr. MOSER. Did you get it from your safe-deposit box?

Mr. ORMAN. Same answer, sir.

The CHAIRMAN. Of course, Counsel, we just make this observation. That is a transaction in the current year for which, of course, no income-tax return apparently has been made. So it is difficult to understand how it might embarrass him with regard to income-tax returns if no return has been made yet.

Mr. ROBB. Senator, I have this thought. As I say, I had never seen this witness until this morning at 10 o'clock. I know nothing about this case. As you understand, it is very difficult to advise the witness under these circumstances. So it occurs to me, if I had a chance to confer with this witness, we might be able to work something out. I don't want to impede this committee in the least, but, on the other hand, I have certain duties to perform. I do not like to go off half-cocked and advise him to answer questions that I do not know where they will lead. You understand, being a lawyer yourself.

The CHAIRMAN. I was differentiating between those matters that have a direct bearing on an income-tax return already filed and to which he is committed and those relating to present matters which have no return filed.

Mr. ROBB. I see the Senator's point, but I do not know how the two may be interlaced. Therefore I must advise him to stand on his constitutional rights. However, if, after talking to the witness, I find that he can answer the questions, I will have him come back and do so.

The CHAIRMAN. Counsel, we think that is a very reasonable suggestion on your part. If you feel that by conferring with your client time might be saved or could information be elicited, it would be fairly agreeable to us to have him excused for the present and have you confer with him over the lunch period.

Mr. ROBB. Thank you very much for that courtesy. I think it might work out. I do not know whether it would.

The CHAIRMAN. You can consider you will be excused until the expiration of the lunch period.

Mr. ORMAN. All right. Thank you.

Mr. ROBB. That is what time?

The CHAIRMAN. We are not sure, depending upon the next witness. If you keep in touch with us, we will let you know.

Mr. MOSER. The next witness is Harry B. Saunders.

TESTIMONY OF HARRY B. SAUNDERS, CHIEF OF POLICE, ATLANTIC CITY, N. J.

The CHAIRMAN. Mr. Saunders, will you just come forward, please?

In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. SAUNDERS. I do.

The CHAIRMAN. Will you give us your full name?

Mr. SAUNDERS. Harry Saunders.

The CHAIRMAN. Is that spelled S-a-u-n-d-e-r-s?

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. What is your address?

Mr. SAUNDERS. 3801 Atlantic.

The CHAIRMAN. 3801 Atlantic?

Mr. SAUNDERS. That is right.

The CHAIRMAN. Is that in Atlantic City?

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. For how long have you lived in Atlantic City?

Mr. SAUNDERS. Born and raised in Atlantic City.

The CHAIRMAN. And how old are you?

Mr. SAUNDERS. I am 57.

The CHAIRMAN. While you are on the stand, will you keep your voice up and talk distinctly, sitting a little closer, please, so all may hear you?

Mr. SAUNDERS. Yes, sir.

Mr. MOSER. How long have you been the chief of police of Atlantic City?

Mr. SAUNDERS. 1944.

Mr. MOSER. Since 1944?

Mr. SAUNDERS. That is right.

Mr. MOSER. How long were you on the police force before that?

Mr. SAUNDERS. I was appointed in 1916.

Mr. MOSER. So you have been on since 1916?

Mr. SAUNDERS. That is right.

Mr. MOSER. And chief since 1944?

Mr. SAUNDERS. That is right.

Mr. MOSER. Are you married or single?

Mr. SAUNDERS. Single.

Mr. MOSER. Have you always been single?

Mr. SAUNDERS. Yes, sir.

Mr. MOSER. Do you have any business activities other than as chief of police?

Mr. SAUNDERS. No, sir.

Mr. MOSER. What is your connection with Saunders Motors?

Mr. SAUNDERS. That is my brother.

Mr. MOSER. That is your brother's place?

Mr. SAUNDERS. That is right.

Mr. MOSER. Is it true you spend a good deal of time there?

Mr. SAUNDERS. Not exactly.

Mr. MOSER. Do you spend a lot of time there?

Mr. SAUNDERS. I wouldn't say a lot of time.

Mr. MOSER. Do you visit there a good deal?

Mr. SAUNDERS. Maybe a couple of times a day for a few minutes.

Mr. MOSER. Isn't it true you hang around there most of the time when you are off duty?

Mr. SAUNDERS. On my time off.

Mr. MOSER. On your time off, you spend most of your time there?

Mr. SAUNDERS. Not most of it.

Mr. MOSER. A good deal of it?

Mr. SAUNDERS. I wouldn't say that. Some time, but not often.

Mr. MOSER. Some time, but not often?

Mr. SAUNDERS. That is right.

Mr. MOSER. What is your education? What does your education consist of?

Mr. SAUNDERS. Public school. I didn't go to high school.

Mr. MOSER. You went to eighth grade, grammar school?

Mr. SAUNDERS. That is right.

Mr. MOSER. That was your highest schooling?

Mr. SAUNDERS. That is right.

Mr. MOSER. Did you go into the police department shortly after that?

Mr. SAUNDERS. 1916.

Mr. MOSER. Shortly after you got out of school?

Mr. SAUNDERS. I was a clerk in the post office prior to that.

Mr. MOSER. Can you tell us something about the gambling and similar activities in Atlantic City?

Mr. SAUNDERS. We have seven men assigned for that purpose.

Mr. MOSER. Is that called the vice squad?

Mr. SAUNDERS. There were seven. I think there are six now. I have been off since June 16, so I couldn't tell you much about it.

Mr. MOSER. You mean you have been on vacation?

Mr. SAUNDERS. That is right.

Mr. MOSER. Before that you had how many on the vice squad?

Mr. SAUNDERS. It would vary from six to seven.

Mr. MOSER. It changed quite a lot?

Mr. SAUNDERS. We had a man or two at a time.

Mr. MOSER. Who decided when you would make the change?

Mr. SAUNDERS. I did.

Mr. MOSER. Did you?

Mr. SAUNDERS. Yes, sir.

Mr. MOSER. Do you get instructions from Mr. Kerstetter?

Mr. SAUNDERS. Vice squad?

Mr. MOSER. Yes.

Mr. SAUNDERS. No, sir. They work directly under me.

Mr. MOSER. You make the decision as to who would be changed?

Mr. SAUNDERS. That is right.

Mr. MOSER. You make all of them?

Mr. SAUNDERS. That is right. There hasn't been a change since 1937.

Mr. MOSER. None since 1937?

Mr. SAUNDERS. 1947, rather.

Mr. MOSER. Do you change the other beats?

Mr. SAUNDERS. We have captains, inspectors. They do it.

Mr. MOSER. Who is Mr. Mooney?

Mr. SAUNDERS. He works on the vice squad.

Mr. MOSER. When did he come on the force?

Mr. SAUNDERS. I couldn't tell offhand.

Mr. MOSER. You said the vice squad hasn't been changed since when?

Mr. SAUNDERS. The squad was formed in 1947.

Mr. MOSER. Is that when Mooney came on the police force?

Mr. SAUNDERS. He came on earlier than that.

Mr. MOSER. Are there any bookmaking places, bookie joints, open in Atlantic City?

Mr. SAUNDERS. Not to my knowledge. We have men instructed to check them.

Mr. MOSER. Who instructed them to check them?

Mr. SAUNDERS. I tell them.

Mr. MOSER. Does anybody tell you to?

Mr. SAUNDERS. No, sir.

Mr. MOSER. You tell them to check the places?

Mr. SAUNDERS. Where they find evidences of gambling to make arrests.

Mr. MOSER. Do they make many arrests?

Mr. SAUNDERS. Over 300 since '47.

Mr. MOSER. Three hundred since '47?

Mr. SAUNDERS. Over 300 since '47.

Mr. MOSER. How many went to jail?

Mr. SAUNDERS. I couldn't tell you that.

Mr. MOSER. You do not know?

Mr. SAUNDERS. No, sir.

Mr. MOSER. You do not know what happens as a result of these arrests?

Mr. SAUNDERS. They go before the judge and he disposes of them.

The CHAIRMAN. Chief, Officer Warlich works, of course, in your department?

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. Do you consider him an active officer?

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. Has he been actively identified with the raids on gambling establishments?

Mr. SAUNDERS. He has made some.

The CHAIRMAN. Have they been successful or unsuccessful ones?

Mr. SAUNDERS. Successful.

The CHAIRMAN. It would indicate, therefore, that he knows what he is doing and knows where the evidence is to be found?

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. Do you do anything by way of encouragement or discouragement in connection with his work?

Mr. SAUNDERS. I encourage him.

The CHAIRMAN. By what means did you encourage him?

Mr. SAUNDERS. He is a good policeman.

The CHAIRMAN. He is a good policeman? I am not asking you that. I am asking you what you did to encourage him in the fulfillment of his duty.

Mr. SAUNDERS. I didn't.

The CHAIRMAN. You didn't do anything?

Mr. SAUNDERS. No, sir.

The CHAIRMAN. Why?

Mr. SAUNDERS. He knows how I feel toward him.

The CHAIRMAN. Do you let your personal feelings to an officer stop you from giving full encouragement to officers who perform their duties?

Mr. SAUNDERS. Well, I encourage him.

The CHAIRMAN. A few minutes ago you said you didn't.

Mr. SAUNDERS. He knows how I feel toward him.

The CHAIRMAN. I wasn't asking you about your personal feelings. I was asking you what you did.

Mr. SAUNDERS. I didn't do anything.

The CHAIRMAN. So you didn't encourage him; is that correct?

Mr. SAUNDERS. That is right.

The CHAIRMAN. My question is: If you considered him a vigilant officer and one who possessed information as to where violations of law were occurring, why did you not do something to encourage him?

Mrs. SAUNDERS. This vice squad I had—I had no reason to make a change. I thought their work was satisfactory, otherwise I would have changed them.

The CHAIRMAN. Did you ever commend him for the successful work he was doing?

Mr. SAUNDERS. I very seldom commend any man in my department.

The CHAIRMAN. Have you commended some?

Mr. SAUNDERS. No; I do not think so.

The CHAIRMAN. Don't know of any?

Mr. SAUNDERS. No.

The CHAIRMAN. Don't you make it a practice of giving commendations to officers who are outstanding in the performance of their work?

Mr. SAUNDERS. I haven't given any commendations.

The CHAIRMAN. Have you considered others outstanding in their work, too?

Mr. SAUNDERS. They are good policemen.

The CHAIRMAN. Have you had others who did as much work as Officer Warlich and those associated with him and as successful work?

Mr. SAUNDERS. There are men out doing a job.

The CHAIRMAN. But he has been very active.

Mr. SAUNDERS. He is a good boy.

The CHAIRMAN. Have you had anything to do with the numerous transfers?

Mr. SAUNDERS. No, sir.

The CHAIRMAN. Who is responsible for that?

Mr. SAUNDERS. I was away that time. Director Kerstetter was in charge.

The CHAIRMAN. Who was responsible for the numerous transfers that were made of him?

Mr. SAUNDERS. I was away at that time and Director Kerstetter was made in charge in my place.

The CHAIRMAN. As the chief of police, wouldn't you know upon your return?

Mr. SAUNDERS. Director Kerstetter was in charge.

The CHAIRMAN. Of course, you had an interest in having the police work done as efficiently as possible, I am sure.

Mr. SAUNDERS. That is right.

The CHAIRMAN. Did you take any exception to the fact that Officer Warlich, who was an efficient and vigilant officer, was constantly being transferred?

Mr. SAUNDERS. Director Kerstetter is my superior. I didn't question him.

The CHAIRMAN. You are the chief of police. My question is whether you did anything to object to it or to seek to put him back where he could do the most work successfully.

Mr. SAUNDERS. I couldn't very well tell Director Kerstetter. He is my superior.

The CHAIRMAN. You have the right to speak to him about things.

Mr. SAUNDERS. Yes; I can speak to him.

The CHAIRMAN. Did you ever speak to him about Officer Warlich and advise or request or suggest that he be placed where he could continue his successful and efficient work?

Mr. SAUNDERS. We had seven men on the squad and I thought that was enough men to be on one squad.

The CHAIRMAN. All right.

Mr. MOSER. How does bookmaking operate in Atlantic City?

Mr. SAUNDERS. I don't know much about it, only what the men report to me.

The CHAIRMAN. What do the men report to you?

Mr. SAUNDERS. They do not find evidences of gambling. If they do, they make arrests.

Mr. MOSER. Have they ever reported back that there was bookmaking going on?

Mr. SAUNDERS. No, sir. They make arrests.

Mr. MOSER. They have never reported any bookmaking?

Mr. SAUNDERS. No. If they find evidences, they make arrests.

Mr. MOSER. How does a bookmaking establishment operate?

Mr. SAUNDERS. I don't know anything about it; I never bothered with it.

Mr. MOSER. Never bothered to look for them?

Mr. SAUNDERS. When I had a complaint, I went out to look at them. If I get a complaint and no one is available, I go out.

Mr. MOSER. Have you ever seen one?

Mr. SAUNDERS. No; I haven't seen one. I mean the cigar stores. You get a call sometimes. Maybe it is on horse racing, or something. I would go down with a man, or send a man down.

Mr. MOSER. Are most of the bookmaking places in cigar stores?

Mr. SAUNDERS. Arrests have been made of some in cigar stores.

Mr. MOSER. When you go down with a man to look at the place; what does it look like?

Mr. SAUNDERS. Just a front.

Mr. MOSER. What is in back of it?

Mr. SAUNDERS. Lots of times it is empty back there.

Mr. MOSER. So you do not find the bookmakers?

Mr. SAUNDERS. No, sir.

Mr. MOSER. By the time you get there, they are gone?

Mr. SAUNDERS. They are not there when I get there.

Mr. MOSER. Why is that?

Mr. SAUNDERS. I couldn't say.

Mr. MOSER. Does it look as though they have been tipped off?

Mr. SAUNDERS. I couldn't say. When the call comes in, I immediately go with a man in my office. We both go together.

Mr. MOSER. How do you account for the fact that when you get there, you find nothing?

Mr. SAUNDERS. No, sir.

Mr. MOSER. Could it be because they find out you are coming?

Mr. SAUNDERS. I couldn't say. They do not know I am coming.

Mr. MOSER. They do not?

Mr. SAUNDERS. No, sir.

Mr. MOSER. Why do they move out so fast?

Mr. SAUNDERS. It is only a cigar store and there may be one fellow hanging around there and he may be gone when I get there. When the man gives me that call——

Mr. MOSER. Have you ever called up anybody to tell them they are going to be raided?

Mr. SAUNDERS. No, sir.

Mr. MOSER. Are you sure it never happened in Atlantic City?

Mr. SAUNDERS. No, sir.

Mr. MOSER. Has it ever happened to any of the officers under you?

Mr. SAUNDERS. I do not think so. I cannot tell about them.

Mr. MOSER. Have they reported to you that they got into a place and found it empty?

Mr. SAUNDERS. They reported back that there is nothing there and lots of times they report back and make an arrest.

Mr. MOSER. How does the numbers racket work in Atlantic City?

Mr. SAUNDERS. I don't know much about it, only what the vice squad handles.

Mr. MOSER. Do you know Harold Scheper?

Mr. SAUNDERS. I do not know him. I heard of him.

Mr. MOSER. What did you hear?

Mr. SAUNDERS. I know he was arrested for numbers.

Mr. MOSER. He was?

Mr. SAUNDERS. Yes.

Mr. MOSER. You do not know how big a numbers game he carries?

Mr. SAUNDERS. Don't know anything about him.

Mr. MOSER. Would it surprise you to know that his gross take is \$175,000 a year? You don't know about it?

Mr. SAUNDERS. No, sir.

Mr. MOSER. Isn't that a pretty big numbers operation?

Mr. SAUNDERS. It must be if he does that business.

Mr. MOSER. But he did do that at one time.

Mr. SAUNDERS. I don't know.

Mr. MOSER. He was arrested for it.

Mr. SAUNDERS. He was arrested for numbers.

Mr. MOSER. Was he convicted?

Mr. SAUNDERS. I think he was.

Mr. MOSER. Then he must have been doing it, don't you think?

Mr. SAUNDERS. I think he was arrested during Dickson's time.

Mr. MOSER. Are there any other numbers operations in Atlantic City that you know of?

Mr. SAUNDERS. I don't know.

Mr. MOSER. You don't know about any of them?

Mr. SAUNDERS. No.

Mr. MOSER. Do you know where you can go to place a bet in Atlantic City?

Mr. SAUNDERS. No, sir.

Mr. MOSER. Haven't any idea?

Mr. SAUNDERS. No, sir.

Mr. MOSER. Have you read any of the report submitted to you by the police reporting these things?

Mr. SAUNDERS. They did not report, only when arrests were made and they found something.

Mr. MOSER. Then they reported to you?

Mr. SAUNDERS. They submitted a report that they had made an arrest.

Mr. MOSER. Do you read those reports?

Mr. SAUNDERS. I don't get all of them. I meet the men every morning when I am working.

Mr. MOSER. You mean the vice squad?

Mr. SAUNDERS. That is right.

Mr. MOSER. What do they tell you?

Mr. SAUNDERS. They report the conditions in the city.

Mr. MOSER. Do they tell you there is no rackets?

Mr. SAUNDERS. They don't find any evidence of any gambling.

Mr. MOSER. You think they are right; do you?

Mr. SAUNDERS. I just take their word for it.

Mr. MOSER. You don't make an independent investigation to find out if they are right?

Mr. SAUNDERS. No; I do not.

The CHAIRMAN. Chief, at that point, Officer Warlich states, to the best of his knowledge, there are about 1,100 men actively engaged in handling gambling operations in Atlantic City illegally and about 200 cigar stores are actively identified with gambling operations, and in about 200 other places there are different forms of gambling in operation. Would you think his estimate is correct?

Mr. SAUNDERS. I don't know. I couldn't say.

The CHAIRMAN. Have you any reason to doubt it?

Mr. SAUNDERS. I think the vice squad would be in a better position to answer.

The CHAIRMAN. We only have you. We are asking you as the chief of police: Have you any reason to differ or doubt or take exception to what Officer Warlich has stated?

Mr. SAUNDERS. I don't think there are that many.

The CHAIRMAN. How many do you think?

Mr. SAUNDERS. I couldn't say.

The CHAIRMAN. If you do not know, how come you object to his estimate?

Mr. SAUNDERS. I wouldn't know.

The CHAIRMAN. Have you ever talked to Officer Warlich about it?

Mr. SAUNDERS. I spoke to Warlich.

The CHAIRMAN. Did you ever discuss with him the knowledge which he possesses which leads him to this statement that there are so many places?

Mr. SAUNDERS. He spoke to me the other day, but I am off now.

The CHAIRMAN. You don't think it is your duty when you are off to interest yourself in this?

Mr. SAUNDERS. He can make those arrests.

The CHAIRMAN. Yes; but you are the chief of police. You are his superior.

Mr. SAUNDERS. That is right.

The CHAIRMAN. What I am trying to find out is whether you did anything to find out about the existence of these places, some of which are said to be operating with out-of-State connections.

Mr. SAUNDERS. You are referring to that list at that time that I got?

The CHAIRMAN. Referring to everything that Officer Warlich said.

Mr. SAUNDERS. That was turned over to Director Kerstetter and he assigned Sergeant Sullivan to check it.

The CHAIRMAN. You are the chief of police, and you have responsibilities.

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. You took an oath to uphold the law?

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. Do you think you have done all you should do to find out from Officer Warlich where his information comes from and what he knows?

Mr. SAUNDERS. No; he didn't submit to me. He said he had it.

The CHAIRMAN. My question is whether you have taken steps to find out from him about the location of these places and do something about it.

Mr. SAUNDERS. I figured I would be back in a few days and I would call him in and take care of it.

The CHAIRMAN. What have you been doing during the past several years?

Mr. SAUNDERS. He didn't come to me about it.

The CHAIRMAN. You knew, Chief, from last November, from the last week of November of 1950, until April 28, 1950, that he has been conducting a series of raids—20 in number—and didn't that show that he knew something? Didn't you think it was your duty to find out what he knew and to give him assistance? Didn't you think that was your duty?

Mr. SAUNDERS. He was told he could have any assistance he wanted any time.

The CHAIRMAN. My point is: What did you do?

Mr. SAUNDERS. I called the regular vice squad's attention to it.

The CHAIRMAN. Is that all you did?

Mr. SAUNDERS. And I have the captains and sergeants to check everything in town.

The CHAIRMAN. Did you follow up what they were doing and find out if they were obeying your orders?

Mr. SAUNDERS. They all report the same.

The CHAIRMAN. And what do they report?

Mr. SAUNDERS. That on their tour of duty they could not find evidences of gambling.

The CHAIRMAN. Yet, Officer Warlich was continuing to find evidence and bringing in cases that resulted in convictions. Ought you not to rely on him, then, because he apparently knew what he was talking about; didn't he?

Mr. SAUNDERS. Yes, sir.

The CHAIRMAN. Can't you give us any other explanation as to what you did or why you didn't do something?

Mr. SAUNDERS. All I can say is the vice squad has its orders and goes out to check them.

Mr. MOSER. Doesn't it seem peculiar to you that the vice squad reports to you every morning that there is no vice in the city?

Mr. SAUNDERS. They make arrests too.

Mr. MOSER. Occasionally?

Mr. SAUNDERS. They made over 300 since 1947.

Mr. MOSER. Where did you get that figure?

Mr. SAUNDERS. Sergeant Sullivan got that figure for me.

Mr. MOSER. And how many of those 300 went to jail?

Mr. SAUNDERS. I couldn't tell you that. The judge of the court could tell you better.

Mr. MOSER. You don't know?

Mr. SAUNDERS. No, sir.

Mr. MOSER. You said that every morning your vice squad comes in and says there is no gambling in town.

Mr. SAUNDERS. They report that they covered the town and there is nothing.

Mr. MOSER. Doesn't it seem peculiar to you that Officer Warlich found 20 cases and your vice squad reports every day there are no cases? Doesn't that seem peculiar? Doesn't it make you suspicious?

Mr. SAUNDERS. That was during the period of time that Warlich—

Mr. MOSER. That is right, during that time, what did your vice squad report to you?

Mr. SAUNDERS. That they don't find evidence of gambling. It is on information that they have and evidence that they have that they make their arrests.

The CHAIRMAN. Officer Warlich says they are back doing business as usual as soon as they are convicted and get a suspended sentence and are fined. They return to their operations again.

Mr. SAUNDERS. I couldn't say on that.

Mr. MOSER. Didn't Officer Warlich give you written reports on the things he found?

Mr. SAUNDERS. Yes, sir.

Mr. MOSER. You read those?

Mr. SAUNDERS. Yes, sir.

Mr. MOSER. And those indicated that there was gambling going on?

Mr. SAUNDERS. There are arrests being made now. There must be gambling when they make an arrest.

Mr. MOSER. Isn't it peculiar that he reported in writing that there were these conditions and at the same time your officers on the vice squad reported they were not so?

Mr. SAUNDERS. The vice squad made arrests.

Mr. MOSER. Yes; about the same number.

Mr. SAUNDERS. Sir?

Mr. MOSER. About the same number.

Mr. SAUNDERS. They made two and three some days.

Mr. MOSER. Isn't it true that when they made arrests your vice squad would make them, too?

Mr. SAUNDERS. I couldn't say that.

Mr. MOSER. You did not notice anything about that?

Mr. SAUNDERS. No, sir.

Mr. MOSER. That is all we have to ask you, sir.

**TESTIMONY OF JAMES H. BOYD, CLERK, ATLANTIC COUNTY (N. J.)
BOARD OF FREEHOLDERS, ACCOMPANIED BY MURRAY FREDERICKS,
ATTORNEY, ATLANTIC CITY, N. J.**

The CHAIRMAN. Mr. Boyd, will you raise your right hand and be sworn?

In the presence of Almighty God, do you swear to tell the truth, the whole truth, and nothing but the truth in the evidence you are about to give this committee?

Mr. BOYD. I do.

The CHAIRMAN. Mr. Boyd, do you have counsel?

Mr. FREDERICKS. My name is Murray Fredericks, Atlantic City, N. J.

The CHAIRMAN. We are very glad to have you. Your full name, please?

Mr. BOYD. James H. Boyd.

The CHAIRMAN. Mr. Boyd, your address?

Mr. BOYD. 1 North Brighton Avenue, Atlantic City, N. J.

The CHAIRMAN. Your business or occupation?

Mr. BOYD. Clerk of the Atlantic County Board of Freeholders, Guarantee Trust Building, Atlantic City.

The CHAIRMAN. Counsel, you did give your name. I don't think you gave your address.

Mr. FREDERICKS. 504 Schwemm Building, Atlantic City.

The CHAIRMAN. You are a counselor at law, an attorney at law?

Mr. FREDERICKS. That is correct.

The CHAIRMAN. Are you connected with the government, the city government?

Mr. FREDERICKS. I am city solicitor, but I am not representing Mr. Boyd in that capacity.

The CHAIRMAN. I understand. I wanted to establish it for the purposes of identification. You are here in the role of private counsel retained by the witness?

Mr. FREDERICKS. That is correct, sir.

The CHAIRMAN. That is perfectly all right.

Mr. MOSER, will you proceed, please?

Mr. MOSER. Mr. Boyd, I understand you are the clerk of the board of freeholders.

Mr. BOYD. That is right, sir.

Mr. MOSER. Of Atlantic County?

Mr. BOYD. That is right, sir.

Mr. MOSER. What is your salary for that?

Mr. BOYD. \$5,000.

Mr. MOSER. How long has it been \$5,000?

Mr. BOYD. Since either January 1946 or 1947. I have forgotten which year. I think it was 1946.

Mr. MOSER. 1946 or 1947.

Mr. BOYD. 1947. I think it was one of those two years. It was after I came back from the Army.

Mr. MOSER. What was it before that?

Mr. BOYD. \$4,000.

Mr. MOSER. It has been \$4,000 for a good many years?

Mr. BOYD. Yes, sir.

Mr. MOSER. As long as you had the job?

Mr. BOYD. Yes.

Mr. MOSER. Are you engaged in politics?

Mr. BOYD. Yes, sir.

Mr. MOSER. What is your political position?

Mr. BOYD. I am chairman of the executive committee of the Fourth Ward United Republican Club.

Mr. MOSER. Chairman of the executive committee?

Mr. BOYD. Yes, sir.

Mr. MOSER. Does that mean you are the head of that political organization?

Mr. BOYD. Yes, sir.

Mr. MOSER. You are the head of that ward practically? Is that the largest ward of the city?

Mr. BOYD. Yes, sir; it is.

Mr. MOSER. Who is Edward Nappen?

Mr. BOYD. He is a co-leader with me.

Mr. MOSER. He is your co-leader in that ward?

Mr. BOYD. Yes, sir.

Mr. MOSER. Does he also occupy an official position?

Mr. BOYD. Yes, sir; he does.

Mr. MOSER. What is his job?

Mr. BOYD. He is indictment clerk of the Atlantic County prosecutor's office.

Mr. MOSER. You know a "Nockey" Johnson?

Mr. BOYD. Yes, sir.

Mr. MOSER. What is your connection with him?

Mr. BOYD. I worked in the same suite of offices that he was in when he was county treasurer.

He was county treasurer and I worked in the board of freeholders' office, and they were all in the same suite.

Mr. MOSER. Do you know him well?

Mr. BOYD. Yes, sir.

Mr. MOSER. Did you work in his political organization?

Mr. BOYD. Yes, sir; I did.

Mr. MOSER. For how many years?

Mr. BOYD. I am guessing, sir, but I would say about 15-16 years, somewhere around there.

Mr. MOSER. And were you a protégé of his? Were you a political protégé of his?

(The witness consulted his attorney.)

Mr. BOYD. I do not know what you mean by "protégé."

Mr. MOSER. Did he help you in your political career?

Mr. BOYD. Yes; I would say he helped me.

Mr. MOSER. Did you help him?

Mr. BOYD. As a political leader; yes, I did.

Mr. MOSER. Did you do political favors for him?

Mr. BOYD. Yes; I would say that.

Mr. MOSER. He did them for you?

Mr. BOYD. Yes, sir.

Mr. MOSER. You know Officer Mooney?

Mr. BOYD. Do I know Officer Mooney?

Mr. MOSER. Yes.

Mr. BOYD. Yes, sir.

Mr. MOSER. What is his job on the police force?

Mr. BOYD. On the vice squad presently.

Mr. MOSER. Do you have any political dealings with him?

Mr. BOYD. Political dealings?

Mr. MOSER. Yes.

Mr. BOYD. As a precinct worker and an active member of the club, if you mean that; yes.

Mr. MOSER. He is a member of your club?

Mr. BOYD. Yes, sir.

Mr. MOSER. Do you ever do any political favors for him?

Mr. BOYD. No, sir. I haven't done any political favors.

Mr. MOSER. Has he ever done political favors for you?

Mr. BOYD. Perhaps secured votes, as I said, as a precinct worker.

Mr. MOSER. Has he ever helped you in connection with any friend of yours who has been arrested?

Mr. BOYD. No, sir, not to my knowledge.

Mr. MOSER. Do you have anything to do with the handling of the police department?

Mr. BOYD. No, sir; none whatsoever.

Mr. MOSER. None whatever?

Mr. BOYD. No, sir.

Mr. MOSER. Have you ever urged a member of the police department not to bother any bookmakers or numbers men?

Mr. BOYD. No, sir.

Mr. MOSER. No connection with that at all?

Mr. BOYD. No, sir.

Mr. MOSER. Do you know Officer Gribbin?

Mr. BOYD. Yes, sir; I do.

Mr. MOSER. Did you ever offer Officer Gribbin to get him a soft job in the police department anywhere?

Mr. BOYD. No, sir.

Mr. MOSER. Did you ever urge him not to presecute or not to arrest bookmakers and numbers people so much?

Mr. BOYD. No, sir. I have only talked to Officer Gribbin once in my life. He visited my office.

Mr. MOSER. That happened then?

Mr. BOYD. The time he visited my office was right after that political campaign that Officer Warlich had explained to you on the pay raise.

Mr. MOSER. Yes.

Mr. BOYD. After that, there was a lot of talk around and a lot of the boys were fighting each other, and everything else. It was a very bad condition as far as the officers were concerned among themselves. Those who voted "yes" were not speaking to those who voted "no." It was a terrible condition and during that time, as Officer Warlich further reported to you gentlemen, like there was some changes made by the police department. Officer Gribbin perhaps properly so, did not like some of the changes that were made, and he kept talking to people, and somebody suggested, "Why don't you see Jimmy Boyd?"

Mr. MOSER. Why were those police changes made?

Mr. BOYD. I would assume for the good of the department, as I just explained, for the morale of the department after the election. But that is something that the police department would have to answer, Mr. Moser. I don't know.

Mr. MOSER. You were going ahead with your explanation of what happened at that conversation.

Mr. BOYD. Officer Gribbin was talking to people about these changes, and so forth, and so on. Someone said, "Why don't you see Jimmy Boyd?"

Gribbin said, "He won't see me."

Mr. MOSER. Who said that?

Mr. BOYD. Who said that?

Mr. MOSER. Who told him to see you?

Mr. BOYD. I don't recall who it was. People on the street. At least they told me that story. I couldn't specifically recall who it was.

Mr. MOSER. Officer Gribbin said that he would not see you?

Mr. BOYD. He said I would not see him.

Mr. MOSER. Is that true?

Mr. BOYD. No, sir. I am coming to that, sir.

Mr. MOSER. All right, go ahead.

Mr. BOYD. I said, "Oliver Gribbin can see me any time he wishes. He is a member of the Fourth Ward Club."

Mr. MOSER. To whom did you say that?

Mr. BOYD. To whoever it was who was telling me. I do not remember who it was. It was someone on the street. I heard a lot of those stories after the election. I met Assistant Director Kerstetter at one time in the restaurant, having lunch. During the conversation the subject came up again and I said to the assistant director, "If you see Gribbin, can you tell him if he wants to see me, to come up and see me. He can certainly see me any time."

The next thing I knew Gribbin was outside of my office waiting to see me.

Mr. MOSER. Gribbin was told to see you by Kerstetter?

Mr. BOYD. He could have been told that or told he could see me. I do not know what expression was used. He was out there waiting. I happened to be busy for quite some time. It was one of my committee days of the board of freeholders. I saw him out in the hall. When I went back into my office, he wasn't there. I knew he had been waiting for me. I did call Tod Kerstetter and told him if Gribbin wanted to see me, I was now free if he wanted to come up. I had been tied up to close to an hour, I assume.

He came up and I said, "Gribbin, what is the trouble?"

He said, "I do not like the way my buddies are being pushed around."

I said, "Gribbin, I do not know anything about that. My only

advice to you is to worry about yourself and let your buddies worry about themselves. You, like myself, have enough to do to worry about ourselves."

So he said, "Well, maybe you are right. I want to know if you can do anything about it."

I said, "I absolutely cannot. It entirely remains a police matter. The various changes that have been made are a police matter."

He asked me several times whether or not I could not intercede and help his buddies. I answered every time that he discussed it with me as follows: "Gribbin, believe me, I cannot do anything. Why don't you be a good boy and worry about yourself and let your buddies worry about themselves?"

We talked for quite a while along those lines and about the election and what happened during the election and everything else.

Mr. MOSER. When you said, "Be a good boy," what did you mean by that?

Mr. BOYD. Purely an expression.

Mr. MOSER. You didn't mean that he should conduct himself in any particular way?

Mr. BOYD. No, sir. Just an expression, "Be a good boy," and stop worrying about others. That was exactly the way I put it.

Mr. MOSER. While you were talking to Mr. Gribbin, did you make any telephone call to Mr. Kerstetter?

Mr. BOYD. Yes; I am coming to that.

Mr. MOSER. Go ahead.

Mr. BOYD. We talked for quite some time, if my memory is correct. He had to go to work, I will say, at 4 o'clock. I am guessing at this for the moment as to the time. He said, "I will be awfully late."

I said, "I will call up the director and tell him that you have been here with me and maybe he will excuse you for a few minutes."

That was what I did and that was all I know about it.

Mr. MOSER. You did ask the director to excuse him?

Mr. BOYD. Yes; I did.

Mr. MOSER. Did they excuse him for the day?

Mr. BOYD. I do not know, sir.

Mr. MOSER. You do not know what Kerstetter told him to do?

Mr. BOYD. He left my office and I haven't seen Mr. Gribbin to talk to him since. He never let me know what happened.

Mr. MOSER. Why did you think it would help for you to call the director of public safety?

Mr. BOYD. Because I know him.

Mr. MOSER. Because you knew him personally?

Mr. BOYD. Yes, sir.

Mr. MOSER. You have nothing to say about how the police department is run?

Mr. BOYD. That was only a request, that was nothing to say about it. He could have turned me down as far as that is concerned.

Mr. MOSER. Have you ever made other requests from the public safety director about who should be where on the police department?

Mr. BOYD. You mean to Tod Kerstetter, the assistant director of public safety?

Mr. MOSER. Yes.

Mr. BOYD. I have made various requests of him.

Mr. MOSER. What kind of requests have you made?

Mr. BOYD. Once in a while someone would come in and perhaps ask you if their son or husband or friend of the family could perhaps get an assignment into a radio car, or maybe from one beat to another because of personal reasons of theirs.

Mr. MOSER. Does this happen often?

Mr. BOYD. No, sir; not often.

Mr. MOSER. About how many times?

Mr. BOYD. Not over several times a year.

Mr. MOSER. Why did they come to you?

Mr. BOYD. As the fourth ward leader, they were members of the Fourth Ward Club and they came to me and asked for that reason.

Mr. MOSER. As fourth ward leader, they thought you could probably exert some influence on behalf of their son; is that correct?

Mr. BOYD. It is not a question of influence, it is a question of asking a favor.

Senator HUNT. Mr. Boyd, you spoke of the division of votes between the patrolmen, some voting for the increase in salary and some voting to oppose an increase in their salary. What would be your explanation of policemen voting against an increase in their own salaries. Why did they do that?

Mr. BOYD. Senator, that would be a hard question to answer, except that, as has been testified here earlier, the Republican organization in Atlantic County did not fully support the pay raise.

Senator HUNT. Do you know if any Republican leader spoke to the patrolmen urging them to vote against this pay increase? Are you familiar with the meeting that was described whereby the Senator urged them to go out and vote against their own pay raise?

Mr. BOYD. I wasn't at that meeting.

Senator HUNT. Do you know about the details of it?

Mr. BOYD. It is very vague. I recall hearing about it and reading about it after the meeting. I do not recall any details.

Senator HUNT. Substantially, was the evidence we heard this morning with reference to that meeting correct?

Mr. BOYD. I would say substantially, Senator, as far as my memory is concerned, that is so.

Mr. MOSER. You said the Republican organization in Atlantic City opposed the pay raise. Did they have any meeting at which they discussed it?

Mr. BOYD. Did who have any meeting?

Mr. MOSER. The Republican organization.

Mr. BOYD. There were many meetings in which the pay raise was discussed.

Mr. MOSER. It was decided by the organization that they would oppose the pay raise?

Mr. BOYD. Yes, sir.

Mr. MOSER. Did you oppose it?

Mr. BOYD. Personally, yes, sir.

(The witness consulted his counsel.)

Mr. MOSER. Did you urge any policeman or fireman to oppose it?

Mr. BOYD. I may have talked to a few of them to ask them to vote against it.

Mr. MOSER. Why would you expect them to vote against their own pay raise?

Mr. BOYD. I just asked them to. I don't know why they would. Some of them would.

Mr. MOSER. Why do you oppose the salary increase?

Mr. BOYD. Because it was too much of an extra tax burden on Atlantic City.

Mr. MOSER. How much do the policemen get?

Mr. BOYD. \$2,900.

Mr. MOSER. How much do you get?

Mr. BOYD. \$5,000.

Mr. MOSER. When did you get the last pay raise?

Mr. BOYD. In 1946.

Mr. MOSER. How about the \$400 bonus you got?

Mr. BOYD. That was this year. The police and firemen get a \$400 bonus, too.

The CHAIRMAN. The committee will now take a recess for lunch 2 p. m. of this same day.)

(Whereupon, at 12:45 p. m., the committee recessed to reconvene at 2 p. m. of this same day.)

AFTERNOON SESSION

The CHAIRMAN. The hearing will come to order, please.

Mr. Boyd, will you resume the stand, please.

FURTHER TESTIMONY OF JAMES H. BOYD

The CHAIRMAN. Mr. Moser, will you resume the examination of Mr. Boyd?

Mr. MOSER. Yes, sir. Do you know Mr. Orman?

Mr. BOYD. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BOYD. Oh, I would say about 15 years.

Mr. MOSER. Do you know him well?

Mr. BOYD. Fairly well.

Mr. MOSER. What is his business?

Mr. BOYD. He is in the hotel business.

Mr. MOSER. Is that all, as far as you know?

Mr. BOYD. So far as I know.

Mr. MOSER. Do you know Mr. Masucci?

Mr. BOYD. Yes, sir.

Mr. MOSER. How long have you known him?

Mr. BOYD. Oh, 10 or 12 years, I guess, around there.

Mr. MOSER. Do you know Harry Haggerty?

Mr. BOYD. Yes, sir.

Mr. MOSER. Do you know him a long time?

Mr. BOYD. Ten to fifteen years, around that time.

Mr. MOSER. What is his business?

Mr. BOYD. Bartenders' union.

Mr. MOSER. You don't know of any other business that he has?

Mr. BOYD. No, sir; I do not.

Mr. MOSER. Do you know that he was arrested for numbers gambling in 1947?

Mr. BOYD. I read that in the papers that he was; yes, sir.

Mr. MOSER. Yes. You did not know that, though?

Mr. BOYD. I knew it from the newspapers; yes, sir.

Mr. MOSER. Would it surprise you to know that his gross is \$175,000 a year?

Mr. BOYD. I wouldn't have the slightest idea on that, sir.

Mr. MOSER. If you knew that his income-tax return showed a gross of that amount, what business would you think he was in?

Mr. BOYD. I wouldn't know that, sir.

Mr. MOSER. Even though you have known him for all these years?

Mr. BOYD. (No answer.)

Mr. MOSER. Do you know Frank Sullivan?

Mr. BOYD. Yes, sir.

Mr. MOSER. Who is he?

Mr. BOYD. A member of the police department.

Mr. MOSER. How long have you known him?

Mr. BOYD. Oh, 6 or 7 years.

Mr. MOSER. Harold Scheper?

Mr. BOYD. Yes, sir.

Mr. MOSER. What is his business?

Mr. BOYD. I don't know, sir.

Mr. MOSER. Was he arrested for the numbers game in 1947?

Mr. BOYD. Yes, sir, I recall reading about him having been arrested; yes, sir.

Mr. MOSER. Would you be surprised if you knew that he had a numbers business of \$175,000 a year?

Mr. BOYD. I would not know that, sir.

Mr. MOSER. You would not know that?

Mr. BOYD. No, sir.

Mr. MOSER. Now, you have been in local politics for a good many years, you testified, as the head of your ward?

Mr. BOYD. Yes.

Mr. MOSER. And you are now head of the fourth ward?

Mr. BOYD. That is right, sir.

Mr. MOSER. Were you formerly the head of the third ward?

Mr. BOYD. Yes, sir.

Mr. MOSER. Have you ever been a member of the Republican County Committee?

Mr. BOYD. I don't think I was ever a member of it. I don't recall being a member of it.

Mr. MOSER. Have you ever contributed toward its support?

Mr. BOYD. Yes, sir, I have contributed.

Mr. MOSER. You have?

Mr. BOYD. Yes, sir.

Mr. MOSER. How much have you contributed?

Mr. BOYD. Oh, every once in a while, \$50 or \$75, something like that, a few years back. I haven't given anything in late years.

Mr. MOSER. You have not?

Mr. BOYD. That is right.

Mr. MOSER. But you have given \$75 and \$50?

Mr. BOYD. Various amounts. I don't recall the amounts.

Mr. MOSER. You are familiar with this receipt I showed you the other day [exhibiting receipt]?

Mr. BOYD. Yes, sir, I am.

Mr. MOSER. I have before me a small card headed "Atlantic County Republican Committee, Atlantic City, N. J." It has this statement on it:

DEAR MEMBER: The amount shown above is your dues for sustaining membership in the Republican Party of Atlantic County. Your dues may be paid in

installments at your convenience. Please remit to Joseph P. Macbeth, treasurer, at the following address—

and the address is given as the Schwem Building, and in the corner it says: "Dues," and the amount filled in in typewriting is \$30 for the year 1951. Have you ever received one of those?

Mr. BOYD. No, sir, I never received one of those.

Mr. MOSER. You have never seen one of those?

Mr. BOYD. I have seen one, but I never received one.

Mr. MOSER. You have seen them though?

Mr. BOYD. Yes, sir; I have seen them.

Mr. MOSER. Have you seen them in other people's hands?

Mr. BOYD. Oh, I suppose I have, or in the offices, or some place, I don't specifically recall just where I have seen them.

Mr. MOSER. But you do know that members of the Republican committee are elected, are they not, by the voters in their party?

Mr. BOYD. That is right, sir; yes, sir.

Mr. MOSER. And is it necessary for them to pay anything to become members?

Mr. BOYD. No, sir.

Mr. MOSER. So when it says, "Dear member," that did not mean that any member of the committee has to pay it.

Mr. BOYD. That is right. It does not mean any member of the committee, that is right.

Mr. MOSER. This is just a sustaining membership.

Mr. BOYD. That is right, sir.

Mr. MOSER. Now, do you know under what circumstances these cards are sent out?

Mr. BOYD. They are just sent out to people asking for voluntary contributions.

Mr. MOSER. What people?

Mr. BOYD. Anyone that the treasurer can think of to send it to.

Mr. MOSER. Have you sent anything to anybody?

Mr. BOYD. I don't remember sending any.

Mr. MOSER. You might have sent them?

Mr. BOYD. I could have, sir. I don't recall specifically any, no.

Mr. MOSER. None has ever been sent to you?

Mr. BOYD. I don't ever recall receiving one; no, sir.

Mr. MOSER. Are they sent to the city officials?

Mr. BOYD. They could be, sir. I don't know. You will have to check the records on who they are sent to.

Mr. MOSER. On back of this is a statement, and this was sent into the committee by an unknown person, and it says:

DEAR SENATOR: This is only part of what we are required to pay for the privilege to work for the city of Atlantic City in this free country, U. S. A.

P. S.—This money is not dues, it is kick-back.

Have you anything to say about that?

Mr. BOYD. No, sir; I don't know anything about that, sir.

Mr. MOSER. You don't know anything about that?

Mr. BOYD. I never saw it.

Mr. MOSER. What kind of a car do you drive?

Mr. BOYD. An Oldsmobile.

Mr. MOSER. Where did you buy it?

Mr. BOYD. At the Saunders Motor Car Co.

Mr. MOSER. That is the one the chief of police testified belongs to his brother?

Mr. BOYD. Yes, sir.

Mr. MOSER. What is your license number?

Mr. BOYD. AA-5.

Mr. MOSER. Do you get that by special application through the Senator?

Mr. BOYD. I have had that since 1940, sir.

Mr. MOSER. Does the senator approve your application?

Mr. BOYD. I get it every year, I don't know whether he approves it. He does not approve it with me.

Mr. MOSER. Do you know Mr. McCallum, from Atlantic City?

Mr. BOYD. Yes.

Mr. MOSER. Is he a bookie?

Mr. BOYD. I don't know what he is.

Mr. MOSER. You don't know whether he is a bookie or not?

Mr. BOYD. I don't know.

Mr. MOSER. Do you know whether he has ever worked in a horse room?

Mr. BOYD. Personally I don't know.

Mr. MOSER. Did he ever come to see you about opening a horse room?

Mr. BOYD. No, sir.

Mr. MOSER. Did he ever talk to you about being in trouble in opening a horse room?

Mr. BOYD. No, sir.

Mr. MOSER. What did he talk to you about?

Mr. BOYD. Why, he talked to me about helping him to get a new brace for his leg, I think he has got a brace, I guess you would call it that.

Mr. MOSER. He just asked you about that and nothing else?

Mr. BOYD. No, sir.

Mr. MOSER. I see. Did anybody ever speak to you about him, asking how to open a horse room?

Mr. BOYD. No one ever spoke to me about that, sir.

Mr. MOSER. Did anybody ever speak to you about, or did he ever speak to you about opening a cigar store?

Mr. BOYD. He never spoke to me.

Mr. MOSER. Or a bootblack parlor?

Mr. BOYD. Not to me.

Mr. MOSER. No such conversation so far as you are concerned, with Mr. McCallum took place?

Mr. BOYD. So far as I am personally concerned.

Mr. MOSER. I would like to ask you about a couple of items of income on your income tax return.

Mr. BOYD. All right.

Mr. MOSER. In your 1950 income tax return, you show a total gross income of \$6,800 approximately, is that about right?

Mr. BOYD. If it is on there, yes, sir.

Mr. MOSER. Yes. And there appears there an item entitled "Other sources" of \$1,655. Will you tell us what that is, please?

Mr. BOYD. That is the same answer as I gave you in the other hearings.

Mr. MOSER. Yes, and what is that answer?

Mr. BOYD. I have given that answer, Mr. Moser, at the closed hearing.

Mr. MOSER. Do you wish to have us read the answer, or do you want to state it yourself?

The CHAIRMAN. Just a moment. Wouldn't it be shorter and probably a more expeditious procedure, just to have you repeat it again?

Mr. FREDERICKS. I am willing that he does do that, Senator. The only thing is, this was gone over quite thoroughly at the prior hearing, and specific answers were given to each question at that time.

The CHAIRMAN. Counsel, I don't want to interrupt you, but he has already indicated that he once answered the question.

Mr. FREDERICKS. That is correct.

The CHAIRMAN. So I think it is probably really a little waste of time in going around the thing. If he wants to stand on his original answer, he can very well say so, and repeat it.

(Counsel confers with witness.)

Mr. BOYD. I will stand on my original answer, sir, and you may read it from the record.

The CHAIRMAN. Well, wouldn't it be much quicker if you just repeat what the answer is? You, of all people, ought to know, rather than have us go through that whole record at much waste of time.

Mr. BOYD. All right.

Mr. MOSER. All right. What is the answer to my question? What is the source of that income?

Mr. BOYD. What year were you referring to?

Mr. MOSER. 1950.

Mr. BOYD. And I received \$1,655, is that the one you asked me about?

Mr. MOSER. Yes.

Mr. BOYD. I received that from Robert Friedlander, an attorney.

Mr. MOSER. You received that from Robert Friedlander, an attorney?

Mr. BOYD. That is right.

Mr. MOSER. How long have you known Robert Friedlander?

Mr. BOYD. Oh, 7, 8, 9 or 10 years, somewhere around that, I don't know.

Mr. MOSER. You have known him for quite a long while?

Mr. BOYD. I would say that, yes, sir.

Mr. MOSER. Do you know him intimately?

Mr. BOYD. Fairly well, yes, sir.

Mr. MOSER. And what did he give you that money for?

Mr. MOSER. He gave it to you personally?

Mr. BOYD. He gave it to me personally, sir.

Mr. BOYD. Yes.

Mr. MOSER. For what purpose?

Mr. BOYD. He gave it to me to help me, sir, in my fourth ward leadership, so to speak.

Mr. MOSER. He gave it to you to spend in the fourth ward leadership?

Mr. BOYD. Yes, sir, he personally gave it to me to help as a friend.

Mr. MOSER. It was given to you as a friend.

Mr. BOYD. He gave it to me to help me, I know that.

Mr. Moser. He gave it to you for your personal use?

Mr. Boyd. That is right, sir.

Mr. Moser. Had you rendered any services for him?

Mr. Boyd. No, sir.

Mr. Moser. Did you promise to render any services for him?

Mr. Boyd. No, sir.

Mr. Moser. Where did he get the money?

Mr. Boyd. I don't know that, sir, you will have to ask him.

Mr. Moser. That was his personal funds?

Mr. Boyd. I don't know where he got it. I didn't ask him and he didn't tell me.

Mr. Moser. Is he alive?

Mr. Boyd. Oh, yes.

Mr. Moser. He is?

Mr. Boyd. Yes.

Mr. Moser. Did he give that money to you because he had collected it from other people?

Mr. Boyd. I would not know that, sir.

Mr. Moser. You would not?

Mr. Boyd. No, sir.

Mr. Moser. Isn't it rather strange that Mr. Friedlander should just give you this money?

Mr. Boyd. He is a friend of mine and wanted to give it to me.

Mr. Moser. Is it a common thing in your life for people to give you money because they like you?

Mr. Boyd. Yes, sir.

Mr. Moser. Is he the only man who has ever given you money because he liked you?

Mr. Boyd. I would say so. I cannot recall any others.

Mr. Moser. Have you ever received any money from Harold Scheper?

Mr. Boyd. Never.

Mr. Moser. He never gave you any?

Mr. Boyd. No.

Mr. Moser. How about Harry Haggerty?

Mr. Boyd. Never.

Mr. Moser. Isn't it true, Mr. Boyd, that that \$1,655 was given to you by Mr. Friedlander because he was collecting from other people for you?

Mr. Boyd. That is not true. You will have to ask him. It is not true to my knowledge.

Mr. Moser. It is not true?

Mr. Boyd. No.

Mr. Moser. That is to your knowledge?

Mr. Boyd. That is right.

Mr. Moser. Could it be true?

Mr. Boyd. Not to my knowledge.

Mr. Moser. Is Mr. Friedlander a collector for you from Harold Scheper?

Mr. Boyd. He certainly is not.

Mr. Moser. Is he a collector for you from Harry Haggerty?

Mr. Boyd. He certainly is not.

Mr. Moser. Nevertheless, he just gave you this money, and you don't know where it comes from?

Mr. Boyd. No.

Mr. MOSER. Isn't it rather peculiar that he just gives you that money?

Mr. BOYD. He gave it to me, sir.

Mr. MOSER. When did he start giving it to you?

Mr. BOYD. 1949.

Mr. MOSER. When did you occupy the office you now have?

Mr. BOYD. What office is that, sir?

Mr. MOSER. Aren't you secretary of the board of freeholders?

Mr. BOYD. Yes, sir.

Mr. MOSER. When did you start having that job?

Mr. BOYD. 1936. I was made clerk of the board, is that what you mean, sir?

Mr. MOSER. Yes.

Mr. BOYD. Yes.

Mr. MOSER. Is there any connection between the fact that you are clerk of the board of freeholders and the fact that Mr. Friedlander gave you this money?

Mr. BOYD. None whatsoever.

Mr. MOSER. How much did he give you in 1949?

Mr. BOYD. A thousand dollars.

Mr. MOSER. A thousand dollars.

Mr. BOYD. Yes, sir.

Mr. MOSER. And he also gave you that just because he was a friend of yours?

Mr. BOYD. Yes, sir.

Mr. MOSER. How long do you expect Mr. Friedlander to keep on giving you money every year?

Mr. BOYD. I would not know that.

Mr. MOSER. Did you ask him for it?

Mr. BOYD. No, sir.

Mr. MOSER. Did you tell him you needed it?

Mr. BOYD. No, sir.

Mr. MOSER. Did you do any favors for him?

Mr. BOYD. No, sir.

Mr. MOSER. Did he ask you to do any favors?

Mr. BOYD. No, sir.

Mr. MOSER. He just, out of a clear sky, gave you the money?

Mr. BOYD. That is right.

Mr. MOSER. In what denominations did he give you this money?

Mr. BOYD. Tens, twenties, fives, I don't know.

Mr. MOSER. It was given to you in cash?

Mr. BOYD. Oh, yes.

Mr. MOSER. Was it all given to you at once?

Mr. BOYD. No, sir.

Mr. MOSER. How often did he give you money?

Mr. BOYD. Oh, five or six times a year. I don't recall specifically now.

Mr. MOSER. He just came in and handed you the money?

Mr. BOYD. Yes.

Mr. MOSER. How much at a time?

Mr. BOYD. A couple of hundred, three hundred, two hundred.

Mr. MOSER. A couple of hundred dollars at a time?

Mr. BOYD. Yes.

Mr. Moser. Mr. Friedlander just walks into your office out of a clear sky and hands you \$200 because he is a friend of yours?

Mr. Boyd. Yes, sir.

Mr. Moser. Is that the only explanation you can give for that?

Mr. Boyd. Yes, sir.

Mr. Moser. Now, if it was a gift, why do you report it in your income tax?

Mr. Boyd. Well, I just put it in there, sir, according to what I thought I should do, because I have always accounted for everything I have received.

Mr. Moser. Even gifts?

Mr. Boyd. Well, I put it in, it is money I received.

Mr. Moser. Has anybody ever given you a Christmas present of money?

Mr. Boyd. No, sir, nothing.

Mr. Moser. A relative ever given you a \$10 bill for Christmas?

Mr. Boyd. Maybe when I was a kid. Nobody has given me anything lately.

Mr. Moser. Nothing lately.

Mr. Boyd. No.

Mr. Moser. But Mr. Friedlander is the only one who gives you money now, is that right?

Mr. Boyd. That is right, sir.

Mr. Moser. And so, for rendering no services whatever, and without any request at all, he just walks into your office every little while and gives you \$200, and you don't give any favors to anybody for that, is that your position?

Mr. Boyd. That is my position, and that is the truth, sir.

Mr. Moser. And you still contend, so far as you know, that that is not a payoff for any services you have rendered, or any influence you have performed in your office, is that correct?

Mr. Boyd. It certainly is not a payoff, sir.

Mr. Moser. But it is just a plain, ordinary gift, given to you because he likes you.

(No answer.)

Mr. Moser. That is all the questions I have.

The Chairman. That is all. Thank you.

Now, I might state, as is customary with the committee, that whenever the name of any person is mentioned through the testimony of any witness, an opportunity is freely afforded to that individual to make any reply he desires.

Now, the name of counsel was mentioned today, and Mr. Fredericks advised me that he desired to make a response to that, did you not?

Mr. Fredericks. Yes. I appreciate, Mr. Chairman, the opportunity as a lawyer to—

Mr. Moser. Might I ask you this, Mr. Fredericks, at the outset: Do you desire to testify in regard to it?

Mr. Fredericks. To this incident?

The Chairman. Yes, sir.

Mr. Fredericks. If you so desire me.

The Chairman. That is for you to determine. You indicated that you desired to have something to say about it, and I stated immediately that, of course, every opportunity would be given to you to testify, if you so desired.

Mr. FREDERICKS. Then I would like to be sworn to deny that statement.

The CHAIRMAN. Very good, sir. We will be very happy to have you do so.

In the presence of the Almighty God, do you swear that the testimony you shall give shall be the truth, the whole truth, and nothing but the truth?

Mr. FREDERICKS. I do.

**TESTIMONY OF MURRAY FREDERICKS, CITY SOLICITOR,
ATLANTIC CITY, N. J.**

The CHAIRMAN. Now, Mr. Fredericks, we will be very glad to have you state anything you desire concerning the comment that was made this morning in which your name was mentioned.

Mr. FREDERICK. As a member of the bar, Mr. Chairman, I appreciate the opportunity to be sworn here to categorically and without reservation deny the statement made by Mr. Moser in the form of a question to Mr. Orman, that I, together with Mr. Orman and Mr. Burdick and Mr. Reginelli, were in front of Mr. Orman's hotel on, I think the statement was, July 6 or 7 of this year.

The CHAIRMAN. I think the date was given as the 6th, if I am not mistaken.

Mr. FREDERICKS. I have never, on those dates or any other dates, been in front of that hotel with Mr. Reginelli, and that is a statement of fact.

The CHAIRMAN. All right, sir.

Mr. MOSER. Let me ask him a question now.

Mr. Fredericks, do you know Mr. Reginelli?

Mr. FREDERICKS. Oh, I know who he is. I don't know him.

Mr. MOSER. Do you know him personally?

Mr. FREDERICKS. No.

Mr. MOSER. Do you know him to speak to?

Mr. FREDERICKS. No.

Mr. MOSER. You have never spoken to him?

Mr. FREDERICKS. I may have been introduced to him in a public bar 3 years ago, or something of that nature, but I wouldn't say that I even know him to speak to.

Mr. MOSER. You have never represented him?

Mr. FREDERICK. Absolutely not.

Mr. MOSER. What is the objection to Mr. Reginelli? Why are you so upset about it?

Mr. FREDERICKS. Well, the objection is to the way the statement was made, sir. The papers, in the first place, have alleged since this investigation started in Atlantic City that Mr. Reginelli was evading process. I am an officer of a court, and I did not like to be tied up in a misstatement of fact, and that is the reason I object to it.

Mr. MOSER. What is Mr. Reginelli's business?

Mr. FREDERICKS. How do I know.

Mr. MOSER. What is your objection to having this statement? What is so bad about Mr. Reginelli? You seem outraged by the fact that your name was connected with his. Why is that?

Mr. FREDERICKS. The statement was made, Mr. Moser, that I was in front of a hotel in his company. Mr. Reginelli, from newspaper

accounts, is wanted before this committee to testify. I don't know if that is a fact. That is what the papers said.

Mr. MOSER. Is that bad?

Mr. FREDERICK. To be what? It is bad for an officer of a court to know of the fact that a man is subject to process, and to be in his company, and that is what I object to when I was not in his company.

Mr. MOSER. Everybody is subject to process. I don't see that that is anything to be alarmed about.

Mr. FREDERICKS. Everyone apparently is not evading process. Mr. Moser.

Mr. MOSER. Mr. Fredericks, on July 7, 1951, at 7 p. m., were you outside the Cosmopolitan Hotel with Mr. Burdick and Mr. Orman?

Mr. FREDERICKS. July 7 was a Saturday, and I wouldn't know if I was with Mr. Burdick or Mr. Orman on July 7.

Mr. MOSER. You don't remember standing in front of a hotel with them on that day, or some day near there?

Mr. FREDERICKS. It is possible.

Mr. MOSER. It is possible?

Mr. FREDERICKS. That is correct.

Mr. MOSER. It was only a few days ago. I should think you could remember it.

Mr. FREDERICKS. Oh, I say it is possible.

Mr. MOSER. It was the same day as our hearing. Does that help you remember it, our second day?

Mr. FREDERICKS. That was a Saturday. I may have passed by there on Saturday, July 7, I don't recall. If I was, if I did pass by, I was with my wife. I live down in that general neighborhood.

Mr. MOSER. Did you stop and talk to Mr. Burdick or Mr. Orman?

Mr. FREDERICKS. I don't recall if they were there, and if I passed I stopped and talked to them.

Mr. MOSER. Isn't it true that you and Mr. Orman and Mr. Burdick had a conference in front of that hotel at 7 p. m. on July 7 with a fourth person?

Mr. FREDERICKS. That—

Mr. MOSER. Isn't it possible?

Mr. FREDERICKS. Not a conference; no.

Mr. MOSER. You met there and talked, did you not?

Mr. FREDERICKS. I know a lot of people in Atlantic City, Mr. Moser, including Mr. Orman and Mr. Burdick, and if they were out in front of the hotel I spoke to them.

Mr. MOSER. So you probably did talk to them. Who was the fourth person?

Mr. FREDERICKS. That I would not know.

Mr. MOSER. It was not Mr. Reginelli, though?

Mr. FREDERICKS. Absolutely not. I have not seen Reginelli in 2 or 3 years.

Mr. MOSER. Was it Babe Marcella?

Mr. FREDERICKS. I doubt that.

Mr. MOSER. Was it Fred Mascucci?

Mr. FREDERICKS. I wouldn't know if there was a fourth man there. I don't know if I was there that day. I am trying to tell you that if they were there and I walked by I spoke to them.

Mr. MOSER. Do you know Mr. William Sheeran?

Mr. FREDERICKS. William Sheeran?

Mr. MOSER. Yes; S-h-e-e-r-a-n. William A. Sheeran.

Mr. FREDERICKS. If that is a Bud Sheeran, I know him.

Mr. MOSER. You do know him. Do you know him socially?

Mr. FREDERICKS. Oh, his wife and my wife have been out together, certainly, if that is the William Sheeran you have reference to.

Mr. MOSER. Yes. Have you ever been to his house for a cocktail party?

Mr. FREDERICKS. Where does he live?

Mr. MOSER. You know the man. Have you ever been to his house for a cocktail party?

Mr. FREDERICKS. I doubt it.

Mr. MOSER. You don't think so?

Mr. FREDERICKS. I doubt it.

Mr. MOSER. At a newspaper report that you and Mr. Orman and Mr. Farley attended a cocktail party at his house on February 1, 1948; is that possible?

Mr. FREDERICKS. February 1, 1948, and you ask me, about 3 years ago, whether I was at a cocktail party at a man's house that I see about twice a year.

Mr. MOSER. Is it possible?

Mr. FREDERICKS. Anything is possible. The question is, Was I there? If the paper reports I was there, I was there.

Mr. MOSER. Thank you. Now I will give you one a little more recently. On April 29, 1950, we have information that you were seen with Mr. Orman in a car bearing the license plate AJ-17. Do you know whose car that is?

Mr. FREDERICKS. Yes; I do.

Mr. MOSER. Is that yours?

Mr. FREDERICKS. No; I don't have a car.

Mr. MOSER. Whose is it?

Mr. FREDERICKS. AJ-17?

Mr. MOSER. Yes.

Mr. FREDERICKS. I think Mr. Orman testified that was his license number, and I assume the car is owned by him. I don't look at his ownership card.

Mr. MOSER. The hotel was closed and you and Mr. Fredericks went in and shut the door——

Mr. FREDERICKS. Me and Mr. Fredericks?

Mr. MOSER. You and Mr. Orman; and 5 minutes later Mr. Masucci came in a car bearing license No. AK-44 and entered the building, which is the Cosmopolitan Hotel. Do you remember that occasion?

Mr. FREDERICKS. No doubt it happened. I go into the Cosmopolitan Hotel. There is no question about it. I told you that the other day.

Mr. MOSER. What do you go there for when it is closed?

Mr. FREDERICKS. When it is closed?

Mr. MOSER. Yes.

Mr. FREDERICKS. I may go in and say "Hello" to Orman, or if he drove me down from uptown I may get off with him.

Mr. MOSER. Do you go there often when the place is closed?

Mr. FREDERICKS. No.

Mr. MOSER. What do you talk about when you are with him when the place is closed?

Mr. FREDERICKS. We may talk about a lot of things, Mr. Moser; I don't know.

Mr. MOSER. Do you ever talk about city business?

Mr. FREDERICKS. City business?

Mr. MOSER. Yes.

Mr. FREDERICKS. Everybody in Atlantic City talks about city business, Mr. Moser; it seems to be public property.

Mr. MOSER. All right. That is all I have.

The CHAIRMAN. That is all, Mr. Fredericks. Thank you.

The next witness, please.

Mr. MOSER. Mr. Lester Burdick.

The CHAIRMAN. All witnesses are sworn. Will you raise your right hand, please.

In the presence of the Almighty God, do you swear that the testimony you shall give shall be the truth, the whole truth and nothing but the truth?

Mr. BURDICK. I do.

The CHAIRMAN. And I believe you have counsel with you?

Mr. MILLER. Yes, Harry Miller, 349 Guaranty Trust Building, Atlantic City.

The CHAIRMAN. And you represent Mr. Burdick?

Mr. MILLER. Yes, sir.

The CHAIRMAN. We are very pleased to have you with us, Mr. Miller.

TESTIMONY OF LESTER H. BURDICK, MARGATE, N. J., ACCOMPANIED BY HARRY MILLER, ATTORNEY, ATLANTIC CITY, N. J.

The CHAIRMAN. Will you kindly give us your name, Mr. Burdick?

Mr. BURDICK. Lester H. Burdick.

The CHAIRMAN. Could I ask you, Mr. Burdick, at the outset, if you will just keep talking right into that, and just as distinctly as you can.

Mr. BURDICK. Yes; 12 North Osborne Avenue.

The CHAIRMAN. 12 North Osborne Avenue?

Mr. BURDICK. Yes, sir; Margate.

The CHAIRMAN. New Jersey?

Mr. BURDICK. Yes, sir.

The CHAIRMAN. How long have you lived there?

Mr. BURDICK. In Margate or at this recent address?

The CHAIRMAN. Yes.

Mr. BURDICK. Three years.

The CHAIRMAN. What is your position, sir?

Mr. BURDICK. I am connected—I am a salesman for WOND radio station.

The CHAIRMAN. Do you have any other position?

Mr. BURDICK. I am in the State house.

The CHAIRMAN. In what capacity?

Mr. BURDICK. Executive clerk of the senate.

The CHAIRMAN. Now, could I ask you again if you will just, for the time you are on the stand, keep talking loud? Thank you very much. If you will just keep your voice up.

Mr. Moser, you may proceed.

Mr. MOSER. Mr. Burdick, how long have you been, is it secretary of the State senate?

Mr. BURDICK. No; executive clerk.

Mr. MOSER. How long have you occupied that position?

Mr. BURDICK. Oh, I have been in it 10 years.

Mr. MOSER. And who appointed you to that position?

Mr. BURDICK. That position is appointed by the body of the senate, 21 members.

Mr. MOSER. Who recommended you?

Mr. BURDICK. I couldn't say that, it was on resolution.

Mr. MOSER. Well, you must have known——

Mr. BURDICK. I don't know. There was some senator in there at some time or other, maybe Senator Barton of Passaic.

Mr. MOSER. You think he recommended you?

Mr. BURDICK. I think he did.

Mr. MOSER. And Senator Farley did not?

Mr. BURDICK. He did not.

Mr. MOSER. Why didn't he? You come from Atlantic County, don't you?

Mr. BURDICK. I was up there before Senator Farley.

Mr. MOSER. You were appointed before Senator Farley was there?

Mr. BURDICK. I was a clerk in either branch of the house before the senator was there.

Mr. MOSER. Who was the senator from Atlantic County at the time you were appointed?

Mr. BURDICK. Before Farley?

Mr. MOSER. Yes.

Mr. BURDICK. I think Taggart. I was not executive clerk at that time, I was clerk.

Mr. MOSER. You were a clerk?

Mr. BURDICK. Yes.

Mr. MOSER. At the time you were appointed executive clerk, who was senator?

Mr. BURDICK. Farley came in in 1941.

Mr. MOSER. Did he recommend you for the appointment of executive clerk?

Mr. BURDICK. No, sir.

Mr. MOSER. Isn't it true that nobody could be appointed as executive clerk unless the senator from his county recommended him?

Mr. BURDICK. It is not true, but they could object to you being appointed, and naturally the rest of the body would not appoint you, the same thing as nationally.

Mr. MOSER. In other words, since he is your senator, you could not be appointed without his specific approval?

Mr. BURDICK. That is right, if he objected to the appointment——

Mr. MOSER. He had complete control over your appointment, and he approved you as executive clerk, is that right?

Mr. BURDICK. It was a resolution, and 21 senators, including the Democrats, voted on the resolution.

Mr. MOSER. It had to be with his specific approval or you would not have been appointed, is that correct?

Mr. BURDICK. That is right.

Mr. MOSER. When did you first start in politics?

Mr. BURDICK. Oh, years ago; 20 years ago.

Mr. MOSER. Twenty years ago?

Mr. BURDICK. Maybe a little longer.

Mr. MOSER. Where was that?

Mr. BURDICK. In Newark.

Mr. MOSER. In Newark?

Mr. BURDICK. Yes.

Mr. MOSER. You started in in local politics?

Mr. BURDICK. In Newark?

Mr. MOSER. Yes.

Mr. BURDICK. A little bit.

Mr. MOSER. When did you go to Atlantic City?

Mr. BURDICK. I have been down in Atlantic City about 30 years.

Mr. MOSER. Thirty years?

Mr. BURDICK. Yes.

Mr. MOSER. Where did you start in local politics?

Mr. BURDICK. I was never in local politics in Atlantic City.

Mr. MOSER. You never were?

Mr. BURDICK. No, sir.

Mr. MOSER. Are you in local politics there now?

Mr. BURDICK. No, sir.

Mr. MOSER. You know Senator Farley, of course.

Mr. BURDICK. Oh, yes.

Mr. MOSER. Do you know him intimately?

Mr. BURDICK. I see Senator Farley when the session is in. I very seldom see him in Atlantic City.

Mr. MOSER. Do you know James H. Boyd.

Mr. BURDICK. I know him.

Mr. MOSER. Intimately?

Mr. BURDICK. The same thing, I know he is clerk of the board of freeholders.

Mr. MOSER. You see him around quite a little, don't you?

Mr. BURDICK. Not too often. I am in and out and drive around, but I don't see these fellows. I don't visit many tap rooms, or anything like that, where I would run into those people.

Mr. MOSER. You would ordinarily meet Mr. Boyd in a tap room?

Mr. BURDICK. No. If you go around you are liable to run into different people in tap rooms.

Mr. MOSER. But you don't go around Atlantic City very much?

Mr. BURDICK. Not in tap rooms.

Mr. MOSER. Anywhere?

Mr. BURDICK. I don't think I have been on the boardwalk in Atlantic City in 3 years or 5 years.

Mr. MOSER. You spend practically no time in Atlantic City?

Mr. BURDICK. I am back and forth up-State, Philadelphia and Newark.

Mr. MOSER. I see. But you are a salesman for the radio station?

Mr. BURDICK. That is right.

Mr. MOSER. Don't you have any customers in Atlantic City?

Mr. BURDICK. Yes.

Mr. MOSER. Who are they?

Mr. BURDICK. They are spread out all over the town.

Mr. MOSER. Do you ever go to see them?

Mr. BURDICK. Yes.

Mr. MOSER. Well, you just testified a moment ago that you almost never go to Atlantic City.

Mr. BURDICK. It doesn't take you long to see them.

Mr. MOSER. How often do you go to see them?

Mr. BURDICK. There are a few of them that maybe I will call on every 2 weeks or every week, and some I don't have to see until the contract runs out. You sign them up for 13 weeks, and you don't have to bother with them any more.

Mr. MOSER. Now do you see some every week?

Mr. BURDICK. A few; yes, sir.

Mr. MOSER. There are some places in Atlantic City, then, you go every week?

Mr. BURDICK. There is previous testimony I made that I collect a few bills.

Mr. MOSER. That is correct. You do go to some places once a week?

Mr. BURDICK. I think so; yes.

Mr. MOSER. A few minutes ago you said you never go to Atlantic City, that you just made occasional visits.

Mr. BURDICK. Oh, no; Atlantic City and Margate are together. All I mean to say is I don't go walking up and down the street in Atlantic City all the time to run into these people.

Mr. MOSER. Do you know Fred Masucci?

Mr. BURDICK. I do, very well.

Mr. MOSER. How well do you know him?

Mr. BURDICK. He is a good friend of mine. He lives in Margate.

Mr. MOSER. How about Edward Nappen; did I ask you about him?

Mr. BURDICK. No. I know him, but not so well.

Mr. MOSER. Do you know Vincent Lane?

Mr. BURDICK. I do.

Mr. MOSER. Do you know Mr. Orman?

Mr. BURDICK. I do.

Mr. MOSER. How well do you know him?

Mr. BURDICK. Very well. He is a good friend of mine.

Mr. MOSER. How long have you known him?

Mr. BURDICK. Fifteen years.

Mr. MOSER. Do you know Benjamin Rubinstein?

Mr. BURDICK. I don't know him so well.

Mr. MOSER. Do you know he—or rather, do you know that he and Masucci are partners in business?

Mr. BURDICK. I never heard of it.

Mr. MOSER. Do you spend much time at the Cosmopolitan Hotel?

Mr. BURDICK. I stop in there quite often.

Mr. MOSER. How often?

Mr. BURDICK. I might stop—they have been open now for 5 or 6 weeks for the summer, and I might stop in and have a cocktail before I go home.

Mr. MOSER. How recently were you there—yesterday?

Mr. BURDICK. Yesterday is right; that is right—no, let me see, I wasn't there yesterday. Day before yesterday.

Mr. MOSER. Were you there on July 7, 1951, the second day of our hearings in Atlantic City?

Mr. BURDICK. I might have stopped there.

Mr. MOSER. You might have stopped there?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Do you see Mr. Fredericks there?

Mr. BURDICK. I would not be able to answer that question. Now, if I was in the Cosmopolitan, if he was there, I would say I don't have business with him, but I know him real well. I know a lot of people. I heard the testimony of Mr. Fredericks. I would liable to be standing on a corner, if I don't go in right away.

Mr. MOSER. You will testify the same way he does on that?

Mr. BURDICK. You are liable to run into anybody there.

Mr. MOSER. Yes, but you don't remember whether you and Mr. Fredericks and Mr. Orman were there together at the same time?

Mr. BURDICK. I might have been. Maybe that has happened 20 times in the past.

Mr. MOSER. In the past 2 or 3 days?

Mr. BURDICK. No, no; not in the past 2 or 3 days—in the past 2 or 3 years; that we all happened to be there at the same time.

Mr. MOSER. This was only a little over 10 days ago. I should think you might remember that.

Mr. BURDICK. Now, I don't know about the 7th. What time did you say?

Mr. MOSER. Seven o'clock.

Mr. BURDICK. I—well, I have my dinner. I have my dinner home about 6:30 and 7 o'clock, and I don't know whether it was that time or not.

Mr. MOSER. I see. Did you see Babe Marcella there?

Mr. BURDICK. I know Babe. I don't know if he was there at that particular night.

Mr. MOSER. Does he spend most of his time at that hotel?

Mr. BURDICK. Babe Marcella?

Mr. MOSER. Yes.

Mr. BURDICK. When I go in there I see him occasionally.

Mr. MOSER. Is he Mr. Orman's bodyguard?

Mr. BURDICK. No.

Mr. MOSER. You don't think so?

Mr. BURDICK. No.

Mr. MOSER. Now, do you know James Mooney?

Mr. BURDICK. Who is that, a member of the vice squad?

Mr. MOSER. Yes. Mr. Mooney of the vice squad.

Mr. BURDICK. I just know him, that is all.

Mr. MOSER. Have you talked to him recently?

Mr. BURDICK. I just saw him today.

Mr. MOSER. Did you see him yesterday?

Mr. BURDICK. I saw him on the train coming down here and just said "hello" to him.

Mr. MOSER. Did you see him last week, to talk to him?

Mr. BURDICK. Mooney?

Mr. MOSER. Yes.

Mr. BURDICK. I might have seen him and stopped to talk to him.

Mr. MOSER. What did you talk to him about?

Mr. BURDICK. Nothing in particular.

Mr. MOSER. You didn't talk to him about this committee?

Mr. BURDICK. No, not a thing.

Mr. MOSER. When you and Mr. Orman and Mr. Fredericks met in front of the Cosmopolitan Hotel Saturday night, the 7th of July, what did you talk about?

Mr. BURDICK. I don't remember talking about anything in particular.

Mr. MOSER. You did not talk about this committee?

Mr. BURDICK. No. I never said a word about the committee.

Mr. MOSER. You did not make any plans about what you would testify to?

Mr. BURDICK. No, no plans at all. I have not talked to anybody about this committee, outside of Mr. Miller.

Mr. MOSER. Now, when did you start working as a salesman for WOND?

Mr. BURDICK. When they opened up in July of last year.

Mr. MOSER. In July of 1950?

Mr. BURDICK. That is right.

Mr. MOSER. Had the station been running before that?

Mr. BURDICK. No.

Mr. MOSER. And where had you worked before that, immediately before?

Mr. BURDICK. Well, I always was in the advertising game. I sold outdoor advertising and other advertising, and I would get advertisements placed with different radio stations.

Mr. MOSER. What other radio stations have you worked for?

Mr. BURDICK. WWBZ, Vineland.

Mr. MOSER. What else?

Mr. BURDICK. I would place ads with any station who wants them on a percentage basis.

Mr. MOSER. What is your principal customer for the radio station that you work at now?

Mr. BURDICK. The principal customer?

Mr. MOSER. Yes.

Mr. BURDICK. Gretz Brewery.

Mr. MOSER. How much advertising do they have?

Mr. BURDICK. They are the basic sponsors of the afternoon program.

Mr. MOSER. They are?

Mr. BURDICK. Yes.

Mr. MOSER. How much do they pay for that?

Mr. BURDICK. Two hundred and fifty a week.

Mr. MOSER. Two hundred and fifty dollars a week?

Mr. BURDICK. Yes.

Mr. MOSER. When WOND was opened, who was the manager of it?

Mr. BURDICK. Harry Zoog.

The CHAIRMAN. Won't you keep your voice up, please?

Mr. BURDICK. Harry Zoog.

Mr. MOSER. Is Harry Zoog a friend of yours?

Mr. BURDICK. I know him quite well.

Mr. MOSER. How long have you known him?

Mr. BURDICK. About 5 or 6 years.

Mr. MOSER. Did you ever work with him before?

Mr. BURDICK. At WWBZ.

Mr. MOSER. Was he the manager of that station?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Did you act as a salesman for that station?

Mr. BURDICK. Yes.

Mr. MOSER. When he took over WOND, how long did he manage it?

Mr. BURDICK. Well, they have not changed managers yet. He has not been around there, but they are having a meeting now as to whether to have a new manager or not. There is a mix-up between the directors, that is all I know.

Mr. MOSER. Is he still manager?

Mr. BURDICK. I have not seen him around lately, but I presume he is.

Mr. MOSER. Have you been around lately?

Mr. BURDICK. I generally stop around once a day.

Mr. MOSER. And you have not seen him. Do you assume that he is or is not manager?

Mr. BURDICK. The directors are getting together to reorganize, or something.

Mr. MOSER. Yes. Well, prior to just now the directors have not been able to get together at all; is that right?

Mr. BURDICK. That is right.

Mr. MOSER. And they cannot get a vote on anything?

Mr. BURDICK. That is right.

Mr. MOSER. They have a stalemate within the corporation?

Mr. BURDICK. That is right.

Mr. MOSER. The result is that they cannot hire a man because they cannot get agreement?

Mr. BURDICK. That is right.

Mr. MOSER. Who is president?

Mr. BURDICK. Charles Rupp.

Mr. MOSER. Charles Rudd?

Mr. BURDICK. No, R-u-p-p, I think.

Mr. MOSER. He is the president of the corporation, but doesn't he operate the station?

Mr. BURDICK. No.

Mr. MOSER. Who does operate it?

Mr. BURDICK. Right now?

Mr. MOSER. Yes.

Mr. BURDICK. John Struckell.

Mr. MOSER. John Struckell?

Mr. BURDICK. Yes.

Mr. MOSER. Is he acting manager?

Mr. BURDICK. Yes, sir.

Mr. MOSER. I see. Now, you make your arrangements with the station, or made your arrangements with the station when Mr. Zoog was there, did you not?

Mr. BURDICK. That is right.

Mr. MOSER. What were your arrangements that you made with him, so far as the station is concerned?

Mr. BURDICK. I worked on a commission basis.

Mr. MOSER. On a commission basis.

Mr. BURDICK. Yes, sir.

Mr. MOSER. And you sell advertising and get a commission?

Mr. BURDICK. That is right.

Mr. MOSER. Do you have any other connection with the station?

Mr. BURDICK. No, sir.

Mr. MOSER. None whatsoever?

Mr. BURDICK. No, sir.

Mr. MOSER. Do you receive any income from them except the commissions?

Mr. BURDICK. That is all.

Mr. MOSER. Do you pay any of the expenses of the station?

Mr. BURDICK. Yes. I answered that question at the other hearing, and my income tax showed that I paid for the reader.

Mr. MOSER. Well, you just said that you had no connections with the station, except to obtain advertising.

Mr. BURDICK. That was the agreement I made with Zoog. I got 5 percent more than anybody else, and I wanted him, when he put the reader in there as a new station, he asked me to help him out.

Mr. MOSER. You mean the other salesmen get a higher percentage?

Mr. BURDICK. They get less.

Mr. MOSER. What percentage do you get?

Mr. BURDICK. Twenty.

Mr. MOSER. And they get how much?

Mr. BURDICK. Fifteen.

Mr. MOSER. Why the difference?

Mr. BURDICK. Because they figured I could get more business.

Mr. MOSER. I should think if you could get more business that you could get along on a lower percentage.

Mr. BURDICK. That is why I agreed to pay for that one machine.

Mr. MOSER. You agreed to pay some expenses to make up for it?

Mr. BURDICK. That is right.

Mr. MOSER. What expenses do you pay for?

Mr. BURDICK. I pay for the machine, and I pay one of the announcers' salaries.

Mr. MOSER. How many machines do they have?

Mr. BURDICK. Two—they have three machines altogether, counting the news machine.

Mr. MOSER. They have three machines?

Mr. BURDICK. That is right.

Mr. MOSER. What are the three machines? Will you describe them?

Mr. BURDICK. One is the AP news, the other is the AP sports, and then they have a Trans-radio sports—baseball, they use that for.

Mr. MOSER. Trans-radio is used just for baseball?

Mr. BURDICK. Mostly baseball.

Mr. MOSER. Not for horse racing?

(No answer.)

Mr. MOSER. Did you answer my question?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Not for horse racing?

Mr. BURDICK. The other machine is used for horse racing.

Mr. MOSER. The AP is used for horse racing?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Why do you have that other ticker in there?

Mr. BURDICK. Which one is that?

Mr. MOSER. The one that is used for baseball.

Mr. BURDICK. Well, it gives us more on sports; it gives us more stories about sports.

Mr. MOSER. Isn't the AP ticker also on sports?

Mr. BURDICK. That gives you only feature races and different things. The other gives you all sports, baseball, tennis, golf, and so on.

Mr. MOSER. What is this third ticker we are talking about? What is the name of it, not the AP.

Mr. BURDICK. Trans-radio.

Mr. MOSER. Where does the Trans-radio news come from?

Mr. BURDICK. New York.

Mr. MOSER. It does?

Mr. BURDICK. Yes.

Mr. MOSER. From Continental Press; doesn't it?

Mr. BURDICK. I don't know about that. I can't answer that.

Mr. MOSER. According to previous evidence, Trans-radio gets all of its news from Continental Press.

Mr. BURDICK. I could not tell you that. I would not know.

Mr. MOSER. So far as you know, that is probably all right?

Mr. BURDICK. So far as I know, it is Trans-radio, and it is a machine they put in. I don't know where they get the news from. The news comes from all over, Chicago, and every other machine, too.

Mr. MOSER. How much does that machine cost?

Mr. BURDICK. The Trans-radio?

Mr. MOSER. Yes.

Mr. BURDICK. Fifty dollars a week.

Mr. MOSER. How much does the AP news machine cost?

Mr. BURDICK. Fifty dollars a week.

Mr. MOSER. Fifty dollars a week?

Mr. BURDICK. Yes.

Mr. MOSER. And do you pay for both of those?

Mr. BURDICK. Oh, no; I pay for the AP.

Mr. MOSER. Oh, the AP?

Mr. BURDICK. Yes.

Mr. MOSER. Have you ever had any conversations with Mr. Rupp with regard to the Trans-radio machine?

Mr. BURDICK. Yes. The Trans-radio machine is canceled.

Mr. MOSER. It is canceled?

Mr. BURDICK. Yes.

Mr. MOSER. Now what was the conversation?

Mr. BURDICK. They wanted to cancel it 2 or 3 months after it was in, I understand, and they went in and held them to the contract.

Mr. MOSER. They held them to the contract?

Mr. BURDICK. Yes.

Mr. MOSER. Did you urge they keep the machine?

Mr. BURDICK. No; I did not urge them.

Mr. MOSER. Did Rupp claim that he thought it was an unnecessary expense?

Mr. BURDICK. He might have said that to Zoog, not to me. Rupp never held any conversations with me.

Mr. MOSER. He did not?

Mr. BURDICK. No.

Mr. MOSER. Didn't he tell you that he thought it was an unnecessary expense, and you said, "We ought to keep it in"?

Mr. BURDICK. I don't remember that conversation.

Mr. MOSER. You don't remember it?

Mr. BURDICK. No, sir.

Mr. MOSER. Is it possible that it happened?

Mr. BURDICK. It could be, but I don't remember that conversation with Rupp, because I have not seen Rupp since the station run, I don't think, a dozen times.

Mr. MOSER. Didn't you at that time say they should keep it in and you would pay the cost of it?

Mr. BURDICK. No, no; that with Zoog, I said the first part of it, Zoog went and let the bill go 2 or 3 months, or something, and I said, "I will help you out." He gave me a note, and I discounted the note, and that paid for the back bills, and they are paying the note off, the station.

Mr. MOSER. Is the station paying you?

Mr. BURDICK. They are paying the note off.

Mr. MOSER. They are paying the note off?

Mr. BURDICK. Yes.

Mr. MOSER. I see. You borrowed from a bank?

Mr. BURDICK. That is right; for Zoog.

Mr. MOSER. Now, you testified in your previous testimony before this committee that you paid the expense of George Dickerson.

Mr. BURDICK. That is right.

Mr. MOSER. What is his job?

Mr. BURDICK. He is a messenger for me.

Mr. MOSER. He is a messenger for you?

Mr. BURDICK. Yes.

Mr. MOSER. You testified previously that the only function he performed was to sweep up around the place.

Mr. BURDICK. No; I said he sweeps up for the place, then he comes in there and watches and keeps the back room clean, and the machines clean in the afternoon for me. He works for the radio station in the morning, not in the morning, but for an hour or so.

Mr. MOSER. Why should you pay a janitor to sweep up a radio station?

Mr. BURDICK. I don't pay him. He just watches the machine; he helps McNamara, because McNamara cannot be there, and I cannot be there.

Mr. MOSER. You are not supposed to be there. You are just a salesman.

Mr. BURDICK. I promised Gretz I would see that their program went off all right. I go in there; I walk in and out.

Mr. MOSER. So you supply some of the help for the station; is that right?

Mr. BURDICK. That is right.

Mr. MOSER. Does Gretz reimburse you for that?

Mr. BURDICK. No.

Mr. MOSER. You pay it out of your own pocket?

Mr. BURDICK. Yes.

Mr. MOSER. You pay for the man who sweeps up. What does he do besides sweep up?

Mr. BURDICK. He sits back and tears the results off the machines. The machines are outside, and he brings them in to the announcer.

Mr. MOSER. He takes them in to the announcer?

Mr. BURDICK. That is right.

Mr. MOSER. Does he tear them all off, or just the sports?

Mr. BURDICK. The ones they use. They don't use them all.

Mr. MOSER. He takes them all in there; does he?

Mr. BURDICK. Yes.

Mr. MOSER. What hours does he do that in?

Mr. BURDICK. Well, around from 1 until 7.

Mr. MOSER. You testified in the closed hearings that, so far as Dickerson was concerned, you paid him for cleaning up the studio; is that correct?

Mr. BURDICK. Oh, he always keeps it nice and clean back there. The one we run, the sports, as I told you what he does.

Mr. MOSER. Does he work, or did he work for the station before you came there?

Mr. BURDICK. No.

Mr. MOSER. Have you paid his salary right from the start?

Mr. BURDICK. I think we were open 4 or 5 days before I got him to come in.

Mr. MOSER. Now, you testified that the ticker for sports was in there, and that you had some discussion about it. Mr. Rupp testified before this committee in executive session, and I am going to ask Mr. Winberry to read what he said on that point.

Mr. WINBERRY (reading):

Mr. RUPP. When Mr. Struckell, who is the program director, and I decided that the Trans-radio machine was an extra-added expense to the station and we decided to get rid of it, we did not consult Mr. Burdick about it. We tried to get out from under the 1-year contract, which we were unable to do. In the process we notified him that when the year's contract was up, on November 1, they could take the machine out.

Mr. MOSER. Wait just a minute, please.

Mr. WINBERRY. Now, Mr. Rupp is answering:

Yes; we had a little brief session in which I stated for the station that a station of this size—it was not necessary for us to pay out this kind of money for three teletype machines and we were going to get rid of one of them.

Mr. MOSER. Is that consistent with your idea of it?

Mr. BURDICK. That is what I just said. He never took that up with me; he took it up with Struckell.

Mr. MOSER. How much do you pay George Dickerson?

Mr. BURDICK. \$25 a week.

Mr. MOSER. Did he get paid by the station?

Mr. BURDICK. No; I pay him.

Mr. MOSER. Does the station pay him at all?

Mr. BURDICK. Yes.

Mr. MOSER. How much do they pay him?

Mr. BURDICK. I don't know his salary with them. I think it is \$13 or \$14.

Mr. MOSER. So, they pay him \$13 or \$14, and you pay him \$25?

Mr. BURDICK. That is right.

Mr. MOSER. Why do you pay part of his salary, just to carry the news around from one side to the other?

Mr. BURDICK. The studio here is where the machines are over here, and there is the door, and the studio is over there, and the man on the mike cannot get up and tear them off the machine.

Mr. MOSER. Now, there is an announcer named Frank McNamara, isn't there?

Mr. BURDICK. That is right.

Mr. MOSER. What does he do?

Mr. BURDICK. He is the announcer.

Mr. MOSER. Is he the only announcer?

Mr. BURDICK. No; they have—I would say—that they have about six.

Mr. MOSER. Six announcers?

Mr. BURDICK. I would say that. I am not sure. They might have eight; I don't know.

Mr. MOSER. And why have you picked him as the one you pay?

Mr. BURDICK. Because, when this station opened up, Struckell brought him down as a sports announcer, and I was listening to him, and he asked me was he satisfactory.

Mr. MOSER. Yes.

Mr. BURDICK. That is how I come to get McNamara, and I had previously made the deal with Zoog. You see, Zoog was manager there then.

Mr. MOSER. Why did you pay only the sports announcer?

Mr. BURDICK. That is all that I am interested in; that program.

Mr. MOSER. How often does he announce sports events?

Mr. BURDICK. Well, they have a lot of spots; they have a lot of music, and then ours comes in.

Mr. MOSER. Does the announcer announce horse-race results?

Mr. BURDICK. Yes.

Mr. MOSER. How often?

Mr. BURDICK. As they come in, 7, 15, and 20 minutes after the result is over.

Mr. MOSER. Right after the race?

Mr. BURDICK. Yes—well, yes.

Mr. MOSER. Mr. McNamara, in testifying before this committee in executive session, said that the reason you pay his salary is because the work he does for you is to announce the horse races and sports events; is that correct?

Mr. BURDICK. That is right. That is what I just said.

Mr. MOSER. And he says that the principal ticker used for that is the Trans-radio ticker; that the AP sports news ticker is no good for that, because it does not give as accurate or as quick information.

Mr. BURDICK. Wait a minute now. I think you have his testimony reversed. It is just the other way around.

Mr. MOSER. Just the other way around according to you, but not according to him.

Mr. BURDICK. I cannot understand McNamara saying that, because we don't use Trans-radio for the horses.

Mr. MOSER. And if he testified that you do use it for horses, you would say he is mistaken?

Mr. BURDICK. Well, I think his testimony—I doubt it.

Mr. MOSER. Is McNamara a man who receives other pay from the station?

Mr. BURDICK. He gets paid from the station.

Mr. MOSER. Do you pay him directly or does the station pay him?

Mr. BURDICK. The station deducts it from my commission.

Mr. MOSER. I see. How much did you get in 1950 as commission from the radio station?

Mr. BURDICK. Nineteen fifty.

Mr. MOSER. Yes.

Mr. BURDICK. I testified to that before. I think whatever I said before goes.

Mr. MOSER. How did you say you get?

Mr. BURDICK. They are only open, or were only open, 6 months; wasn't it? What was it, \$1,846.95?

Mr. MOSER. \$1,846; yes. All right. How much do you pay for the ticker?

Mr. BURDICK. Whatever I said before.

Mr. MOSER. The ticker rent.

Mr. BURDICK. All right.

Mr. MOSER. The item is \$1,222.86.

Mr. BURDICK. Yes.

Mr. MOSER. And you pay the announcer, or paid the announcer, \$1,000.40 in 1950?

Mr. BURDICK. \$1,040, isn't it?

Mr. MOSER. \$1,040; that is correct. Then you paid the janitor \$625.

Mr. BURDICK. That is right.

Mr. MOSER. Making a total of \$2,887.86.

Mr. BURDICK. That is right.

Mr. MOSER. And you received \$1,800 as income; is that correct?

Mr. BURDICK. From the station; yes, sir.

Mr. MOSER. Yes. So that you had a loss of a thousand dollars on your operation with that station; is that right?

Mr. BURDICK. The first 6 months; yes.

Mr. MOSER. Why is it that you are willing to undertake that?

Mr. BURDICK. Well. I thought there would be more business, but the place was supposed to be open 3 months prior to what it was. We opened in the middle of the season, and we could not get advertising. This year it is running different.

Mr. MOSER. You go around to stores in Atlantic City to get their advertising, don't you?

Mr. BURDICK. Yes, sir, when I work.

Mr. MOSER. When you work?

Mr. BURDICK. I mean, when I feel like going around.

Mr. MOSER. You just go when you feel like it?

Mr. BURDICK. Yes.

Mr. MOSER. How often do you go around?

Mr. BURDICK. I make two or three calls a day, if I am around town.

Mr. MOSER. Do you go to any of the restaurants to get business?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Do you go to any of the cigar stores to get business?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Do you go to many cigar stores?

Mr. BURDICK. No.

Mr. MOSER. You testified before that you frequently buy cigarettes around town, is that true?

Mr. BURDICK. Yes.

Mr. MOSER. Do you go to cigar stores for that?

Mr. BURDICK. Sure.

Mr. MOSER. You don't go there to get advertising?

Mr. BURDICK. Yes; I may talk business, I may talk about advertising while I am there.

Mr. MOSER. But when you go to a cigar store you just go to buy a package of cigarettes?

Mr. BURDICK. Not always.

Mr. MOSER. What else do you go for?

Mr. BURDICK. To talk about advertising.

Mr. MOSER. What kind of cigarettes do you smoke?

Mr. BURDICK. I am not particular what kind I smoke. Any brand, any of the popular brands

Mr. MOSER. All right. Do you collect any of the bills for WOND from your customers?

Mr. BURDICK. I have about four or five of them.

Mr. MOSER. Do you collect them in cash?

Mr. BURDICK. Yes; mostly in cash.

Mr. MOSER. Mostly in cash?

Mr. BURDICK. Yes.

Mr. MOSER. Why do they pay in cash instead of by check?

Mr. BURDICK. They ask me to stop there.

Mr. MOSER. So you stop around town and collect money, is that right?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Have you ever seen any gambling going on?

Mr. BURDICK. I never have.

Mr. BURDICK. Did you ever see any gambling going on in any of the cigar stores?

Mr. BURDICK. No, sir.

Mr. MOSER. Do you own a house?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Your total net income was \$4,880? Does that sound correct?

Mr. BURDICK. Whatever I testified to before.

Mr. MOSER. Yes; and your income the previous year was approximately about \$3,000?

Mr. BURDICK. I guess so, yes.

Mr. MOSER. And in 1947 it was approximately \$2,400? Does that sound about right?

Mr. BURDICK. Yes, net.

Mr. MOSER. Yes.

Mr. BURDICK. Whatever you have before you, I previously told you.

Mr. MOSER. In 1946 it was approximately \$2,900?

Mr. BURDICK. If that is what I have in the record there.

Mr. MOSER. Net income. Do you own a house?

Mr. BURDICK. Yes.

Mr. MOSER. How much is it worth?

Mr. BURDICK. Well, I don't know what you could get for it. I would say around \$20,000.

Mr. MOSER. How much cash did you pay for it?

Mr. BURDICK. \$5,000.

Mr. MOSER. What kind of car do you drive?

Mr. BURDICK. A Cadillac.

Mr. MOSER. Do you have a 1951 Cadillac?

Mr. BURDICK. Yes, sir.

Mr. MOSER. Where did you buy it?

Mr. BURDICK. Atlantic City.

Mr. MOSER. What place?

Mr. BURDICK. At Atlantic Cadillac.

Mr. MOSER. Do you own another Cadillac?

Mr. BURDICK. I have one for sale, a 1947.

Mr. MOSER. A 1947?

Mr. BURDICK. Yes.

Mr. MOSER. Didn't you testify before that it was 1949?

Mr. BURDICK. Oh, no, no, 1947, it is a small one.

Mr. MOSER. You have two Cadillacs?

Mr. BURDICK. It is a 61.

Mr. MOSER. You have two Cadillacs?

Mr. BURDICK. Yes.

Mr. MOSER. How much do you pay for a suit of clothes?

Mr. BURDICK. Well, when I buy one, I buy a good one. I don't buy too many. I think they are up to around \$185, or \$200 now.

Mr. MOSER. I see. We have a letter here from your tailor indicating that you spent a thousand dollars for suits of clothes in the last year. Does that sound right?

Mr. BURDICK. Since when?

Mr. MOSER. In the last year.

Mr. BURDICK. When?

Mr. MOSER. On June 1, 1951, you ordered a suit for \$250, does that sound right?

Mr. BURDICK. June 1?

Mr. MOSER. June 1, 1951, you ordered a suit at a price of \$250.

Mr. BURDICK. I don't think it is that much. I ordered a suit, but I have not paid for it.

Mr. MOSER. Well, you are going to get charged \$250 for it.

On April 30, 1950, you ordered three suits at a total cost of \$600, is that correct?

Mr. BURDICK. Nineteen when?

Mr. MOSER. 1950, April, last year.

Mr. BURDICK. Three suits?

Mr. MOSER. Yes.

Mr. BURDICK. I had a present of one of those suits, didn't I?

Mr. MOSER. It says that you ordered three suits, totaling \$600, which were paid for in full. So you ordered three suits last year.

Mr. BURDICK. That is right. That is all I got in 4 or 5 years probably.

Mr. MOSER. And on December 31, you ordered one suit for \$300, is that correct?

Mr. BURDICK. No.

Mr. MOSER. That was paid for by Mrs. Burdick. Is that her suit?

Mr. BURDICK. She never gives 300 for her suit.

Mr. MOSER. The tailor says December 1950 you ordered one suit for \$300, and it was paid for in full by Mrs. Burdick.

Mr. BURDICK. I don't think so.

Mr. MOSER. Is that record incorrect?

Mr. BURDICK. I think it is.

Mr. MOSER. On June 30, 1950, you ordered one jacket at \$150, which has been paid for.

Mr. BURDICK. What year is this?

Mr. MOSER. 1950, last June.

Mr. BURDICK. I might have. I don't know.

Mr. MOSER. That is probably correct, isn't it?

Mr. BURDICK. I don't know. I wouldn't say whether it is correct or not. I don't think I got a jacket last year. I think it was 1950.

Mr. MOSER. Why did you go to see a cigar store operator yesterday named Kaplan? Why did you go to see him after he testified before this committee?

Mr. BURDICK. I got a mysterious phone call.

Mr. MOSER. Yes.

Mr. BURDICK. That he was before your committee and that he said something about me, and I turned around and I phoned Mr. Miller, and drove Mr. Miller up there, my attorney. I did not talk to Kaplan.

Mr. MOSER. Why did you go to see him? Isn't he entitled to testify before this committee without taking your attorney to see him?

Mr. BURDICK. That is all I did. I thought I was doing right.

Mr. MOSER. Did you go to see any other witnesses who testified before this committee?

Mr. BURDICK. No.

Mr. MOSER. Why did you go to see him?

Mr. BURDICK. I got a mysterious phone call. He said something about me is what I was told.

Mr. MOSER. What did you talk about when you went to see him?

Mr. BURDICK. I didn't talk to him.

Mr. MOSER. Were you there when he was talked to?

Mr. BURDICK. No.

Mr. MOSER. Where were you when your attorney talked to him?

Mr. BURDICK. I sat in a car around the corner.

Mr. MOSER. Mr. Miller talked to him?

Mr. BURDICK. Yes, sir.

Mr. MOSER. You did not go in?

Mr. BURDICK. No, sir.

Mr. MOSER. Why did you sit in the car instead of going in?

Mr. BURDICK. I didn't want to go in, and I told my attorney to do so.

Mr. MOSER. Why did you tell your attorney to talk to him?

Mr. BURDICK. I wanted to know what he said about me.

Mr. MOSER. Mr. Miller, what did you talk to him about?

Mr. MILLER. Well, these are the circumstances. Mr. Burdick called me on the phone and stated to me that he received a phone call regarding someone having testified before the committee concerning him, and I met him and discussed the situation with him.

The CHAIRMAN. Are you now giving testimony? Do you wish to testify?

Mr. MILLER. Mr. Moser asked me to state something.

The CHAIRMAN. Well, in all cases we ask the witnesses to be sworn. I am sure you will have no objection.

Mr. MILLER. No.

The CHAIRMAN. In the presence of the Almighty God, do you swear that the testimony you shall give shall be the truth, the whole truth, and nothing but the truth?

Mr. MILLER. I do.

TESTIMONY OF HARRY MILLER, ATTORNEY, ATLANTIC CITY, N. J.

The CHAIRMAN. You have already been identified, Counsel, so you will just proceed.

Senator HUNT. Please move the microphone over to Mr. Miller.

Mr. MILLER. Well, I drove down there with Mr. Burdick, and Mr. Burdick called the man who has been referred to here as Mr. Kaplan, and introduced me. I was double-parked at the time, so I pulled around the corner. I then went into this cigar store and asked him whether he had testified before this committee, and he told me that he had.

I felt that my obligation to my client was being carried out, so that I might possibly advise him with respect to his rights in this investigation, and I felt that that warranted my making an investigation

with respect to what might have been testified to, and what was testified to.

I engaged Mr. Kaplan in a conversation, and he told me——

Mr. MOSER. What did he tell you?

Mr. MILLER. He told me that he had been before the committee, and he told me that he had identified Mr. Burdick as having been in that cigar store.

I then went back and discussed the situation with Mr. Burdick, and apprised him of his rights with respect to appearing before this committee.

At that time, of course, I had known that he was under subpoena to come to Washington today to testify, and after I apprised him of his rights, and pointed out his rights to plead his privilege should he so desire, and particularly emphasized to him that it was a personal privilege, that he alone would have to make that determination in that regard, and that is where the matter was left.

Mr. MOSER. Why did you go around and talk to a witness who testified before this committee?

Mr. MILLER. Well, Mr. Moser, I don't know that there was anything improper in that. After all, I was retained as an attorney. I feel that I have a right to make an investigation, just as this committee has a right to make an investigation. How else would I be able to properly advise my client of his rights before this committee in the absence of perhaps making an investigation regarding certain facts.

Mr. MOSER. Have you been around to see any of the other witnesses who were called upon to testify before this committee?

Mr. MILLER. No, sir; I am not interested in any of the witnesses.

Mr. MOSER. Did you see Mr. Kaplan for the purpose of putting any kind of pressure on him?

Mr. MILLER. Absolutely not.

Mr. MOSER. You did not try to intimidate him not to testify?

Mr. MILLER. I don't practice law that way, Mr. Moser.

Mr. MOSER. Mr. Kaplan testified in executive session before this committee, and said that he had been in the cigar-store business. We asked him if he know Mr. Burdick, and he said [reading]:

I do.

How many years have you known him?

Actually, I have seen him around. I have known him and seen him around ever since I have been in Atlantic City. He is not a person that you do not know if you live in town and you go to these different stores the way I used to when I served the different cigar stores and candy stores and drug stores, and I used to meet him in different stores.

You mean as a salesman you would go around from store to store?

That is right.

So you were familiar with most of the candy and cigar stores in town?

That is right.

Did you see him frequently in these candy and cigar stores?

I used to bump into him every once in a while.

Did you get the impression that he went quite often to cigar stores and candy stores?

I couldn't honestly say that. I would see him. That is all I could tell you. How many times? It didn't enter my mind.

You didn't see him unduly frequently?

Not as far as I was concerned.

There is a fellow in a room in back of your store carrying on some kind of a business?

No more.

But there was?

There was.

What did he have? A horse room?

That is right.

A small horse room?

Yes, sir. Dollar and two-dollar bets.

Did he have telephones in there?

No, sir.

Where did he get his racing information?

Radio.

Do you know what station he used?

WOND.

That gives prompt and current racing news?

That is right, sir.

Do most of the horse rooms in town use that?

Practically 95 percent of them. I would say safely, because that is the only station you can get results in Atlantic City outside of WMID.

Do they give prompt results, too?

Yes; they give results, too.

An owner of a horse room can get the news right over the radio?

What do you mean?

He doesn't have to pay anybody to get that?

Nobody is going to stop him from tuning in on the radio if they don't know he is there tuning it in. You can tune in at home, and get it. Plenty of people operate at home and behind apartment doors and do nothing but telephone business. Real bookies. My store was not considered a real bookie. If we wrote \$75 or \$80 a day, we wrote a lot—ones and twos.

Now, I will not read all of this because it will take much time.

And further down he says that this is just a walk-in place. Then I said [reading]:

Has Burdick ever come into your place?

Yes, he had.

How often?

He used to come in there every week, every Thursday.

Every Thursday?

That is right. To buy a pack of cigarettes and I was told to pay him \$10, and I paid him \$10 with the pack of cigarettes.

You gave him \$10 with the cigarettes?

That is right.

Do you know what that \$10 was for?

From what I surmised—I wasn't told what it was for——

You do not have to say what you surmised.

From what I understood, the man told me, the man who had the back room—he is out of town now, he is somewhere in Hot Springs, Ark.—there is something out there he is trying to get into. I do not know what it is all about. When the four horsemen started the mess around here, these boys disappeared. That was all. They had to get out of town. They were told to get out of town. They couldn't operate.

Then I will skip some more and go on:

He told you to pay the \$10?

He told me to give a man who came in, with kind of gray temples and who would pull up in a red Cadillac with the license number A—something—7—“When he asks for a pack of Philip Morris, you will put a \$10 bill in and hand it to him.” I did it. I got the \$10 back every week.

The man in the back room reimbursed you?

I asked him what it was for and he said, “You have to get information when they are running, what time they get off. That is part of the expense.”

The information he got he got over the radio?

That is right. I believe from what I understand, as I told you from what I gathered, that in order to get the results or the information over WOND, this Burdick had something to do with it. They specified every race and the time it went off and everything else that a bookmaker had to know.

Why do you suppose they had to pay \$10 in order to do that?

To keep that station going. That station isn't going to make money. They are not affiliated with any big stations. They are not affiliated with CBS.

This was a contribution to the station?

That is the way I understand it.

Do you think Lester Burdick did this in other stores?

I guess so. I am sure I wasn't the only one who handed it to him.

You are sure you weren't?

I am positive.

Now, that is all I will read for a while.

The CHAIRMAN. Mr. Burdick, you have heard the testimony read. Does that conform with your understanding?

Mr. MILLER. May I just talk to the witness for a moment?

The CHAIRMAN. Yes.

(Counsel confers with witness.)

The CHAIRMAN. Now, you have consulted with your counsel. Mr. Burdick, have you anything to say?

Mr. BURDICK. Is that the question he wants, what you read?

The CHAIRMAN. I asked you that question, because a lot of testimony has been read, and my question is What, if anything, have you to say concerning it?

Mr. BURDICK. I refuse to answer on the ground it is liable to incriminate me.

The CHAIRMAN. To incriminate you of what?

Mr. BURDICK. A Federal offense.

The CHAIRMAN. What criminal offense?

Mr. BURDICK. Internal revenue.

The CHAIRMAN. In other words, you feel that an answer to that question might result in prosecution for a violation of the income tax laws?

Mr. BURDICK. Yes.

Mr. MOSER. I would like to read some more testimony from Mr. Kaplan. He said that the slough was on and that they were shut down for quite a while. He said that he had told the man in the back room not to work because the slough was on.

Then I said [reading]:

Did Mr. Burdick come in shortly after that?

I guess he found out he was back in the back room again. How he found out, I do not know. While the slough was on he came around one week and I told him I wouldn't pay him anything because we weren't working.

He asked you for the money?

No. I told him I had nothing for him because he wasn't here.

Later on?

He came back again, and we had been working for a week.

So he came back and what did he say then?

He said, "Straighten it out yet?"

I said, "Go back and see him."

He said, "No; you go back and see him." He never went back there. I went back there and he said, "Give him \$10." So I gave him \$10.

That continued until when?

Until 5, 6 weeks ago. Then this fellow got something to do out there and he left town and went out there and I haven't made any connection since because I do not think it is worth it.

Then Mr. Kaplan also said he was afraid to testify before this committee because he was in fear of reprisal.

Now, Mr. Burdick, you have refused to answer the question with regard to this \$10. I would like to ask you another question. Have you collected \$10 or any other amount from any other cigar stores in the same manner?

Mr. BURDICK. I refuse to answer on my constitutional rights.

Mr. MOSER. I see. All right.

Mr. MILLER. We can stipulate that the reason is it might tend to incriminate him, can't we?

The CHAIRMAN. Yes; and Counsel, in all these instances, it can be understood that his refusal is based upon his belief that it would tend to incriminate him and, of course, it may also be understood that he is directed to answer the question, by the chairman, and still refuses.

Mr. MILLER. Yes, sir.

Mr. MOSER. Mr. Burdick, you stated that the wire service that you paid for in the station was AP service.

Mr. BURDICK. Yes.

Mr. MOSER. The records of the radio station reveal that one or at least one of the charges made against you was Transradio sports wire, \$231.66. The other items are just race wire service.

Now, do you deny that you paid the Transradio sports wire?

Mr. BURDICK. Wait a minute now. I explained that before, that I got a note and the station is paying it off, and that amount was included in the note.

Mr. MOSER. So the payment of Transradio sports wire was payment for the note?

Mr. BURDICK. No; they paid me back.

Mr. MOSER. They paid you back, but they didn't pay you, they paid the bank?

Mr. BURDICK. They paid the bank.

Mr. MOSER. Well, you don't deny that in addition to paying the note back, that you paid \$200 a month for the service, too, did you not?

Mr. BURDICK. I paid \$50 a week for the AP. I don't pay for Transradio.

Mr. MOSER. I see. Mr. Burdick, I want to know why you, a salesman for a radio station, who does not own the station and has no interest in it, and have no other connection with it, other than getting the news, pays a runner to carry the news around to the sports announcer, and pays the salary of the announcer, and pays for a service which you claim is not race wire service, but which Mr. Rupp and the other people in the station say is a race wire service. I want to know why you are paying for the race wire news, and then going around to bookie shops and collecting \$10, and perhaps doing that with cigar stores all through the town.

What is your answer to that?

Mr. BURDICK (conferring with counsel). I refuse to answer.

The CHAIRMAN. Counsel, of course, the Chair wishes to admonish the witness that he is instructed to answer, and he now refuses to answer on the ground that it will tend to incriminate him.

Mr. MILLER. I did not mean to interrupt, but I felt the question was so framed that it included a cover-all question, and I felt that I ought to call it to his attention, so if he so desires he might exercise his rights.

The CHAIRMAN. You are acting entirely within your rights and you don't have to give any reason for it.

Mr. MILLER. Yes, sir.

Mr. MOSER. Well, you say the amount paid for race wire service for Transradio sports wire was to pay off a debt. The books of the company don't reveal that. They show a charge for service, and it is specifically identified as Transradio sports wire.

Mr. BURDICK. The books of the company might be wrong. I don't know. The company owes me some money, unless they have taken it off. I don't know. The books are all balled up over there.

Mr. MOSER. Mr. Burdick, isn't it true that you, in your political activity, and in your official connections, or visits, going around to cigar shops which have bookies in the back of them, that you threaten to have them closed up through the police department if they don't pay you \$10 a week or some similar amount?

Mr. BURDICK (conferring with counsel). I refuse to answer.

Mr. MOSER. You refuse to answer on the ground that it may incriminate you, is that correct?

Mr. BURDICK. Yes, sir.

Mr. MOSER. That is all we want to ask you.

The CHAIRMAN. That is all. Thank you.

Mr. MOSER. The next witness will be Mr. McCallum.

The CHAIRMAN. Mr. McCallum, will you raise your right hand and be sworn, please?

In the presence of the Almighty God do you swear that the testimony which you are about to give shall be the truth, the whole truth and nothing but the truth?

Mr. McCALLUM. I do.

TESTIMONY OF GEORGE SAMUEL McCALLUM, ATLANTIC CITY, N. J.

The CHAIRMAN. Now, your full name, please.

Mr. McCALLUM. George Samuel McCallum.

The CHAIRMAN. McCallum?

Mr. McCALLUM. Yes, sir.

The CHAIRMAN. And your address?

Mr. McCALLUM. 111 Shinn Terrace.

The CHAIRMAN. Of what city?

Mr. McCALLUM. Atlantic City, N. J.

The CHAIRMAN. Could I ask you now to move in, please, a little closer, and move those microphones over? Thank you very much. What is your business?

Mr. McCALLUM. Right now I am unemployed.

Mr. MOSER. Unemployed.

Mr. McCALLUM. Yes, sir.

The CHAIRMAN. How long have you lived in Atlantic City?

Mr. McCALLUM. Since I am 14 years old.

The CHAIRMAN. Well, how long would that be, approximately?

Mr. McCALLUM. 18 years.

The CHAIRMAN. Eighteen years?

Mr. McCALLUM. Eighteen or better.

The CHAIRMAN. What was the last work you did and with whom were you associated?

Mr. McCALLUM. The last work I done was to operate a horse room on 5 South Michigan Avenue.

The CHAIRMAN. All right, Mr. Moser.

But first, you say you operated a horse room?

Mr. McCALLUM. I worked for a person that operated it.

The CHAIRMAN. You worked for a person who operated a horse room at 5 South Michigan Avenue?

Mr. McCALLUM. That is right, Atlantic City, N. J.

The CHAIRMAN. All right, Mr. Moser.

Mr. MOSER. Now, have you operated horse rooms for a good many years?

Mr. McCALLUM. I never operated a horse room myself. I always worked for someone.

Mr. MOSER. You have been in one or the other for a good many years?

Mr. McCALLUM. A good many years, since 1937.

Mr. MOSER. Since 1937. Who did you work for at that time?

Mr. McCALLUM. From 1937 to 1939 I was not exactly working—I run errands and helped around for Sam Cameratti at 1917 Atlantic Avenue.

Mr. MOSER. What kind of an establishment did Sam Camarota have?

Mr. McCALLUM. That was a horse room.

Mr. MOSER. Did they have any other gambling besides that?

Mr. McCALLUM. On week ends they had a dice table and I used to pick up the dice.

Mr. MOSER. At night?

Mr. McCALLUM. In the afternoon.

Mr. MOSER. Were you stick man in the dice room?

Mr. McCALLUM. On occasions. I never worked there steady. Sam was more of a benefactor to me. He used to throw me a couple of dollars. There was no straight pay attached to it at all.

Mr. MOSER. You did not work regularly at all for him?

Mr. McCALLUM. No.

Mr. MOSER. Did you ever work in the Plaza Cigar Store?

Mr. McCALLUM. Yes, sir.

Mr. MOSER. What kind of a set-up was that?

Mr. McCALLUM. That was a small cigar store at 2019 Pacific Avenue, owned by Jack Berenato.

Mr. MOSER. Is that the man who runs the restaurant there?

Mr. McCALLUM. Yes, sir.

Mr. MOSER. He operated that cigar store at that time?

Mr. McCALLUM. Yes, sir.

Mr. MOSER. What did you do there?

Mr. McCALLUM. Well, I think that was about in 1941 that I went to work there for about \$3 a day salary, as a handy man, and I worked on the crap table.

Mr. MOSER. He had a crap table, did he?

Mr. McCALLUM. During the afternoon and week ends.

Mr. MOSER. Did he have a cigar-store front?

Mr. McCALLUM. He had a cigar-store front and later turned it into a restaurant.

Mr. MOSER. And did you stand in front and see the people that came by?

Mr. McCALLUM. I worked there for about 2 years in the back, picking up dice and running errands, and the third year I was there I was given the cigar store, with a small salary, and was sort of a door man to let people in and out.

Mr. MOSER. Did you have to give the O. K. on people who came and went?

Mr. McCALLUM. Well, if it was someone who wasn't allowed in there, like drunks or anything, I stopped them.

MR. MOSER. I see. But otherwise was it open to the public?

MR. McCALLUM. It was an open place; yes, sir.

MR. MOSER. Now, how about the Shinn Terrace place, you told us at one time you worked there?

MR. McCALLUM. During the period of what they call the slough.

MR. MOSER. Did you work at home?

MR. McCALLUM. I live at 111 Shinn Terrace, and I have a telephone, and I picked up bets on the street and phoned them in.

MR. MOSER. That was when the slough was on?

MR. McCALLUM. During the rough periods.

MR. MOSER. Did you at one time decide to open a horse room of your own?

MR. McCALLUM. Well, in 1947 was the time that I went to the hospital, I had burst an appendix, and I was idle for about a year and a half, or a year, and after that I had been around the street working for another year, just picking up different bets, and I seen that I could do pretty good at it, so I decided to try and go in business for myself.

MR. MOSER. What did you do as a first step?

MR. McCALLUM. I went up to the Guarantee Trust Building, to the Freeholders' office, in the presence of another man. I wouldn't like to mention his name.

MR. MOSER. Whom did you see at the Freeholders' office?

MR. McCALLUM. At the Freeholders' office I met Senator Hap Farley and James Boyd.

MR. MOSER. Yes. What did you say to them?

MR. McCALLUM. Previously before going there, Phil Toppen, who is what they call the third ward committeeman for Atlantic City, I discussed it with him and I said I would like to get a little place, that I thought I could do pretty good at 5 South Michigan. He told me not to mention gambling or anything, but to go up and ask the Senator. I told him that I was going to see him, and he had told me not to mention gambling at all, but to open a bootblack stand of some kind.

So in the presence of this other person I went up there and met the Senator, and he in turn brought me into Mr. Boyd's office, and I explained what I wanted, that I had four children now and things were rough, and I thought I could do pretty good down there, and I would like to open a bootblack stand, and I wouldn't like to be bothered.

So they had a little conference for a few minutes, and Jimmy Boyd telephoned Mr. Lane of the probation office.

MR. MOSER. Did Farley say anything to Boyd about what he decided?

MR. McCALLUM. He mumbled like, "Take care of him," in some sort of way like that.

MR. MOSER. He indicated that Boyd should take care of you?

MR. McCALLUM. Yes.

MR. MOSER. Did you say he telephoned someone?

MR. McCALLUM. Mr. Boyd, after I discussed it with Mr. Boyd, he in turn—and I still had this other witness with me when Mr. Boyd was there, too—and he in turn calls in Lane at the probation office, which is in the same building on the third floor.

MR. MOSER. On the telephone?

MR. McCALLUM. On the telephone.

Mr. Moser. What did he say?

Mr. McCallum. "George is coming down, take care of him." I walked down there with the same witness, and I went into the probation office, and I met Mr. Lane and he said, "O. K., son, go ahead, go out and make a living."

I now needed someone to buy the store for me. It was a restaurant that was closed. So I went to a friend of mine, who has a tavern, and I had always been good for a touch with him, so I promoted him on the idea of buying the restaurant. So we got the restaurant open; for a month I cooked, and as soon as we got the lease I turned it into a horse room.

Mr. Moser. You turned it into a horse room?

Mr. McCallum. A horse room.

Mr. Moser. How long did you operate it as a horse room?

Mr. McCallum. I operated there for a period of about 10 weeks.

Mr. Moser. And then what happened?

Mr. McCallum. The man that bought the place from me, the business got pretty good, and he put me on the payroll instead of a partnership. So I waited around a couple of more weeks and borrowed some money, and I bought the store out next door and opened up a bootblack parlor, with booking in the back.

Now I needed a bank-roll man, so I went to a person by the name of Barney Marion, and he bank-rolled me.

Mr. Moser. Who did you turn your bets over to?

Mr. McCallum. This Barney Marion was doing the booking at that time. I turned my numbers over to Haggerty.

Mr. Moser. You turned your numbers in to Haggerty?

Mr. McCallum. Yes.

Mr. Moser. And your bookmaking you turned in to whom?

Mr. McCallum. We booked on the premises. I had 50 percent of the winnings.

Mr. Moser. How long did you operate that way?

Mr. McCallum. That was during the summer, for 2 months, up until September 15, around the 15th of September.

Mr. Moser. Then what happened? Were you closed up?

Mr. McCallum. Sergeant Sullivan of the Vice Squad had come around about September 17 of the same year, and he seen seven or eight people, I had my wife tending door, and as Barney was out entirely, I was throwing in my lay-off bets to Haggerty, and booking dollar bets myself, with a small bank roll, and I had no phone, as someone had called up Trenton and had my phone shut off.

Mr. Moser. In other words, you were being closed up.

Mr. McCallum. Gradually.

Mr. Moser. What did you do?

Mr. McCallum. Sergeant Sullivan stopped in and he said, "Your license doesn't cover for that." He said, "I want you to keep this door locked."

So I then got a baby sitter for the kids, and my wife come around, she was my doorman. I was going along booking in the back.

Mr. Moser. Sullivan said you had to keep the door locked?

Mr. McCallum. He was all by himself that time.

Mr. Moser. So you let your customers come in through the locked door?

Mr. McCallum. My wife opened the door for them.

Mr. Moser. All right.

Mr. McCALLUM. So about 10 days went by, and as she unlocked the door one day they pushed it in, Sullivan and Hanesberry of the vice squad.

Mr. MOSER. You need not go into all the details. You were closed up?

Mr. McCALLUM. I was closed up.

Mr. MOSER. What did you do about it when you were closed up?

Mr. McCALLUM. Well, they didn't arrest me that first time. Philip Toppen interceded for me. About 5 days later I tried to sell the place for \$700. I had a buyer. So they refused to let this fellow buy it.

Mr. MOSER. Who is "they" who refused to let you do this?

Mr. McCALLUM. Philip Toppen intervened and said, "No one will go if I cannot run."

Mr. MOSER. Who did you talk to as to whether you could sell it?

Mr. McCALLUM. The fellow that was going to buy it came to me and said, "I cannot operate there. I don't want to buy it."

So I stayed open temporarily for 2 days, and Sullivan and Hanesberry kicked the window through.

Mr. MOSER. You were closed again?

Mr. McCALLUM. Yes.

Mr. MOSER. Never mind the details. The fact is that they closed you up.

Mr. McCALLUM. They closed me up.

Mr. MOSER. Did you complain to somebody?

Mr. McCALLUM. They locked me up this time, they chopped the window up and booked me under a disorderly house, lottery, and gambling, three charges. I was held under \$3,500 bail.

Mr. MOSER. Did you get a lawyer?

Mr. McCALLUM. I didn't have no money for a lawyer.

Mr. MOSER. What did you do about it, just go to jail?

Mr. McCALLUM. A friend of mine signed the bail bond. I went to see Senator Farley the next day by myself, and asked what kind of an O. K. I had.

Mr. MOSER. What did he say to that?

Mr. McCALLUM. He said, "Don't worry too much about it. I will see what I can do for you."

A week went by. I was then called before Judge Damico, the recorder's court, and he continued my bail with the same three charges, \$3,500.

I then went back with my wife to Senator Farley in the same building, and in the presence of my wife he told me that he would positively take care of it, that he would get in touch with Prosecutor Scott.

Mr. MOSER. Then what happened?

Mr. McCALLUM. Another week went by, and I got a notice to appear in Mays Landing, to what they call "cop a plea." It was a subpena. I then went back to him and he had told me—

Mr. MOSER. Went back to whom?

Mr. McCALLUM. To Senator Farley.

Mr. MOSER. Yes, and what did he tell you then?

Mr. McCALLUM. He then told me, he said, "You get in touch with Vince Lane of the probation office as soon as you get the notice."

So I went up to Vince Lane's office when I had my notice, and showed it to him. He told me, "Don't worry about it." And he picked the phone up and called the assistant prosecutor, in the presence of me, on the phone, and he said: "The Senator is interested in this boy. Will you please take care of him."

I then went home. Two days later, with the notice that I had to appear in Mays Landing, and I pleaded "not guilty." I was held for the jury for the following week. One week later it came up, and in the meantime they got in touch with my attorney. Mr. Lane got in touch with my attorney, and I was told by the attorney to plead non vult. I pleaded non vult, and they gave me a sentence of 5 years' probation and a \$350 fine.

Mr. MOSER. Did you complain to anybody about that?

Mr. McCALLUM. After I come from the court, I had to report to the probation office to get my book. I told Mr. Lane that I thought I would have been better off if I had faced the grand jury; that they threw the book at me—5 years. No one in Atlantic County got 5 years. Big gamblers got 2 years' probation, and they gave me 5 years and a \$350 fine.

Mr. MOSER. What did he say?

Mr. McCALLUM. In response to that, Mr. Lane said to me, "You had better keep your big mouth shut or you will find yourself winding up dumped in a lot somewhere."

The clerk gave me the book and told me to report every week as told by the rules of the regulation book.

I missed one week, and they sent me a final notice 2 days later.

Mr. MOSER. Now, while you were operating a bookie joint back in 1949, did you pay any protection money to anybody?

Mr. McCALLUM. Yes; I did. Two district men, Surmania and Myoria, they are under indictment right now through me.

Mr. MOSER. Are they the policemen?

Mr. McCALLUM. Two district detectives.

Mr. MOSER. What did you pay them?

Mr. McCALLUM. I paid them \$5 apiece each Saturday.

Mr. MOSER. Did they come in and ask for it?

Mr. McCALLUM. One week one man would come and collect \$10 from me, and the next week the other would come and collect the same \$10.

Mr. MOSER. Were you a member of the Third Ward United Republican Club?

Mr. McCALLUM. Yes. A man by the name of Leo Lewin brought that card down to me, and I had to sign up and pay \$5 a month dues to the Third Ward Republican Club.

Mr. MOSER. You had to pay what?

Mr. McCALLUM. Five dollars a month. Ordinarily it is \$4 a year to belong to the club.

Mr. MOSER. It is ordinarily \$4 a year and you paid \$5 a month?

Mr. McCALLUM. Yes.

Mr. MOSER. You paid an initiation fee besides?

Mr. McCALLUM. Five dollars.

Mr. MOSER. Why did you have to pay so much?

Mr. McCALLUM. That is the rules.

Mr. MOSER. Did they tell you that?

Mr. McCALLUM. Mr. Lewin told me that; yes, that is the regular fee.

Mr. Moser. Did he say you would not be able to stay open if you would not join?

Mr. McCALLUM. No.

Mr. Moser. He just told you you had to join?

Mr. McCALLUM. Yes, and also the same Mr. Lewin, every Monday, brought me \$5 worth of bingo tickets for the third-ward Republican organization bingo club. I had to buy them every Monday.

Mr. Moser. This receipt that I have before me for dues to the Republican club is signed by Frank Beatty. Who is he?

Mr. McCALLUM. He is the police officer there who holds the job with the club of some kind.

Mr. Moser. Now, you caused a lot of trouble for these people, I suppose, because of that?

Mr. McCALLUM. Well, the people that closed me there; yes, I had them indicted. I went before the grand jury and stated my testimony.

Mr. Moser. Were they actually indicted?

Mr. McCALLUM. They were indicted, and their case is pending right now, four of them.

Mr. Moser. Who was indicted?

Mr. McCALLUM. The two district detectives; that is, Myoria and Surmania, and Harry Haggerty and—

Mr. Moser. Why was Harry Haggerty indicted?

Mr. McCALLUM. Through the numbers.

Mr. Moser. You mean you told the police, or you told the grand jury, that he had been in the numbers business; is that it?

Mr. McCALLUM. Well no; someone else had charge of that in that same grand jury.

Mr. Moser. You were not responsible for that?

Mr. McCALLUM. No; I was not responsible for Mr. Haggerty or the other fellow.

Mr. Moser. Was anything done to you to get even for the trouble you caused?

Mr. McCALLUM. Well, previous to that, I, with Barney Marion—I was paying \$25 a week, and there is an FBI man by the name of Spivey, and I had turned the receipts over to him. I was charged \$25 a week, which was given to the vice squad, but I personally did not pay it. It was taken out of my percentage every Saturday night, and was charged to me on a slip of paper.

Mr. Moser. By whom?

Mr. McCALLUM. By Barney Marion, and he in turn gave it to the vice squad.

Mr. Moser. Were any reprisals made against you? Did you ever have anything done to you?

Mr. McCALLUM. Yes; I had a very rough winter. This winter, I had four children, and my sewer line had been blocked up, and I had it fixed by a plumber, and it passed inspection of the board of health and the building inspectors, and all of this, and then they cut the sewer line off with a hacksaw, and I had a board of health notice to vacate the house within 72 hours.

Mr. Moser. Who cut the sewer line?

Mr. McCALLUM. The people that owned the adjoining house. I have a right-of-way there, and my sewer line runs on the right-of-way, and they had a plumber cut it off with a hacksaw without notice.

Mr. MOSER. They don't have anything to do with the city administration?

Mr. McCALLUM. The board of health had it done.

Mr. MOSER. Did anything happen to your truck?

Mr. McCALLUM. A friend of mine bought me a truck. I went in the scrap-iron business. About 4 in the morning, one night, I couldn't get up in time. The truck was sabotaged. Sand was put into the tank, sugar in the oil. All the wires were cut.

Mr. MOSER. You don't know who did that?

Mr. McCALLUM. No.

On another occasion, as I was coming home, I had taken a concession in a tavern and I was doing very well the first 2 weeks when the bartenders got at me and I had to fold that business up. On the way home that night two colored men with black bandannas on their face put a gun at me and told me to lay off. They didn't harm me that night.

Two weeks later they slugged me with the butt of a gun. I have the scar here. I jumped up, but I couldn't run after them. They ran away and got into a black sedan, but I could not get the license number.

Mr. MOSER. You couldn't run because you are crippled by infantile paralysis?

Mr. McCALLUM. Yes.

Mr. MOSER. You are still on relief?

Mr. McCALLUM. No; they took the relief away sometime in May.

Mr. MOSER. Why?

Mr. McCALLUM. I wasn't getting State relief. Senator Farley sent my wife to city hall to see a Mr. Lewis, and they told her that he would take care of her and he would give us \$50.85, a money order of some kind, a food order, every 2 weeks. We received that for 3 months in the winter.

Mr. MOSER. Has that been discontinued?

Mr. McCALLUM. That was discontinued in May.

Mr. MOSER. Did you ever have a conversation with Officer Mooney?

Mr. McCALLUM. Yes, sir. Two weeks after I had opened the place at 7 South Michigan Avenue with Mike Carney, Detective Mooney pulled up with Sergeant Sullivan in a Ford car. He called me outside. He had a large sheet of paper. He said to me, "I see you are voting right. Get the green up every Monday."

Mr. MOSER. What did he mean by that?

Mr. McCALLUM. That is an expression for money. I didn't give him anything because I didn't have it.

The CHAIRMAN. Officer Gribbin, will you raise your right hand, please?

In the presence of Almighty God, do you swear the testimony you shall give will be the truth, the whole truth, and nothing but the truth?

Mr. GRIBBIN. I do.

TESTIMONY OF FRANCIS BERNARD GRIBBIN

The CHAIRMAN. Your full name, please?

Mr. GRIBBIN. Francis Bernard Gribbin.

The CHAIRMAN. Spelled G-r-i-b-b-i-n?

Mr. GRIBBIN. Yes.

The CHAIRMAN. Officer Gribbin, what is your address?

Mr. GRIBBIN. 26 North Georgia Avenue, Atlantic City, N. J.

The CHAIRMAN. For how long have you lived in Atlantic City?

Mr. GRIBBIN. Twenty-seven years.

The CHAIRMAN. What is your present position?

Mr. GRIBBIN. Atlantic City Police Force. I am presently working in the radio car, No. 1.

The CHAIRMAN. How long have you been on the force at Atlantic City?

Mr. GRIBBIN. Nine years.

The CHAIRMAN. Mr. Moser.

Mr. MOSER. Are you one of the so-called Four Horsemen?

Mr. GRIBBIN. Yes, sir.

Mr. MOSER. You know anything about gambling activities in Atlantic City?

Mr. GRIBBIN. I know it exists. It exists without any vigorous activity on the part of the main police department to stamp it out.

Mr. MOSER. Is it pretty wide open?

Mr. GRIBBIN. It was wide open. Right now there are a number of bookmakers, numbers banks, that are sneaking, but they are doing very well sneaking due to our activities, and some other policemen who are not on the vice squad, but have made arrests. The rank and file. There are several policemen besides ourselves who are perfectly willing to lock every one of them up, given the opportunity.

Mr. MOSER. You heard Officer Warlich's testimony with regard to the forming of the Four Horsemen and the activities they conducted. Is that all in accordance with your understanding of what happened?

Mr. GRIBBIN. Yes; that is true.

Mr. MOSER. And you were also conducting raids with them; were you?

Mr. GRIBBIN. Yes, sir.

Mr. MOSER. And were you put out on the "Horn"?

Mr. GRIBBIN. They never seemed to bother me. I was working in a radio car. I was not a member of the pay-raise committee. Therefore, there was no persecution or retaliation shown against me. Officer Warlich and Officer Portock—and I would say eight other officers—were moved from their jobs which they had held for years, and they performed those jobs effectively, and they were moved for no reason at all except for reprisals. Portock and Warlich, I would say, a week or so after they were out on the street, were discussing with me the conditions which they were observing, which they had not observed when they worked inside. I told them anytime they wanted my assistance and that of others, we could lock them up, but they should expect reprisals.

Portock and I observed one number man taking numbers, and we grabbed him right there and then.

Mr. MOSER. Are there different syndicates in Atlantic City that take numbers and run bookmaking arrangements?

Mr. GRIBBIN. Yes, sir.

Mr. MOSER. What are the syndicates? How do they work?

Mr. GRIBBIN. It is broken up chiefly in wards. There are four wards in Atlantic City—first, second, third, and fourth. The two number banks on the South Side, from our knowledge, are conducted by two individuals, you might say, Fred Masucci and “Cherry” Haggerty. There is another number bank on the North Side. There is some conflict there now as to who is running it. It was formerly run by Harold Scheper, who is ill at this time and is in the hospital. I do not know who is running it now. That consists of the banks.

Mr. Rubenstein, who formerly had a bank, is now partner with Fred Masucci, to the best of our knowledge; and along with Masucci, he is supposed to be a partner of Stumpy Orman.

In other words, Masucci, Rubenstein, and Orman are one combine. “Cherry” Haggerty, Hogan, and Messina are another combine on the South Side. On the North Side, I couldn't give you anything definite. It is all mixed up there.

Mr. MOSER. You say Orman is in this? Does Orman have anything else to do with the rackets?

Mr. GRIBBIN. Orman is the undisputed boss of rackets. Nothing goes in Atlantic City, from little chance games on the Boardwalk to numbers or anything else, unless he gives his O. K. to it.

Mr. MOSER. And does he have any political influence?

Mr. GRIBBIN. I would say that is where his racket influence stems from, his political connections.

Mr. MOSER. Are there any other connections between the rackets and the political organizations?

Mr. GRIBBIN. Through your ward leaders.

Mr. MOSER. The ward leaders?

Mr. GRIBBIN. Anything you are going to open in Atlantic City, if you open a cigar store, a short time afterward you will be visited by some member of a number bank who wants to back the numbers you will be writing. You will also be approached by some representative of the bookmaker who wants to book the horses which you are going to book. But you cannot book horses. You can only book them at 50 percent of the losses. It is according to the ward you live in which bookmaker you are going to call and turn your horses to. The only way you can be a small bookmaker in a store and be unmolested is to be on the right side of the ward leader. He, in turn, has influence with Orman to see they are not molested by the vice squad.

Mr. MOSER. Does the ward leader ever come around to see these people or does he do it through somebody else?

Mr. GRIBBIN. They mostly have lieutenants who do their talking for them. In some cases they go around themselves.

Mr. MOSER. Are these places forced to make contributions to the political organizations?

Mr. GRIBBIN. Yes. You make political contributions, contributions to the yearbook. You belong to the Republican Party. You make outright donations for purposes which you might not even know. You will also support the local radio station which gives race results. Whatever requirements you make, you will be told when the party comes around.

Mr. MOSER. The previous witness, Mr. McCallum, said that he had to pay \$5 a month to belong to the Third Ward Republican Club, whereas other members had to pay \$5 a year, \$4 a year; is that correct?

Mr. GRIBBIN. I would say "yes." I have heard it from others, but that even includes the police. I mean the policemen. I do not have anything to do with the Republican organization at present, but I received a card for \$30 dues for the year, whether I like it or not. I have to get it up. If I do not, I will be out of the radio car.

Mr. MOSER. Is this dues notice from the Atlantic County Republican Committee similar to what you received?

Mr. GRIBBIN. Yes, sir.

Mr. MOSER. Do other employees of the city receive that?

Mr. GRIBBIN. Well, a day or two after I received mine, it was common knowledge and talk in the grill room that everybody had received them.

Mr. MOSER. The note on the back of this one, which was sent to us anonymously, says:

This is only part of what we are required to pay for the privilege to work for the city of Atlantic City in this free country, United States of America.

Then there is a postscript:

This money is not dues; it is kick back.

Mr. GRIBBIN. Mr. Moser, I do not believe that one in particular was sent to policemen.

Mr. MOSER. I do not know. We just received it in the mail.

Mr. GRIBBIN. May I see that closely, please?

(The card was examined by the witness.)

Mr. GRIBBIN. The one we received was similar to this, but has our name and home address and the department in which we are employed right in there. I am not sure about this year, but I believe in previous years men who were on the full pay, they paid the full \$30; but other members who have only been on a year or so are assessed accordingly, \$15, until they are full-pay men.

Mr. MOSER. What would happen if they did not pay it?

Mr. GRIBBIN. If you are in plain clothes or on a motorcycle, whatever job you are doing, or like, you will be moved or moved to outlying districts.

Mr. MOSER. If you do not make that payment of dues to the Atlantic Republican Committee, you will suffer some type of reprisal?

Mr. GRIBBIN. Yes; you will suffer. You will be told that the "ice" is due.

Mr. MOSER. Do they use the expression, "The ice is due"?

Mr. GRIBBIN. That is the expression.

Mr. MOSER. Is that frequently done?

Mr. GRIBBIN. Once a year, a short time before election.

Mr. MOSER. Was any pressure ever put on you to change your activities as the four horsemen?

Mr. GRIBBIN. Yes; I was spoken to by Mr. Boyd. Director Kerstetter notified me at my home to come in to his office and I came there, to his office.

Mr. MOSER. To whose office?

Mr. GRIBBIN. Assistant Director Kerstetter.

Mr. MOSER. You went to Kerstetter's office?

Mr. GRIBBIN. He told me Jimmie Boyd wanted to see me. He said, "Wait a minute," and he picked up the telephone and he spoke to Mr. Boyd on the telephone. It was a quarter to 12. He asked him, "Do you want to see Gribbin before you go to lunch or after lunch?"

Apparently Boyd said, "I will see him right now."

He hung up the phone and told me to go right over to Boyd's office, which is about two blocks away from the city hall. I walked over there and spoke to his secretary outside the office and I waited there for an hour, about 15 minutes. I didn't want to see him. He wanted to see me. So I didn't see any reason why I should wait. So I walked out. I was in a restaurant having coffee. Michael McGilley and Red Ring, two patrolmen in the radio car, came to the restaurant and told me I was wanted in Boyd's office. I asked them, "Are you sure the door will be open when I get there?"

They didn't know. They drove me to Boyd's office, and I went in to the office and he pretended he didn't know me. He eventually said, "You are Gribbin, aren't you?"

I said, "That is right."

"Mr. Gribbin, I have been hearing a lot of bad stories about you, doing a lot of extra police work off duty, causing a lot of bad publicity for the organization, and in general disrupting the town. You used to be a good police officer, and I do not know what has come over you."

I went into a discussion of the Kaiser case in which Portock arrested a bookmaker. I was in the radio car and Officer Portock called me. Portock asked him who he wrote numbers for. He mentioned a numbers man. The name he gave was Bickstein, but he meant Rubenstein. He mentioned it incorrectly. He said Bickstein, but meant Rubenstein. After the arrest was made, I was working 8 to 4 that day and Jack asked me about getting a warrant for Rubenstein. I advised him not to try to do it because the man pronounced the name incorrectly and it was a very weak case. The chances were he would get the warrant, but it would not stand up in the municipal court. I advised him against it. He followed my advice.

When I went home that night, around 5 o'clock, I was advised by radio car that I had been transferred from my platoon and taken out of the radio car.

So the next day, Kerstetter called me.

What he was referring to was that incident in the Kaiser case, how I helped Kaiser and as a reward for that, he told me, "You know you are in a radio car against my will."

Mr. Moser. Boyd said you were in the radio car against his will?

Mr. GRIBBIN. That is right.

"You know that, don't you?"

I said, "I do."

He said, "You know I have a sick man in my ward whom I wanted to put in there."

I said, "I know that, and I know who the man is. It is McGilley."

He said, "That is correct."

Then he went on to say, "But in view of the fact that you helped Mr. Kaiser, at least you didn't put any pressure on Portock to make a big case of it, I am going to see you are transferred back to your own platoon and put back in your own radio car."

It was a little after 2:30 by that time. I had looked at my watch. He said, "What time do you go to work?"

I said, "I go to work at 4 o'clock, which you should know."

I had previously gone to work at 8 in the morning before they transferred me.

He went over to the door and spoke to his secretary and said, "Get Tod for me."

Mr. MOSER. That is Tod Kerstetter?

Mr. GRIBBIN. It should be Tod Kerstetter. Then he came back into the room and was giving me a lecture on, "You can't beat city hall. It is a big organization. You are bucking your head against a wall. Leave Portock to take care of Portock and Warlich to take care of Warlich and you take care of Gribbin, and in the future see that you don't go out of your way to make arrests, and I don't think anything will happen to you. But if you don't, somebody is going to get hurt."

By that time the secretary called him back to the phone and he stepped outside the door. He came back in a matter of 2 minutes and told me, "Gribbin, don't go to work today, but go in tomorrow morning at 8 o'clock. You will report to your own platoon and your own radio car."

When I got up I said, "I am not under any obligation to you. I didn't ask you to take me out of the car or put me back in the car."

He said, "Have it your own way."

I left and in an hour or so we made another arrest.

The next morning I reported to work and reported to my own platoon and was in my own radio car.

It consisted of being assigned to Director Kerstetter's office for the day to account for my time, but I didn't do anything. I went home and went to bed.

Mr. MOSER. Mr. Gribbin, you heard Mr. Boyd's testimony regarding this same incident?

Mr. GRIBBIN. I heard part of it. I was sitting in the back and I did not hear too well. I heard most of it.

Mr. MOSER. First, why did you go to Mr. Boyd? He is the clerk of the board of freeholders. He testified he has nothing to do with the police department. Why did you go to him?

Mr. GRIBBIN. The previous day before I went to the office, as I explained to you, Officer Portock arrested Kaiser after going off duty that day and after I went home at 5:30 I was told I was transferred. That was the day before the meeting with Boyd.

Mr. MOSER. I am asking you why Boyd was the one you went to see?

Mr. GRIBBIN. Wait a minute, wait a minute, wait a minute. The next morning, ordinarily I would have gone to work at 8 in the morning, as I was transferred. However, I didn't go to work until 4 o'clock in the afternoon. I was home in my residence when a radio car came in and a police officer told me to get in touch with No. 10. On our radio code No. 10 is the chief. So I got dressed, took my car, and went up to the chief's office, and in his place I found Director Kerstetter. The chief was on vacation. He told me to go see Mr. Boyd. He picked up the telephone, asked Mr. Boyd if he wanted to see me then or after lunch. Evidently Boyd said now. He said to come right over there.

Mr. MOSER. Mr. Boyd testified that Mr. Kerstetter had just seen you casually around and suggested that you go and have a friendly chat with Mr. Boyd. Is that contrary to the fact?

Mr. GRIBBIN. No, sir. I was summoned in to his office by radio car. Records will show who was in that radio car. Offhand I forget now.

Mr. MOSER. Mr. Boyd testified he was just giving you friendly advice; is that correct?

Mr. GRIBBIN. No, sir. He said, "If it doesn't stop, somebody will be hurt."

Mr. MOSER. Did you ever have conversations with Murray Fredericks, the city solicitor, on this subject?

Mr. GRIBBIN. Yes, I did; in the Schwimm Building. I don't recall the exact day. Officer Warlich asked Portock and me if we wanted to speak to him because he had received some notification of some sort to be in his office. We went up there. We sat in his office and we were introduced to him. It was the first time I had ever met the man. He gave us a lecture similar to the one Mr. Boyd gave me. Bad publicity for the town, the racket men not being as bad as we made them out. He personally stated he did not care for any of them, but he was interested in the organization and the bad publicity. He asked us what one thing he could do for us which would bring about harmony within the police department and end this bad publicity.

So Officer Warlich, who was doing most of the talking, told him as far as we were concerned there wasn't any one thing to be done except for the racket men to get out of town.

He said, "Right now we are considering going after a lot of prostitutes. If you want to get us assigned on special detail, that is the most you can do for us."

He said, "I will take it up with the right party, the proper person." That was the way he worded it. He said he would let us know in a day or two.

I believe Warlich got an answer by telephone that it could not be done, that we were too bad, had made too many enemies, and Senator Farley was mad at us and everybody was mad at us.

Mr. MOSER. You think there is a strong friendship between the racket element and the politicians in town?

Mr. GRIBBIN. Very strong. It is very evident on the street. You see politicians. You see Mr. Fredericks in the company of Mr. Rubenstein; you see him parked in front of his house, sitting in the car talking; I see him in the company of Mr. Orman; I see him in the company of Mr. Masucci—all men with criminal records. He is city solicitor. There must be some connection there.

Mr. MOSER. You heard the chief of police testify that there had been 300 arrests of gamblers since 1947?

Mr. GRIBBIN. Yes, sir.

Mr. MOSER. Can you tell us in what years those occurred?

Mr. GRIBBIN. They occurred, I would say, chiefly in the years that Dickson was operating in Atlantic City, Warren Dickson, the special deputy attorney general.

Mr. MOSER. In 1947 Mr. Dickson was sent down by the attorney general as a special assistant to prosecute gambling in Atlantic City?

Mr. GRIBBIN. That is correct.

Mr. MOSER. Did he effect a number of arrests?

Mr. GRIBBIN. He effected a number of arrests, important arrests. The police officials selected the rookies in the police department at the time, men whom the racket men did not know, men who were inside on office jobs, and so forth, and they turned them loose in town. For a period of 6 months they really did do a terrific job. They arrested everybody. But I do not believe they made that many arrests. They may have, but subsequently they made nothing compared to that period. At that time they made arrests and they charged people with

bookmaking and for lottery. Now they charge them for possession of numbers slips.

Mr. MOSER. You think most of the 300 arrests occurred at the time Dickson was down there in 1947?

Mr. GRIBBIN. I know they did. The ones they made were not all gambling arrests. A lot of them were dealing with prostitution. That is the vice squad at that time. They made numerous arrests on prostitution.

Mr. MOSER. Speaking of the vice squad, how does that operate?

Mr. GRIBBIN. The vice squad right now is very confused, but at that time it was headed by Sergeant Sullivan and he had four men with him who worked out of the chief's office. I believe there are two men on the North Side. I do not know who they were that year. There were six to seven men at all times assigned to vice.

Mr. MOSER. Have they changed that around from time to time?

Mr. GRIBBIN. From that time until now they haven't made any major change until the past month when Sergeant Sullivan, Charles Hahn, Allen Gill, were assigned to narcotics.

Mooney and Hanesberry are handling the vice squad, handling the vice as far as we know.

Mr. MOSER. They are only vice men now?

Mr. GRIBBIN. They are the only vice men now that we know of.

Mr. MOSER. What about Officer Mooney? You say that he is on the vice squad. How does he operate as far as these rackets are concerned?

Mr. GRIBBIN. In my estimation, Mooney won't arrest anybody unless he is directed to arrest him by some politician. He is on there there chiefly through the efforts of the political leaders, the influence of Boyd and Sheriff Gormley. He was at one time Sheriff Gormley's chauffeur. The local papers made some to-do about that, a policeman being assigned to the sheriff's office as a chauffeur. Rather than put him back in uniform, they put him on the vice squad and right now they won't put him in uniform. He knows too much and has been around too much.

Mr. MOSER. You say, "He knows too much." What does he know?

Mr. GRIBBIN. He is very well versed in the knowledge of the racket men and evidently in payoffs and protection. No man can operate as a vice man for that length of time that he has been in there without making arrests.

The CHAIRMAN. We are notified from the floor of the Senate that the presence of additional Senators is needed, which will necessitate our taking a recess. So we will recess at this time and be convened just as soon as we can return.

(Recess taken.)

Mr. MOSER. Mr. Gribbin, Officer Warlich, this morning, testified with regard to the horse betting in the cabana on the beach. He said that you would know about how they operate. Can you tell us something about that?

Mr. GRIBBIN. This time every year, when Atlantic City race track, Garden State race track, or Monmouth race track open, you find a number of out-of-town bookmakers who make their headquarters in Atlantic City, Atlantic City hotels. From all appearances, this year, their headquarters is going to be down in the new apartment house, the Warwick Apartments. They use one room or a portion of some

suite in there for their bookmaking headquarters, but they have established bookmakers from Philadelphia, New York, and Baltimore who are down on the beach in the cabanas and who are more or less known to the people from the different towns. They can make bets with them down in the cabanas. They have portable radios for race results. The bets evidently wind up back in the hotel room, either where lay-offs or something else may be necessary. Right now down in front of the Chelsea Hotel, Ambassador Hotel, there are one or two cabanas being used. Down in front of the Warwick apartments they are bookmaking on the beach. It is big bookmaking, large bets from wealthy people and business men and so forth. So far there hasn't been any local police action on that. In fact, I do not think they took any action last year either on the bookmaking on the beach.

Mr. MOSER. Where do these bookmakers come from, the ones who work on the beach? You said they come from various tracks. Do you know the cities?

Mr. GRIBBIN. They do not come from the tracks. The summer season starts here with the local track operating. You will find big bookmaking and you will find men who hold larger bets that operate in Atlantic City in that time of the year.

Mr. MOSER. They come from Atlantic City?

Mr. GRIBBIN. No; they come from Philadelphia, Baltimore, Newark, New York, north Jersey.

Mr. MOSER. From other parts of the country?

Mr. GRIBBIN. That is right.

Mr. MOSER. They come there for the season?

Mr. GRIBBIN. That is right. We have one. I have his name here somewhere, Michael Benedict. I understand he is operating at Warwick Apartments this year. Whether he is on the beach or in the apartments, I do not know. I haven't checked on that.

Mr. MOSER. Mr. Warlich also testified that it was difficult to make raids that required a warrant because of the fact that the people against whom the warrant was directed usually got a tip-off. Can you tell us more about that?

Mr. GRIBBIN. We attempted to execute two warrants. One was for a numbers bank run by Dorsett Stewart. In that case we had a letter as complainant and Officer Warlich took it in to the chief. The chief didn't want to read it. He told them to go get the warrant. So Warlich spoke to him about some assistance and mentioned the North Side vice squad, which is the colored vice squad, where the raid was going to be made. He said, "Never mind about the colored vice squad."

I am quoting Warlich. I wasn't there. "You take anybody you want."

Mr. Warlich asked him how about Gribbin and Portock.

Mr. Saunders said, "Take anybody you want and get the warrants."

Mr. Warlich called me on the phone and he had me meet him in the municipal court. We thought it was advisable to go out and tie up this Dorsett Stewart telephone case. We know he has a telephone there. So I did that. I went out and made a phone call and had the person tie his phone up so nobody could call him.

Warlich was securing the warrant and we did execute that warrant. We took Portock off his traffic corner after the chief told Warlich to do that, and we made the arrest and found ample evidence. Officer Portock was then suspended by the chief, who denied giving him per-

mission to go on the arrest, although the arrest was a substantial one and produced a good deal of evidence and it was a large numbers bank.

The second occasion I went into the chief's office and explained to him. He didn't want to hear it. I wanted to explain to him that I knew where there was a bookmaker operating in the waiters' union. He told me to go and get the warrants and go back and make the arrest. I did. I went upstairs to see Judge Damico and the only man in the office was Judge Damico and his assistant, Teller Walker. We required about an hour's time to type that warrant. I was in the office all the time and no one came in and no one went out.

Mr. MOSER. And no one called on the telephone? No telephone calls were made?

Mr. GRIBBIN. No, sir. Judge Damico tried to contact Mr. Lepare, who he stated was ill at the time. No phone calls were made that I did not hear, and no one went in or out. I was given the warrant at 1 p. m. I had an informer in this establishment and I called him by telephone. He said, "Everything was all right. The place was still operating. Sheets were on the walls, Armstrong's and run-down sheets."

Mr. MOSER. This was at 1 o'clock that your informant told you the place was operating? That was the moment the warrant was issued?

Mr. GRIBBIN. That is right. After I left Judge Damico's office I went home and he was scheduled to call me at 1 o'clock, which he did. He told me everything was going, everything was in order. I was supposed to pick up Warlich at 2:30 to make the arrest. At 2:20 my informer called me and notified me that a person known as Rheumatism Rosey, who operates a store at Mississippi and Atlantic, had run in there and told Ross Massina that the place was to be raided. Mr. Ross Massina told everybody in the place, around 30 to 40 people in there, to clear out. They grabbed all the run-down sheets, Armstrong's, put them in a paper bag, and gave them to this Rheumatism Rosey. They deposited them in the trunk of a car. Then they stood around waiting for us to arrive. My informer called me at 2:20 to notify me of this, but Officer Portock and I went there and searched the place. We executed the warrant, even though we knew there would be nothing there.

I understand the president of that union went up to see Mr. Arnheim, Inspector Arnheim, and protested our entering that establishment with or without a warrant, and Inspector Arnheim told him to put his complaint in writing and he would do all he could to see that we were punished. I do not know what the man put in his complaint, but I know he was writing on a piece of paper for an hour. There wasn't anything they could do about it. Inspector Arnheim, Director Kerstetter, would have loved to find some flaw in our execution and the securing of that warrant, which they couldn't find. We broke no doors, we knew there was nothing there. My informant told me the information came from Cherry Haggerty. As I stated, the chief didn't know about it. The chief didn't want to know. Judge Damico and Mr. Walker were the only two individuals who knew the location of that supposed raid that we had a warrant for. I sent my informer around to other establishments nearby to see if they were operating. I wanted to know if a general alarm had been sent out that something was wrong, but everybody was operating the same and the only place that was told to close down was the right place.

That would be all I can give you on that, how it was sent out, I do not know.

Mr. MOSER. There was testimony to the effect two policemen—namely, Sermania and Myoria—had been indicted. Do you know anything about that?

Mr. GRIBBIN. They were indicted by the last grand jury, the Atlantic County grand jury.

Mr. MOSER. Are they still on the force?

Mr. GRIBBIN. Yes, sir.

Mr. MOSER. Still working?

Mr. GRIBBIN. Yes, sir. They are both assistants to Inspector Arnheim.

Mr. MOSER. So, although they are indicted, they are still working on the police force?

Mr. GRIBBIN. They are still working. I would like to say that the previous vice squad, when they were indicted, they also worked. So it is nothing unusual for these men to be working while under indictment. That was so during the Dickson campaign, if you recall. The vice squad was indicted, but they were not suspended. They continued to work.

Mr. MOSER. Were you here when Mr. McCallum testified?

Mr. GRIBBIN. Yes, sir.

Mr. MOSER. He testified that he had been beaten up by two colored men with masks.

Mr. GRIBBIN. I heard him say that, sir.

Mr. MOSER. Is there any possibility that those two men with masks were the two colored members of the vice squad?

Mr. GRIBBIN. No; I have grave doubt about that. I very much doubt that. They are not that type. After all, they are police officers. I do not believe they would engage in anything of that sort.

Mr. MOSER. All right, that is all. Thank you.

TESTIMONY OF JOHN JOSEPH MOONEY, JR., ATLANTIC CITY (N. J.) POLICE DEPARTMENT

Senator HUNT. Mr. Mooney, do you solemnly swear the testimony you are about to give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOONEY. I do.

Senator HUNT. Mr. Mooney, will you give your full name, please?

Mr. MOONEY. John Joseph Mooney, Jr.

Senator HUNT. And may we have your address?

Mr. MOONEY. 20 North Morris Avenue, Atlantic City, N. J.

Mr. MOSER. Mr. Mooney, what year and what date did you get out of the service?

Mr. MOONEY. Of the United States?

Mr. MOSER. Yes.

Mr. MOONEY. To the best of my knowledge, I think it was May 6, 1946.

Mr. MOSER. What did you do after that? Did you go directly into the police force?

Mr. MOONEY. No; I did not. I was a member of the Atlantic City Beach Patrol.

Mr. MOSER. What is that?

Mr. MOONEY. That is a lifeguard on the beach.

Mr. MOSER. How long did you have that job?

Mr. MOONEY. I think I went on in 1941.

Mr. MOSER. And how long did you work? You went on in 1941? I am asking you what you did after you got out of the service.

Mr. MOONEY. Oh, I thought you meant previous.

Mr. MOSER. No; after.

Mr. MOONEY. After I came out of the service I went to work on the beach patrol. I think it was May 28.

Mr. MOSER. How long did you work on that job?

Mr. MOONEY. I worked all summer.

Mr. MOSER. And what was your next job after that?

Mr. MOONEY. Well, I did odd work. I worked at the convention hall for a while.

Mr. MOSER. Then you worked as a chauffeur for a while?

Mr. MOONEY. No; I did not.

Mr. MOSER. You never worked as chauffeur for anybody?

Mr. MOONEY. I did not work as a chauffeur. I was detailed after I was in the police department.

Mr. MOSER. That was the first chauffeur job you had?

Mr. MOONEY. I differ with you. I wasn't a chauffeur.

Mr. MOSER. Had you ever driven for anybody?

Mr. MOONEY. I drove the car.

Mr. MOSER. Before you went to the police force had you ever driven for pay for anybody?

Mr. MOONEY. No; I haven't.

Mr. MOSER. And when you went to the police force, what was your first assignment?

Mr. MOONEY. Uniform.

Mr. MOSER. What did you do in a uniform?

Mr. MOONEY. Well, I patrolled a beat and mostly did traffic at Arkansas and Atlantic Avenues.

Mr. MOSER. How long did you do that?

Mr. MOONEY. About 10 months.

Mr. MOSER. Ten months? The newspapers report that you had been on traffic duty for a period of 3 or 4 months before you were transferred off traffic duty and into the sheriff's office.

Mr. MOONEY. That is wrong.

Mr. MOSER. State how many months it was.

Mr. MOONEY. About 10 months. I was in uniform approximately 10 months.

Mr. MOSER. And were you assigned to Sheriff Gormley?

Mr. MOONEY. You are ahead of yourself.

Mr. MOSER. You tell me where I should be, then.

Mr. MOONEY. I was notified to report to the chief's office after I was on 10 months, to be in the chief's office. The next morning I went to the chief's office and I was assigned to the vice squad by the chief.

Mr. MOSER. You were assigned to the vice squad?

Mr. MOSER. On gambling and prostitution, narcotics, illicit alcohol.

Mr. MOSER. Have you had any experience in that kind of work before?

Mr. MOONEY. Just the experience I had since I had been in the police department.

Mr. MOSER. Just directing traffic?

Mr. MOONEY. And patrolling a beat.

Mr. MOSER. On your patrol of your beat, did you see any evidence of gambling?

Mr. MOONEY. Never saw any evidence of it.

Mr. MOSER. Where was your beat?

Mr. MOONEY. When I first went on, they sort of shove you all around. You work different beats and you might work maybe in a radio car once every 2 weeks, or something like that. I worked mostly all over, but in the summertime, I was assigned to traffic at Arkansas and Atlantic Avenues.

Mr. MOSER. You say you were assigned to beats all over town, various places, and while you were there you never saw any evidence of gambling in any place?

Mr. MOONEY. Never.

Mr. MOSER. Never saw any evidence of bookmaking?

Mr. MOONEY. No, sir.

Mr. MOSER. Never saw evidence of numbers?

Mr. MOONEY. No, sir.

Mr. MOSER. So you would go along with the chief and you would say there probably isn't any there; is that correct?

Mr. MOONEY. I would like to say this. Since I have been on the vice squad I have participated—this is approximate—in 150 gambling arrests. That includes card games, bookmaking, numbers. Approximately 70 prostitutes, about 50 to 55 dope addicts, and I think about 4 illicit alcohol cases.

Mr. MOSER. One hundred and fifty gambling?

Mr. MOONEY. Approximately 150 gambling.

Mr. MOSER. Those were raids, were they?

Mr. MOONEY. They weren't all planned raids. If I happened to walk into a place and there was some positive evidence of gambling, I took police action.

Mr. MOSER. So you found 150 places where there was gambling going on; is that correct?

Mr. MOONEY. Not places. It would be persons.

Mr. MOSER. One hundred and fifty people? How many different occasions were there on which you made arrests? You said 150 people. You might have arrested all 150 at one time?

Mr. MOONEY. Those are 150 cases that we have had. There are more people involved. Say there would be a card game. There would be one raid, but there might be eight or nine people involved in it.

Mr. MOSER. There would be?

Mr. MOONEY. So we do not count the eight or nine people. We count that as one raid.

Mr. MOSER. In your figure of 150, that would be 1; is that correct?

Mr. MOONEY. That is correct.

Mr. MOSER. You said there would be 150. That is quite a few.

Mr. MOONEY. That is numbers and bookmaking.

Mr. MOSER. Did you close them all up?

Mr. MOONEY. When we arrested them, they were closed.

Mr. MOSER. Did they open the next day?

Mr. MOONEY. Not to my knowledge.

Mr. MOSER. Did you ever go round and look?

Mr. MOONEY. Yes, sir.

Mr. MOSER. And they stayed closed?

Mr. MOONEY. Yes, sir.

Mr. MOSER. You don't know whether they moved to another place?

Mr. MOONEY. I don't know that.

Mr. MOSER. Do crap games stay at the same place?

Mr. MOONEY. Never heard of one, never seen any.

Mr. MOSER. I thought you said you might have arrested a crap game of eight people.

Mr. MOONEY. Card game.

Mr. MOSER. Do the card games move around?

Mr. MOONEY. I don't know.

Mr. MOSER. Do the bookies and numbers people move around?

Mr. MOONEY. I couldn't answer that.

Mr. MOSER. You do not know how they work?

Mr. MOONEY. If I find evidence or we receive a complaint, police action is taken.

Mr. MOSER. How many of the people that you arrested went to jail? I mean for gambling, bookmaking.

Mr. MOONEY. I don't know.

Mr. MOSER. You don't know what happened to any of those cases?

Mr. MOONEY. Some cases I can recall. Some received 2 to 3 years' sentence in State prison, others were put on probation for 2 to 3 years, and some on probation for 5 years.

Mr. MOSER. You do not remember anybody who went to jail, do you?

Mr. MOONEY. There is only one case that comes to my mind. It was a disorderly house case. The man went to jail.

Mr. MOSER. Who was that?

Mr. MOONEY. K. O. Brone.

Mr. MOSER. A disorderly house? That is prostitution?

Mr. MOONEY. That is right. Gambling could be disorderly, too.

Mr. MOSER. Which was it?

Mr. MOONEY. It was prostitution in this particular case.

Mr. MOSER. We were talking about gambling.

Mr. MOONEY. I can't recall any.

Mr. MOSER. You cannot recall anybody who went to jail when arrested for gambling?

Mr. MOONEY. Not at this time. If I went over the records I could tell you.

Mr. MOSER. When you make a charge for someone arrested for gambling, what charge do you make?

Mr. MOONEY. That is all according.

Mr. MOSER. It is my understanding you have a choice between disorderly conduct or a violation of a gambling law: is that correct?

Mr. MOONEY. I never heard of any choice. Nobody ever told me about a choice.

Mr. MOSER. One is a misdemeanor and the other is a felony or a high misdemeanor.

Mr. MOONEY. I have heard the difference.

Mr. MOSER. But you do not know what the difference is?

Mr. MOONEY. Bookmaking is something that would be a felony, wouldn't it?

Mr. MOSER. Bookmaking is a felony.

Mr. MOONEY. Yes; it would be.

MR. MOSER. If you arrest a man for gambling, do you sometimes make a charge other than a high misdemeanor?

MR. MOONEY. It is the seriousness that is involved around the case that determines it. All cases are not alike. They are different.

MR. MOSES. Out of the 150 cases that you had, can you remember whether any of them were high misdemeanors?

MR. MOONEY. Quite a few of them. I did not have all of them. I am just a member of the squad.

MR. MOSER. You were there when the arrest took place. How does a horse room look? What does it have in it?

MR. MOONEY. The ones that I have raided have been on raids where we made arrests. There might be an Armstrong up on the wall. There might be a radio there, telephone, fellow sitting behind the desk, and maybe a couple of people in the room. In front of them would be a run-down sheet.

MR. MOSER. You were assigned to Gornley's office for a while, were you not?

MR. MOONEY. That is right.

MR. MOSER. What did you do for him?

MR. MOONEY. Made investigations for him.

MR. MOSER. Did you ever drive for him?

MR. MOONEY. I have driven the car. He has driven it, too, at the same time I was in the car.

MR. MOSER. Why were you in the car when he was driving?

MR. MOONEY. I was riding with him because I was assigned to him.

MR. MOSER. You were assigned to accompany him?

MR. MOONEY. To his office, the sheriff's office.

MR. MOSER. Did you sometimes act as a chauffeur?

MR. MOONEY. I have driven the car the same as he has driven it.

MR. MOSER. Have you ever driven it when he wasn't in it?

MR. MOONEY. Possibly.

MR. MOSER. So he sometimes gave you use of the car?

MR. MOONEY. I might go on an errand for him.

MR. MOSER. Is this a car belonging to the county or to the sheriff personally?

MR. MOONEY. County car.

MR. MOSER. Did you ever drive the sheriff's personal car?

MR. MOONEY. I don't believe he had one.

MR. MOSER. Didn't need one?

MR. MOONEY. I don't know. He was the sheriff, not me.

MR. MOSER. Did you ever drive his family when he wasn't present?

MR. MOONEY. It is possible.

MR. MOSER. You sometimes drove his family places where they wanted to go?

MR. MOONEY. That is right.

MR. MOSER. So you were sort of his chauffeur on those occasions, were you not?

MR. MOONEY. If you want to call it that. I drove the car.

MR. MOSER. You weren't driving his family on official business, were you?

MR. MOONEY. I wouldn't call it official business.

MR. MOSER. I wouldn't think so. How often did you drive his family?

Mr. MOONEY. I wouldn't know. I was only there for about a period of 3 months.

Mr. MOSER. Did you drive his children to school at all?

Mr. MOONEY. I might have dropped them off at the corner, or something like that.

Mr. MOSER. Dropped them off at the corner?

Mr. MOONEY. Yes.

Mr. MOSER. Take them to school when their father was not in the car?

Mr. MOONEY. It is possible.

Mr. MOSER. Did you ever drive Mrs. Gormley shopping or downtown when the sheriff was not in the car?

Mr. MOONEY. I don't recall taking her shopping.

Mr. MOSER. Did you ever take her any place alone?

Mr. MOONEY. I told you that I drove her into Atlantic City in that period of time.

Mr. MOSER. And you sometimes used the car yourself with neither the sheriff nor his family in the car; isn't that true?

Mr. MOONEY. If he sent me somewhere, I would use the car.

Mr. MOSER. Did you ever use it for your personal use, not on official business or under his orders?

Mr. MOONEY. Just maybe to go home. The sheriff's office is Mays Landing, and I live in Atlantic City with my people. I might stop home. Outside of that, I wouldn't.

Mr. MOSER. Do you know Lester Burdick?

Mr. MOONEY. I don't know him well.

Mr. MOSER. Have you seen him recently, except when he testified here?

Mr. MOONEY. I saw him a few days ago, 3 or 4 or 5 days ago.

Mr. MOSER. Did you come down here with him?

Mr. MOONEY. I did not come with him; no.

Mr. MOSER. What did you talk to him about 3 or 4 or 5 days ago when you talked to him?

Mr. MOONEY. Well, 4 or 5 days ago?

Mr. MOSER. Yes.

Mr. MOONEY. I think we were talking about the fight, the Wolcott-Charles fight.

Mr. MOSER. Was that around noontime?

Mr. MOONEY. I believe it was; around the post office, Illinois and Pacific.

Mr. MOSER. You and he talked next to the post office?

Mr. MOONEY. He was parked in the car, and I was just around there, and I didn't even get in the car. I was over by the window. I said, "Hello."

Mr. MOSER. You didn't say anything about testimony before this committee?

Mr. MOONEY. No, sir.

Mr. MOSER. Have you talked to anybody about that?

Mr. MOONEY. No, sir.

Mr. MOSER. You haven't even discussed this committee and the problem of testifying before it before coming here?

Mr. MOONEY. I just told my family I was coming down here. I did not know I was subpoenaed until the other day, yesterday afternoon.

Mr. MOSER. You haven't talked to anybody on the police force?

Mr. MOONEY. I might have said to my partner, "I am going to Washington," or something like that.

Mr. MOSER. But you did not talk to the chief about it?

Mr. MOONEY. No; I didn't. I told the assistant director that I was going.

Mr. MOSER. You talked to Mr. Kerstetter about it?

Mr. MOONEY. I got permission to go out of town.

Mr. MOSER. You didn't talk to him about what the testimony would be?

Mr. MOONEY. No, sir.

Mr. MOSER. Have you talked to anybody else besides him? Have you talked to Mr. Fredericks?

Mr. MOONEY. Said "Hello" to him, or something like that.

Mr. MOSER. But you haven't talked to him about your testimony here?

Mr. MOONEY. No, sir.

Mr. MOSER. Did you attend any meeting at Senator Farley's house?

Mr. MOONEY. No, sir.

Mr. MOSER. Are you sure about that?

Mr. MOONEY. Positive.

Mr. MOSER. Did you attend a meeting of the vice squad at the Cosmopolitan Hotel at any time?

Mr. MOONEY. No, sir.

Mr. MOSER. You never attended a meeting of the vice squad at the Cosmopolitan Hotel?

Mr. MOONEY. No, sir.

Mr. MOSER. Isn't it true that it meets there every morning?

Mr. MOONEY. No, sir.

Mr. MOSER. Where does it meet?

Mr. MOONEY. In the chief's office.

Mr. MOSER. Every day?

Mr. MOONEY. Every day but Sunday.

Mr. MOSER. Do you go to the Cosmopolitan Hotel?

Mr. MOONEY. I have been there.

Mr. MOSER. Doing what?

Mr. MOONEY. Been to political meetings for the Fourth Ward United Republican Club.

Mr. MOSER. Is that Mr. Boyd's club?

Mr. MOONEY. He is chairman of the executive committee.

Mr. MOSER. Of that club?

Mr. MOONEY. That is right.

Mr. MOSER. What is your connection there?

Mr. MOONEY. I am a member.

Mr. MOSER. Just a member?

Mr. MOONEY. Yes.

Mr. MOSER. What do you do for the club?

Mr. MOONEY. I work at the polls on election day.

Mr. MOSER. How much dues do you pay?

Mr. MOONEY. \$30 a year. Where? In the club?

Mr. MOSER. Yes.

Mr. MOONEY. I think it is 50 cents a month.

Mr. MOSER. Could it be \$4 a year?

Mr. MOONEY. Around that; \$4 a year.

Mr. MOSER. And you pay \$30 to the Atlantic Republican Committee?

Mr. MOONEY. I did.

Mr. MOSER. How often have you done that? Every year?

Mr. MOONEY. Not every year. I haven't paid that much; no.

Mr. MOSER. Have you ever seen one of these notices of dues?

Mr. MOONEY. Yes.

Mr. MOSER. Due to the Atlantic County Republican Committee, such as I am holding here?

Mr. MOONEY. Will you let me see it?

(The witness examines the dues card.)

Mr. MOONEY. Yes; I have seen it; it is a little larger than that.

Mr. MOSER. You have received one that is a little larger than that?

Mr. MOONEY. Yes.

Mr. MOSER. Do you receive one every year?

Mr. MOONEY. I do not think so.

Mr. MOSER. Does it call for the payment for \$30?

Mr. MOONEY. The last one I received had \$30.

Mr. MOSER. The last one was \$30?

Mr. MOONEY. Yes.

Mr. MOSER. How much was it before that?

Mr. MOONEY. I think the last two were \$30.

Mr. MOSER. Is that a purely voluntary contribution?

Mr. MOONEY. Yes, sir.

Mr. MOSER. Do you feel it is necessary for you to make it?

Mr. MOONEY. I leave that up to myself.

Mr. MOSER. You do not fear any reprisal if you do not make it?

Mr. MOONEY. No, sir.

Mr. MOSER. Do all the other police officers receive one for \$30?

Mr. MOONEY. I couldn't answer that.

Mr. MOSER. You have not heard talk about that?

Mr. MOONEY. No; I have never discussed that. That is my own personal opinion.

Mr. MOSER. You don't know whether anybody else has received one?

Mr. MOONEY. I wouldn't know that.

Mr. MOSER. You do not know whether they receive any moneys? Don't you ever talk to him about it?

Mr. MOONEY. Not about that, sir.

Mr. MOSER. Don't you know that all city employees receive such a notice?

Mr. MOONEY. I do not.

Mr. MOSER. You never heard of that?

Mr. MOONEY. No, sir.

Mr. MOSER. What kind of an automobile do you drive personally?

Mr. MOONEY. 1949 Oldsmobile.

Mr. MOSER. 1949 Oldsmobile?

Mr. MOONEY. Yes.

Mr. MOSER. Where did you buy it?

Mr. MOONEY. Saunders Motor Co.

Mr. MOSER. Saunders? That is the chief's brother? His automobile agency? Is that correct?

Mr. MOONEY. Yes.

Mr. MOSER. How much did you pay for the Oldsmobile?

Mr. MOONEY. I think it was \$2,400.

Mr. MOSER. Did you buy it on the installment plan?

Mr. MOONEY. Yes, sir.

Mr. MOSER. How much did you pay a month?

Mr. MOONEY. \$70 a month. Also a few odd pennies. I think it is \$70.70.

Mr. MOSER. And what is your salary as a policeman?

Mr. MOONEY. Now I get \$2,950, plus \$400 bonus.

Mr. MOSER. In 1948 you received \$2,500 approximately, did you not?

Mr. MOONEY. In 1948?

Mr. MOSER. 1948.

Mr. MOONEY. I know I wasn't top salary, because I had been in the department a little over 4 years.

Mr. MOSER. You were receiving \$2,449.92. Would that be correct? In your 1949 tax you listed as having received \$2,912.43. Is that correct?

Mr. MOONEY. In what year?

Mr. MOSER. 1949.

Mr. MOONEY. That is possible.

Mr. MOSER. That is possibly correct? Those are probably correct?

Mr. MOONEY. Probably correct.

Mr. MOSER. And out of that, you were able to buy a new Oldsmobile that cost \$2,400 on the installment plan?

Mr. MOONEY. With 24 months to pay.

Mr. MOSER. In the latter part of December 1950 the vice squad, including you, raided the home of a man named Cohen, at 30 North LaClede Place; is that correct?

Mr. MOONEY. No, sir.

Mr. MOSER. It is not true?

Mr. MOONEY. No, sir.

Mr. MOSER. Did you raid a place owned by a man named Snyder?

Mr. MOONEY. No, sir.

Mr. MOSER. Did you raid a place operated by either Cohen or Snyder?

Mr. MOONEY. No, sir.

Mr. MOSER. Have you ever made a raid at No. 5 North Huntington Avenue?

Mr. MOONEY. No, sir.

Mr. MOSER. Do you know a bookmaker named Snyder?

Mr. MOONEY. I have seen him, heard of him.

Mr. MOSER. Do you know one named Cohen?

Mr. MOONEY. I know him to see.

Mr. MOSER. Henry Cohen?

Mr. MOONEY. Yes, sir.

Mr. MOSER. You know them both? Do you know that they are bookmakers?

Mr. MOONEY. I do not know.

Mr. MOSER. What is their business?

Mr. MOONEY. I don't know, sir.

Mr. MOSER. Did you ever hear a story to the effect that the vice squad raided those places?

Mr. MOONEY. No, sir.

Mr. MOSER. Never heard of that?

Mr. MOONEY. No, sir.

Mr. MOSER. Isn't it true that the vice squad made a raid on those people for bookmaking, and that you were there, and that the bookmaker telephoned to Stumpy Orman to get it settled, and that Stumpy Orman arrived at the scene? Do you deny that?

Mr. MOONEY. That is untrue.

Mr. MOSER. Is it also untrue that Stumpy Orman settled the incident for \$2,500, which was paid to him by either Snyder or Cohen?

Mr. MOONEY. I wouldn't know that.

Mr. MOSER. You never heard of that?

Mr. MOONEY. No, sir.

Mr. MOSER. Is it true that after the raid Stumpy Orman handed you and each of the members of the vice squad \$500 out of the \$2,500?

Mr. MOONEY. That is untrue.

Mr. MOSER. Have you ever heard that before?

Mr. MOONEY. No, sir.

Mr. MOSER. You never heard the rumor?

Mr. MOONEY. No, sir.

Mr. MOSER. Where was Sergeant Sullivan at that time?

Mr. MOONEY. What date was that?

Mr. MOSER. December 1950.

Mr. MOONEY. December 1950?

Mr. MOSER. Was he in the hospital at that time?

Mr. MOONEY. He was in the hospital, I think, in 1949. He was in the hospital. I am not positive about that.

Mr. MOSER. Do you remember an occasion when Officers Robert Shepardson and Jesse Robinson attempted to make a raid, and you pushed your car in the way of their car, so they couldn't make it?

Mr. MOONEY. That is untrue.

Mr. MOSER. Have you ever heard of that?

Mr. MOONEY. There was a complaint signed against me, that I attempted to do something of the sort.

Mr. MOSER. You have heard that accusation, then?

Mr. MOONEY. It wasn't Robert Shepardson. That was William.

Mr. MOSER. Do you know Harry Haggerty?

Mr. MOONEY. Know him to see.

Mr. MOSER. Do you know Charles Hogan?

Mr. MOONEY. To see.

Mr. MOSER. Just to see? How often do you see them?

Mr. MOONEY. It is all according. We have four places that we make daily inspections on Kentucky Avenue, and I might run into him a couple of times a week.

Mr. MOSER. Do they have places on Kentucky Avenue?

Mr. MOONEY. Bartenders' union is affiliated with that. He is the business agent.

Mr. MOSER. Haggerty is?

Mr. MOONEY. That is right.

Mr. MOSER. How about Hogan?

Mr. MOONEY. I think he is a bartender.

Mr. MOSER. Do you inspect the bartenders' union?

Mr. MOONEY. Since I have been on the vice squad there has been a list sent from the attorney general's office, and the list grew a little bit, and I think it has 28 places now. We make daily inspections on those.

Mr. MOSER. Is that a list that was sent in in June with 17 names on it?

Mr. MOONEY. Some of those names were already on it before. This has been over a period of 3½ to 4 years.

Mr. MOSER. And is one of the places on that list the office of the bartenders' union?

Mr. MOONEY. That list of the last 17 that was sent down did have the office of the bartenders' union on that.

Mr. MOSER. You are instructed to go and inspect that place every week or every so often?

Mr. MOONEY. We inspect 29 South Kentucky Avenue and the bartenders' union office is 27, but it is underneath the hotel that we inspect, 29 South Kentucky. That is a hotel.

Mr. MOSER. You haven't answered whether you inspect the office of the union. Do you?

Mr. MOONEY. It is not on our list.

Mr. MOSER. Why do you go to see Harry Haggerty, if it is not on your list?

Mr. MOONEY. I don't go to see Harry Haggerty.

Mr. MOSER. Isn't it true that you are seen a great deal of the time in the company of Harry Haggerty and Charles Hogan, both of whom are numbers brokers?

Mr. MOONEY. That is untrue.

Mr. MOSER. Aren't you seen in their company a great deal?

Mr. MOONEY. No, sir.

Mr. MOSER. Are they close friends of yours?

Mr. MOONEY. No, sir.

Mr. MOSER. You know them just to speak to and no more?

Mr. MOONEY. I see them on the street.

Mr. MOSER. Do you go to the Hialeah Club?

Mr. MOONEY. Yes.

Mr. MOSER. How often?

Mr. MOONEY. Not often.

Mr. MOSER. Do you spend much money there?

Mr. MOONEY. No, sir.

Mr. MOSER. Do you go to the 500 Club?

Mr. MOONEY. That is on our list for inspection.

Mr. MOSER. Do you ever go there socially?

Mr. MOONEY. Not too often.

Mr. MOSER. Do you ever have a drink there?

Mr. MOONEY. Yes, sir.

Mr. MOSER. Off duty?

Mr. MOONEY. Yes, sir.

Mr. MOSER. Ever do it on duty?

Mr. MOONEY. No, sir.

Mr. MOSER. If it is a place to inspect, why do you go there off duty?

Mr. MOONEY. I might just walk in and have a drink.

Mr. MOSER. It is on your list of suspected places. Why do you, as a police officer, go in there off duty?

Mr. MOONEY. Nobody told me not to go in there, or any other place.

Mr. MOSER. Is the 500 Club used for booking?

Mr. MOONEY. No, sir. I never saw booking there.

Mr. MOSER. Any other gambling done there?

Mr. MOONEY. No, sir.

Mr. MOSER. Are you sure?

Mr. MOONEY. As far as my knowledge is concerned.

Mr. MOSER. Have you ever been in the back room?

Mr. MOONEY. Yes, sir.

Mr. MOSER. What is in the back room?

Mr. MOONEY. It is like a supper club, where they have entertainment. That is during the summer—during the summer months.

Mr. MOSER. Just dancing and restaurant?

Mr. MOONEY. Pardon me?

Mr. MOSER. Just dancing and restaurant?

Mr. MOONEY. They have Ben Blue there now. They may have a show.

Mr. MOSER. And no gambling?

Mr. MOONEY. Never saw any, sir.

Mr. MOSER. No dice games?

Mr. MOONEY. No, sir; not to my knowledge.

Mr. MOSER. Did you ever see anything illegal held there?

Mr. MOONEY. No, sir.

Mr. MOSER. Why is it on this list for inspection?

Mr. MOONEY. I don't know. The attorney general sent it down. I just follow orders.

Mr. MOSER. You do not know any reason for suspecting them?

Mr. MOONEY. He must have suspected it, not me.

Mr. MOSER. How about the Hialeah Club? Do you go there often?

Mr. MOONEY. Not too often. Wait a minute. How do you mean that?

Mr. MOSER. I do not mean for inspection. I mean for social purposes.

Mr. MOONEY. No, sir; not too often. Once in a while I have been there.

Mr. MOSER. Do you have a drink there occasionally?

Mr. MOONEY. I might have a drink there.

Mr. MOSER. More than one?

Mr. MOONEY. Yes, sir.

Mr. MOSER. Ever have a drink on duty?

Mr. MOONEY. No, sir.

Mr. MOSER. Do you buy the drinks?

Mr. MOONEY. I buy my own drinks.

Mr. MOSER. But not anybody else's?

Mr. MOONEY. Not to my knowledge.

Mr. MOSER. How about the Club Harlem?

Mr. MOONEY. I have been there.

Mr. MOSER. What kind of a place is that?

Mr. MOONEY. It is a night club.

Mr. MOSER. What do you do there?

Mr. MOONEY. I might stop in to have a drink. I might be out with some friends, see a show, about once a year. They have a colored show.

Mr. MOSER. But you go there oftener?

Mr. MOONEY. No; once in a great while.

Mr. MOSER. Do you patronize any other night clubs in Atlantic City?

Mr. MOONEY. No, sir.

Mr. MOSER. Those are the only ones?

Mr. MOONEY. There are not too many night clubs.

Mr. MOSER. Do you drink quite a lot?

Mr. MOONEY. No, sir.

Mr. MOSER. Do you have any source of income besides your salary as a police officer?

Mr. MOONEY. No, sir.

Mr. MOSER. None whatever?

Mr. MOONEY. I have a couple of allotment checks from the Government, but that is all.

Mr. MOSER. Does anybody ever give you any money, because he is a friend of yours?

Mr. MOONEY. No, sir.

Mr. MOSER. Nobody ever hand you any money for anything?

Mr. MOONEY. No, sir.

Mr. MOSER. Do you ever collect any money for anybody else?

Mr. MOONEY. No, sir.

Mr. MOSER. Do you ever handle any funds for other people?

Mr. MOONEY. No, sir.

Mr. MOSER. Under no circumstances?

Mr. MOONEY. No, sir.

Mr. MOSER. That is all I want to ask you.

TESTIMONY OF FRED MASUCCI, ATLANTIC CITY, N. J., ACCOMPANIED BY EDWARD FEINBERG, ATTORNEY, ATLANTIC CITY, N. J.

Senator HUNT. Mr. Masucci, do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MASUCCI. I do.

Senator HUNT. Will you state your full name, please?

Mr. MASUCCI. Fred Masucci.

Senator HUNT. And your address?

Mr. MASUCCI. 12 North Brunswick.

Senator HUNT. And, counsel, will you state your name, please?

Mr. FEINBERG. Edward Feinberg, Guarantee Trust Building, Atlantic City.

Mr. MOSER. Mr. Masucci, what is your business?

Mr. MASUCCI. I refuse to answer that, because it may tend to incriminate me.

Mr. MOSER. What is the Atlantic Amusement Co.?

Mr. MASUCCI. I refuse to answer that question. It may tend to incriminate me.

Mr. MOSER. Your income-tax return for 1949 shows that you reported income from the Atlantic Amusement Co. in the amount of \$15,269.35; is that correct?

Mr. MASUCCI. I refuse to answer the question.

Senator HUNT. The acting chairman of the subcommittee directs the witness to answer the question just asked by the counsel.

Mr. MASUCCI. I refuse to answer the question, in that it tends to incriminate me.

Senator HUNT. May we have an understanding that each question the counsel asks, and you refuse to answer is on that same basis, self-incrimination?

Mr. MASUCCI. Yes.

Mr. MOSER. There is an organization called the Atlantic Amusement Co., which has as the head of it, a man named Hildreth. Do you know Mr. Hildreth?

Mr. MASUCCI. Yes, I do.

Mr. MOSER. Who is he?

Mr. MASUCCI. He is my brother-in-law.

Mr. MOSER. Is he the president of the Atlantic Amusement Co.?

(The witness consulted his counsel.)

Mr. MASUCCI. I don't know.

Mr. MOSER. You say you don't know?

Mr. MASUCCI. No.

Mr. MOSER. Is it the truth that you do not know, or is that a means of avoiding the question?

Mr. MASUCCI. No; that is the truth.

Mr. MOSER. I point out that you are——

(The witness consulted his counsel.)

Mr. FEINBERG. The witness wants to know whether that might be called the Chelsea Amusement Co.

Mr. MOSER. I don't know.

Mr. MASUCCI. 1940.

Mr. MOSER. Do you know Stump Orman?

Mr. MASUCCI. Yes; I do.

Mr. MOSER. How long have you known him?

Mr. MASUCCI. Probably better than 15 years.

Mr. MOSER. A close friend of yours?

Mr. MASUCCI. Very close.

Mr. MOSER. Is he a business associate of yours?

Mr. MASUCCI. No, he isn't.

Mr. MOSER. Is Benjamin Rubenstein a business associate of yours?

Mr. MASUCCI. I refuse to answer that question.

Mr. MOSER. Your tax return states you are a salesman; is that correct?

Mr. MASUCCI. I refuse to answer that question. It tends to incriminate me.

Mr. MOSER. Dave Hildreth, what is his connection with your business?

Mr. MASUCCI. I refuse to answer the question.

Mr. MOSER. Dave Hildreth is your brother-in-law?

Mr. MASUCCI. That is right.

Mr. MOSER. You refuse to answer the question as to what connection he has with your business because it will tend to incriminate you?

Mr. MASUCCI. That is right.

Mr. MOSER. The income-tax return of Benjamin Rubenstein for 1949 shows an item of \$15,269.39 from Atlantic Amusement Co., which is exactly the same amount as reported in your 1949 income-tax return for the Atlantic Amusement Co.; is that correct?

Mr. MASUCCI. I refuse to answer the question.

Mr. MOSER. In view of the fact that the items are exactly the same, does that indicate you are partners in that business?

Mr. MASUCCI. I refuse to answer that question.

Mr. Moser. The income-tax return for Benjamin Rubenstein for 1948 shows that he received \$12,336.76 from Atlantic Amusement Co. Your income-tax return for the same period shows the receipt of \$12,336.76, exactly the same amount from the same source. Does that mean you are in business together?

Mr. Masucci. I refuse to answer that question.

Mr. Moser. Isn't it obvious you are? Why do you refuse to answer?

Mr. Masucci. I refuse to answer the question.

Mr. Moser. Are you 50-50 owners?

Mr. Masucci. I refuse to answer.

Mr. Moser. Do you have any other partners?

Mr. Masucci. I refuse to answer the question.

Mr. Moser. Do you represent Mr. Herman Orman in that business?

Mr. Masucci. I refuse to answer the question, and positively he has no partnership in any business.

Mr. Moser. In other words, you are willing to answer the question after all?

Mr. Masucci. In that case.

Mr. Moser. Do you have an automobile?

Mr. Masucci. No; I don't.

Mr. Moser. Does your wife?

Mr. Masucci. Yes; she does.

Mr. Moser. What kind is it?

Mr. Masucci. What was that?

Mr. Moser. What kind is it?

Mr. Masucci. Cadillac.

Mr. Moser. What year?

Mr. Masucci. 1951.

Mr. Moser. 1951 Cadillac?

Mr. Masucci. That is right.

Mr. Moser. What color is it?

Mr. Masucci. I guess you would call it a beige.

Mr. Moser. Has your home been raided?

Mr. Masucci. No, sir.

Mr. Moser. Has the Margate police ever had a warrant out for search of your home?

Mr. Masucci. No.

Mr. Moser. You are sure about that?

Mr. Masucci. I wouldn't know that.

Mr. Moser. You do not know who paid for the Cadillac?

Mr. Masucci. I refuse to answer that question.

Mr. Moser. Didn't you pay for it?

Mr. Masucci. I refuse to answer the question.

Mr. Moser. You refuse to answer the question as to who paid for your wife's Cadillac because that will incriminate you?

Mr. Masucci. That is right.

Mr. Moser. Did Herman Orman pay for it?

Mr. Masucci. Why would he pay for my wife's car?

Mr. Moser. Answer the question. Did he or didn't he?

Mr. Masucci. No.

Mr. Moser. Did Benjamin Rubenstein pay for it?

Mr. Masucci. He didn't.

Mr. Moser. Did you pay for it?

Mr. MASUCCI. I refuse to answer the question.

Mr. MOSER. Did your wife pay for it?

Mr. MASUCCI. I refuse to answer the question.

Mr. MOSER. How can it incriminate you?

Mr. MASUCCI. She didn't pay for it.

Mr. MOSER. So you paid for it?

Mr. MASUCCI. I didn't say that. I refuse to answer.

Mr. MOSER. Isn't it true that Benjamin Rubenstein was arrested for numbers at one time before you got into business with him?

Mr. MASUCCI. I wouldn't know that.

Mr. MOSER. You don't know?

Mr. MASUCCI. I wouldn't know.

Mr. MOSER. You don't know whether he has ever been arrested for numbers?

Mr. MASUCCI. I read in the newspapers—

Mr. MOSER. What is your answer?

Mr. MASUCCI. I read in the newspapers about an income tax. I don't know whether it came out of that number case or not.

Mr. MOSER. Have you any criminal record of your own?

Mr. MASUCCI. Yes.

Mr. MOSER. When were you last arrested?

Mr. MASUCCI. I believe in 1941.

Mr. MOSER. For what?

Mr. MASUCCI. Gaming.

Mr. MOSER. When were you arrested before that?

Mr. MASUCCI. I don't know whether I was. It is possible there was one more.

Mr. MOSER. In August 1936, could that be right?

Mr. MASUCCI. That is possible.

Mr. MOSER. For bookmaking?

Mr. MASUCCI. Possibly.

Mr. MOSER. And also arrested in 1921?

Mr. MASUCCI. 1921?

Mr. MOSER. Yes.

Mr. MASUCCI. I would like to know what that one is for.

Mr. MOSER. The records of the FBI indicate that you were arrested on January 7, 1921, with a charge of disorderly person. That is a long way back.

Mr. MASUCCI. No, no.

Mr. MOSER. That is not correct?

Mr. MASUCCI. That must not be me.

Mr. MOSER. That wouldn't be you?

Mr. MASUCCI. No.

Mr. MOSER. In any event, you had been arrested for bookmaking. Would you like to tell me what the business of Atlantic Amusement Co. is?

Mr. MASUCCI. I refuse to answer that question.

Mr. MOSER. And what is the business of that company—bookmaking or gaming?

Mr. MASUCCI. I refuse to answer that question.

Mr. MOSER. Do you know Lester Burdick?

Mr. MASUCCI. Yes, I do.

Mr. MOSER. Do you know him well?

Mr. MASUCCI. Very well.

Mr. MOSER. Do you know James Boyd?

Mr. MASUCCI. Yes, I do.

Mr. MOSER. Know him well?

Mr. MASUCCI. Well enough.

Mr. MOSER. Do you know Frank Sullivan?

Mr. MASUCCI. Not too familiar with Frank Sullivan. I know him if I pass him on the street.

Mr. MOSER. Do you know Cherry Haggerty?

Mr. MASUCCI. I know of him.

Mr. MOSER. Who is Sullivan? Is he a policeman?

Mr. MASUCCI. That is right.

Mr. MOSER. Did you and Boyd and Orman and Burdick have a conference about a year ago together?

Mr. MASUCCI. I was never in on any conference.

Mr. MOSER. Never in on any conference?

Mr. MASUCCI. No.

Mr. MOSER. We have information to the effect that you three were seen, you four were seen, in a conference on August 26, 1950, about a year ago. Is that possible?

Mr. MASUCCI. Well, no conference. We might have been seen.

Mr. MOSER. Seen talking together?

Mr. MASUCCI. That is possible.

Mr. MOSER. Quite likely that you did?

(The witness consulted with his counsel.)

Mr. MOSER. Did you have a conversation at that time?

Mr. MASUCCI. If I was in their company, we must have had a conversation, but I couldn't recall the time or the conversation.

Mr. MOSER. What sort of thing would you talk to Lester Burdick about?

Mr. MASUCCI. Anything in general, I guess.

Mr. MOSER. Never talked to him about the numbers business?

Mr. MASUCCI. No.

Mr. MOSER. Ever talk to Boyd about that?

Mr. MASUCCI. No.

Mr. MOSER. Ever talk to him about bookmaking?

Mr. MASUCCI. No.

Mr. MOSER. Ever talk to him about politics?

Mr. MASUCCI. No reason to. I don't know. Maybe it was around election day and we might have said something about it.

Mr. MOSER. There were no elections in August 1950.

Mr. MASUCCI. No.

Mr. MOSER. Do you make a contribution to the Atlantic County Republican Committee?

Mr. MASUCCI. No, I don't.

Mr. MOSER. None whatever?

Mr. MASUCCI. No.

Mr. MOSER. Are you a member of the Third Ward Club?

Mr. MASUCCI. No.

Mr. MOSER. What ward are you in?

Mr. MASUCCI. I live in Margate City.

Mr. MOSER. Do you belong to a club there?

Mr. MASUCCI. No, I don't.

Mr. MOSER. I think that is all we want to ask you.

Mr. MASUCCI, Mr. Winberry reminds me of another question I should ask you. You know Herman Orman, of course.

Mr. MASUCCI. Yes, I do.

Mr. MOSER. Do you go to his hotel often?

Mr. MASUCCI. I am there a good bit.

Mr. MOSER. He is a close friend of yours?

Mr. MASUCCI. Very close.

Mr. MOSER. So you go there about every day?

Mr. MASUCCI. Yes, I do.

Mr. MOSER. Go there just to see him?

Mr. MASUCCI. That is all.

Mr. MOSER. What do you talk about when you see him?

Mr. MASUCCI. Well, anything in general, I guess.

Mr. MOSER. Why would you see him every day? Do you have business relations?

Mr. MASUCCI. I don't have any place to go. I go up there. There is nothing wrong in going to a hotel, is there?

Mr. MOSER. There is nothing wrong with going into the hotel. I want to say that as far as I know, there is nothing you do that is wrong, except that you think it will incriminate you.

Who is "Skinny" D'Amata? Do you know?

Mr. MASUCCI. Yes.

Mr. MOSER. Who is Pallo?

Mr. MASUCCI. I don't know him too well.

Mr. MOSER. What is the income you reported from the firm of D'Amato, Masucci & Pallo in 1946?

Mr. MASUCCI. I refuse to answer that question.

Mr. MOSER. That is all I want to ask you.

TESTIMONY OF EDWARD NAPPEN, ATLANTIC CITY, N. J.

Senator HUNT. Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. NAPPEN. I do.

Senator HUNT. Will you please give your full name, Mr. Nappen?

Mr. NAPPEN. Edward Nappen.

Senator HUNT. Where do you live?

Mr. NAPPEN. 15 South Florida Avenue, Atlantic City, N. J.

Mr. MOSER. Mr. Nappen, where did you go to school?

Mr. NAPPEN. Woodbine, N. J.

Mr. MOSER. How far did you get?

Mr. NAPPEN. I don't remember. I left it real early.

Mr. MOSER. Like the eighth grade?

Mr. NAPPEN. Somewhere around there.

Mr. MOSER. What is your job?

Mr. NAPPEN. Indictment clerk in the prosecutor's office.

Mr. MOSER. Have you been engaged in any illegal activities?

Mr. NAPPEN. No, sir.

Mr. MOSER. You never have?

Mr. NAPPEN. No.

Mr. MOSER. Do you remember the policemen's attempt to get a raise in salary?

Mr. NAPPEN. Yes, sir; I do.

Mr. MOSER. Did you take any part in that?

Mr. NAPPEN. I did.

Mr. MOSER. You opposed it, did you not?

Mr. NAPPEN. I did.

Mr. MOSER. Did you ask any of the policemen to oppose it?

Mr. NAPPEN. Yes, I did.

Mr. MOSER. Did you hand them a loyalty oath to be signed?

Mr. NAPPEN. I did.

Mr. MOSER. What did that loyalty oath say?

Mr. NAPPEN. Asked them to be loyal to the Republican Party and its leadership.

Mr. MOSER. You asked the policemen to sign that?

Mr. NAPPEN. Yes, sir.

Mr. MOSER. Who was the leadership?

Mr. NAPPEN. The Republican Party leadership.

Mr. MOSER. Anybody in particular?

Mr. NAPPEN. In the party?

Mr. MOSER. Yes.

Mr. NAPPEN. Senator Farley is the leader of the county.

Mr. MOSER. Was he mentioned in the pledge?

Mr. NAPPEN. I don't recall that.

Mr. MOSER. To how many officers of the police department did you hand that?

Mr. NAPPEN. Just the fourth ward.

Mr. MOSER. Is that your ward?

Mr. NAPPEN. That is my ward.

Mr. MOSER. Have you a son who is on the police department?

Mr. NAPPEN. He was. He is in the United States Navy. He is an officer. At the present time he is over in Korea.

Mr. MOSER. Has he ever been engaged in any gambling activities?

Mr. NAPPEN. They tried to bring it out that way to hurt me, but it didn't work. They tried to hurt me politically.

Mr. MOSER. Was he arrested for that?

Mr. NAPPEN. Yes; he was.

Mr. MOSER. For what charge?

Mr. NAPPEN. Visiting a bingo game or working in a bingo game. It wasn't true.

Mr. MOSER. He was not working there?

Mr. NAPPEN. No.

Mr. MOSER. Who was trying to hurt you?

Mr. NAPPEN. The political enemies, the Democratic Party.

Mr. MOSER. The Democratic Party?

Mr. NAPPEN. They tried to break up the fourth ward because we were strong. We always carried it and hurt them.

Mr. MOSER. Wasn't it Mayor Taggart who conducted those raids?

Mr. NAPPEN. Not to my knowledge. Probably he got Mr. Gray to do it for him.

Mr. MOSER. Didn't he arrange for the raid at which your son was caught?

Mr. NAPPEN. I don't think he did.

Mr. MOSER. At the time your son was arrested did you take any part in the case?

Mr. NAPPEN. I just came back from a little vacation when that happened and I took part as far going to city hall to find out what it was all about and try to arrange bail to get him out of there.

Mr. MOSER. Have you ever been convicted of any crime?

Mr. NAPPEN. If you will let me explain it, I will tell you. I do not want to just say "Yes" and get myself in the predicament where the newspapermen here think I was really a criminal.

Mr. MOSER. How long ago was it?

Mr. NAPPEN. 1920.

Mr. MOSER. You were convicted of a crime?

Mr. NAPPEN. Yes, I was.

Mr. MOSER. What was the charge?

Mr. NAPPEN. Receiving or selling merchandise that was stolen. I was a salesman at that time for a very big house. Some men came to me with a proposition that they had some articles to sell in my line. I took that article just as a sample and I sold it to a very large concern.

Then the police department arrested the concern and naturally I was brought in. Just coming back from overseas, I did not know much about what it was all about. My boss at that time was Richard Weigland. He was president of the Philadelphia Council and he also had a wholesale candy business. He hired me when I came back from service. He advised me to get John Arkay Scott, who was a close friend, and John Arkay Scott, it so happened, the day before I went into court, had a murder case and he let his assistant or someone go into court and when I went into the court the assistant said "You are a young fellow. What is the good of spending a lot of money? Plead non vult. Everything will be all right."

I said that was all right. I went in and pleaded non vult to the charge, which I should never have done because it brought a bad record against me which hurt me throughout my life. I regretted it very much that I had to talk about it.

Mr. Woulf tried to hurt me by putting it on the air and in the newspapers, but the more he talked about it, the less it hurt me because the people in Atlantic City know what I stand for. When I came to Atlantic City in 1923, the men who were supposed to be my attorneys—

Senator HUNT. Let's get ahead on our questioning.

Mr. NAPPEN. I want to explain how the district attorney took me to Harrisburg to get me a pardon because he thought it was wrong. I got a pardon and got cleaned of it because my enemies took it up time and time again.

Mr. MOSER. You have been pardoned?

Mr. NAPPEN. That is right.

Mr. MOSER. Is your son on the police department?

Mr. NAPPEN. Not at the present time, unless they carry him on it. At the present time he is in service. He is a United States naval officer.

Mr. MOSER. When he first went to the police department, what was his first duty?

Mr. NAPPEN. A policeman, I guess.

Mr. MOSER. Has he ever worn a uniform?

Mr. NAPPEN. Not to my knowledge.

Mr. MOSER. Didn't he go on the beat?

Mr. NAPPEN. No; he did not. He was, to my sorrow and my regret, after he had gone to several colleges—LaSalle and the University of Pennsylvania—I did not feel so good about his becoming a policeman and I interceded and tried to tell the powers that be that

he had a lot of knowledge and asked them to give him an opportunity where he could make good. They put him in the fingerprint room, photographic work, which he made good at. He has a good record to that extent.

Mr. MOSER. In other words, you used your influence to get him a job?

Mr. NAPPEN. I did, to a certain extent. I felt it was my own son and I should.

Mr. MOSER. To get him an inside job?

Mr. NAPPEN. That is right, sir.

Mr. MOSER. Whom did you speak to for the purpose of getting that job for your son?

Mr. NAPPEN. I spoke to the chief of police, the director of public safety, and asked them to help me out.

Mr. MOSER. Did you talk to Senator Farley?

Mr. NAPPEN. I don't think I did. I didn't think it was necessary because the director of public safety, Cuthbert, was in charge.

Mr. MOSER. Did you talk to Mr. Orman?

Mr. NAPPEN. No, sir. He has nothing to do with it.

Mr. MOSER. He has nothing to do with the police department?

Mr. NAPPEN. Not to my knowledge. I never talked to him in that respect or any other respect.

Mr. MOSER. Did Mr. Orman ever speak to you about anybody else?

Mr. NAPPEN. No, sir.

Mr. MOSER. Never exerted any influence on you with regard to your job?

Mr. NAPPEN. Never did.

Mr. MOSER. What kind of automobile do you drive?

Mr. NAPPEN. Oldsmobile.

Mr. MOSER. What year?

Mr. NAPPEN. 1951.

Mr. MOSER. Where did you buy it?

Mr. NAPPEN. Saunders Motor Co.

Mr. MOSER. Is that the company that belongs to the chief's brother?

Mr. NAPPEN. Yes; the same company.

Mr. MOSER. Do you know a Playo game on the boardwalk?

Mr. NAPPEN. On the boardwalk?

Mr. MOSER. On Arkansas Avenue?

Mr. NAPPEN. Yes, sir.

Mr. MOSER. Do you have an interest in that?

Mr. NAPPEN. No, sir; I don't.

Mr. MOSER. Do you know who does have?

Mr. NAPPEN. It is the S. & D. Corp. that has it at the present time.

Mr. MOSER. Is it a legal enterprise?

Mr. NAPPEN. It must be because the city of Atlantic City licensed them. They pay \$3,000 a year license. If it wasn't they wouldn't give them a license to operate.

Mr. MOSER. You do not have an interest in it?

Mr. NAPPEN. No, sir; I don't.

Mr. MOSER. Does Sheriff Gormley have an interest in it?

Mr. NAPPEN. No, sir; he doesn't.

Mr. MOSER. Conrad Schwartz?

Mr. NAPPEN. He is up there as a part owner, or manager. I don't know which.

Mr. MOSER. What is the name of the corporation that owns it?

Mr. NAPPEN. S. & D. That is the name they get their license under.

Mr. MOSER. Isn't it S. & G?

Mr. NAPPEN. I do not know. I am almost sure it is S. & D.

Mr. MOSER. It couldn't be S. & G., for Schwartz and Gormley, would it?

Mr. NAPPEN. No, sir.

Mr. MOSER. Have you any interest, or have you ever had any interest in any other game on the boardwalk?

Mr. NAPPEN. No, sir; I did not.

Mr. MOSER. Or any other Bingo game?

Mr. NAPPEN. No, sir; I never did.

Mr. MOSER. Any member of your family?

Mr. NAPPEN. No, sir.

Mr. MOSER. No indirect interests?

Mr. NAPPEN. No, sir.

Senator HUNT. The Republican Party—does it run any of these games like Bingo, to raise money for the party?

Mr. NAPPEN. We tried it in 1945, but it was a loss to us, and we could not make a go of it, not the party, the fourth ward tried it.

Mr. MOSER. Did your ward ever have any Bingo games that you took any part in?

Mr. NAPPEN. I just answered that.

Mr. MOSER. That is all we want to ask you, Mr. Nappen.

The CHAIRMAN. That will conclude the testimony of the witnesses for today. The committee will resume at 10 o'clock tomorrow morning.

(Whereupon, at 5:30 p.m., the hearing adjourned to reconvene at 10 a.m., Friday, July 20, 1951.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, JULY 20, 1951

UNITED STATES SENATE.

SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The subcommittee met, pursuant to call of the chairman, at 10:15 a. m., in room 318, Senate Office Building, Senator Herbert R. O'Connor (chairman) presiding.

Present: Senators O'Connor and Kefauver.

Also present: Richard G. Moser, chief counsel; James M. Hepbron, administrative assistant; and John J. Winberry, special consultant.

**FURTHER TESTIMONY OF HERMAN ORMAN, ATLANTIC CITY, N. J.,
ACCOMPANIED BY ROGER ROBB, ATTORNEY, WASHINGTON,
D. C.**

The CHAIRMAN. The hearing will please come to order.

Mr. Orman, will you resume the stand, please.

Good morning, Mr. Robb. Mr. Orman has been previously sworn, of course, and it is unnecessary to repeat that at this time.

Mr. Robb. I have talked with Mr. Orman since yesterday, thanks to your kindness. Mr. Orman believes, and I think he has reason to believe, that his income-tax returns for years prior to 1951 are presently being investigated by the Bureau of Internal Revenue.

For that reason he feels, with all respect to the committee, that he should not answer any questions pressing upon his income and his finances for those years, and he must again, with great respect, decline to answer such questions, upon the ground that the answers thereto might tend to incriminate him.

For the same reason he believes that he should not be required to answer questions having to do with the year 1951, which might in some way tie into the prior years.

However, as the Senator pointed out yesterday, the 1951 return has not yet been filed, and Mr. Orman, wanting to help the committee so far as he can do so, will be glad to answer questions touching upon his 1951 transactions, so long as they do not relate to the prior years.

The CHAIRMAN. Very well. Of course, Counsel, I am sure you took into consideration the assurance given by the committee that our primary purpose is not to develop an income-tax case against this witness, or any witness for that matter.

Mr. Robb. Yes. I just wanted you to understand that.

The CHAIRMAN. And I wanted to give you double assurance on that fact.

Mr. ROBB. I accept that, but unfortunately the Senator cannot speak for the Bureau of Internal Revenue.

The CHAIRMAN. And we did not intend to. I did not want to give that impression. We have nothing to do with what they may or may not do. The only thing was, I wanted to give you in short that we were not functioning primarily for that purpose.

Mr. ROBB. I understand that perfectly.

The CHAIRMAN. Very well. Mr. Moser, will you proceed.

Mr. MOSER. Mr. Orman, on February 1, 1951, you made a deposit in the Guarantee Trust Co. of Atlantic City of \$50,000. Will you please explain the nature of that transaction?

Mr. ORMAN. Well, first of all, it was not cash as you inferred yesterday, and it was not taken out of my safe-deposit box. That was money given to me for a first mortgage on my hotel in the amount of \$50,000, which was given to me by a gentleman in Atlantic City, a gentleman by the name of Morgan Bowen, and he has a mortgage on my hotel for that for a period of 5 years.

Mr. MOSER. What was the reason for borrowing \$50,000?

Mr. ORMAN. Well, I paid off a \$22,500 mortgage, which was on a hotel by the man I purchased it from in June of 1945, or April of 1945. That was the balance due and owing of a \$50,000 mortgage which I originally had on it at that time.

The other \$27,500, I purchased \$7,500 worth of stock and \$20,000 worth of bonds which were outstanding on the hotel from a man by the name of Sid Hartfield.

That was the disposition of the \$50,000.

Mr. MOSER. Sid Hartfield was part owner of the hotel?

Mr. ORMAN. At one time.

Mr. MOSER. At one time?

Mr. ORMAN. Yes.

Mr. MOSER. When did his interest in it terminate?

Mr. ORMAN. Around March of this year.

Mr. MOSER. And who else owned that hotel with you?

Mr. ORMAN. Harry B. Schwartz.

Mr. MOSER. The three of you owned it?

Mr. ORMAN. That is right, sir.

Mr. MOSER. In what proportions?

Mr. ORMAN. A third each, \$7,500 worth of stock each, and \$20,000 worth of bonds each.

Mr. MOSER. When did you buy it?

Mr. ORMAN. I think it was May of 1945—yes, May of 1945.

Mr. MOSER. And you say that these men owned it with you until the beginning of this year?

Mr. ORMAN. That is correct, sir.

Mr. MOSER. Have you sold the hotel?

Mr. ORMAN. Well, it is in the process of being sold. I have given an option on it. The option will be exercised by October 1.

Mr. MOSER. Now you say that you have sold it, and, when you say that, what you mean is the corporation. Is that right?

Mr. ORMAN. Not the corporation, sir. I bought all of the outstanding stock and bonds in the corporation, and I am sole owner of it as of March 31, I think, of this year.

Mr. MOSER. So, you are sole owner of the hotel?

Mr. ORMAN. Presently, that is right, sir.

Mr. MOSER. And you have made a contract to sell it?

Mr. ORMAN. That is right.

Mr. MOSER. For how much?

Mr. ORMAN. \$160,000.

Mr. MOSER. And that represents a profit of how much?

Mr. ORMAN. I don't know offhand. I will have to figure that out at some later date.

Mr. MOSER. On March 7 you made a deposit of \$5,000. What was that for?

Mr. ORMAN. That was money I received as a deposit on the hotel, sir.

Mr. MOSER. From whom?

Mr. ORMAN. For an old-age home group.

Mr. MOSER. The purchasers of the hotel?

Mr. ORMAN. That is right.

Mr. MOSER. Mr. Orman, you purchased this hotel in 1945?

Mr. ORMAN (conferring with counsel). Go ahead, I am sorry, sir.

Mr. MOSER. You purchased the hotel in 1945 for how much, did you say?

Mr. ORMAN. I don't recall the price. I don't have my settlement sheet here.

(Counsel conferred with witness.)

Mr. MOSER. On April 23, 1945, you made a deposit in the Boardwalk National Bank of \$15,200 in cash. Was that in connection with the purchase of the hotel?

Mr. ORMAN. I decline to answer that, sir.

Mr. MOSER. Where did you get the \$15,000?

Mr. ORMAN. I decline to answer, sir.

Mr. MOSER. What denominations were the bills?

Mr. ORMAN. I decline to answer.

The CHAIRMAN. Just let the question be asked first, before you make your declination.

Mr. ORMAN. All right.

Mr. MOSER. On what grounds do you decline to answer?

Mr. ORMAN. It might tend to incriminate me, sir.

Mr. MOSER. The deposit slip indicates that the deposit was in notes of more than \$5 each. Can you tell us what denomination they were?

Mr. ORMAN. No, sir; I can't, sir.

Mr. MOSER. In 1942 did you have enough money to buy a hotel?

Mr. ORMAN. I decline to answer.

Mr. ROBB. Might I interpose, Senator?

The CHAIRMAN. Yes.

Mr. ROBB. To ask whether or not the record might show that all of the refusals are based upon the ground that his answer might tend to incriminate him?

The CHAIRMAN. In other words, Counsel, we will continue the same arrangement previously made: that the record will show that, and it is assumed that in each instance the witness states as his basis for refusal to answer the fact that it might tend to incriminate him and, of course, it can also show that the Chair instructs him to answer and he still persists in his refusal.

Mr. ROBB. That is right. And might we at this time have shown in the record that only one member of the committee is present; to wit, the Senator from Maryland?

The CHAIRMAN. That is perfectly sound. It will be repeated that under the resolution, under the nomination of the subcommittee, one member will constitute a quorum. The record will show that only one member is present.

Mr. ROBB. I wanted to save the point.

Mr. ORMAN. May I say something, sir?

Mr. ROBB. No.

The CHAIRMAN. Well, you have the opportunity to do so if you decide you want to.

Mr. ORMAN. Well, just that I am well aware of how that money was supposed to have been deposited some years back, but here of recent date, when there was a \$50,000 deposit by check, nobody knew anything about it, but from the inference of the newspapers and the inference from your man here it was that I took it from a safe-deposit box.

Mr. MOSER. I created no impression. You refused to answer the question. You could have answered the question, and there could have been no inference drawn.

Mr. ORMAN. It seemed so unfair.

Mr. MOSER. Is it unfair if you have the opportunity to answer and don't take it?

Mr. ORMAN. All right.

Mr. MOSER. On January 23, 1942, your testimony was taken by Mayor Taggart, and I have a record before me of that testimony, and the following questions and answers appeared:

Question. Where are you now employed?

Answer. Nowhere.

Question. Where was the last place you were employed?

Answer. Why, the Bath and Turf Club, about a year and 2 months ago.

Question. Who employed you there?

Answer. Joseph McGoldrick.

Question. How much did you make a week?

Answer. Around a hundred dollars; I made \$1,400 for the season.

Question. What have you been doing since then?

Answer. Nothing.

Question. How do you support yourself?

Answer. I had a little money.

Question. Do you have a bank account?

Answer. Not now.

Now, I would like to ask you, if you had no money and were unemployed in 1942, how you were able to put up the money you did for a hotel in 1945, in the amount of about \$25,000?

Mr. ORMAN. I decline to answer that.

Mr. MOSER. Your income-tax return shows that your gross income for 1949—that is, gross income from all sources—was \$18,687.52. Your bank accounts reveal that during that year 1949 you deposited \$35,302.78, a difference of about \$17,000. How do you account for that difference?

Mr. ORMAN. I decline to answer that.

Mr. MOSER. You refuse to answer?

Mr. ORMAN. I certainly do.

Mr. MOSER. Your income-tax return for 1950 reveals that you had gross income from all sources of \$19,307.52. Your deposits during that year in the bank were \$37,756.75, a difference of about \$16,000.

Mr. ORMAN. Yes, sir.

Mr. MOSER. How do you account for that difference?

Mr. ORMAN. I decline to answer.

Mr. MOSER. Did the money that you deposited in that bank come from a safe-deposit box?

Mr. ORMAN. I decline to answer.

Mr. MOSER. Has Marco Reginelli ever stayed at your hotel?

Mr. ORMAN. I decline to answer.

Mr. MOSER. You decline to answer?

Mr. ORMAN. Yes.

Mr. MOSER. Didn't you testify in executive session that he did stay at your hotel?

Mr. ORMAN. Well, if I did, it is in the record.

Mr. MOSER. If it is in the record, it is true?

Mr. ORMAN. I will have to refer to my record. If it is in the record, it is absolutely true.

Mr. MOSER. All right. Do you know a man named Abe Baker?

Mr. ORMAN. Very well.

Mr. MOSER. Who is he?

Mr. ORMAN. He is a man that stops at the hotel.

Mr. MOSER. He is a man who stops at the hotel?

Mr. ORMAN. Yes, sir.

Mr. MOSER. What is his business?

Mr. ORMAN. Amusement business.

Mr. MOSER. He is in the amusement business?

Mr. ORMAN. That is right.

Mr. MOSER. Did he have a place on the Million Dollar Pier?

Mr. ORMAN. I don't know, sir.

Mr. MOSER. You don't know?

Mr. ORMAN. No.

Mr. MOSER. Did he operate a thrillo game, a game called "thrillo," on the Million Dollar Pier?

Mr. ORMAN. I just don't know what he operates.

Mr. MOSER. You don't know whether he had one or not?

Mr. ORMAN. I don't know what he operates.

Mr. MOSER. Newspaper reports of February 14, 1949, indicate that when the Million Dollar Pier fire occurred Mr. Baker lost the establishment in which he operated a thrillo-game parlor, and a pinball concession on Arkansas Avenue. Do you know anything about that?

Mr. ORMAN. I do not, sir.

Mr. MOSER. You never heard of it?

Mr. ORMAN. I may have heard of it. I don't know whether Mr. Baker operated it or not, and I am not interested.

Mr. MOSER. Did you ever have any business dealings with Mr. Baker?

Mr. ORMAN. No.

Mr. MOSER. Have you ever telephoned him?

Mr. ORMAN. Yes.

Mr. MOSER. Lots of times?

Mr. ORMAN. Yes.

Mr. MOSER. Did you ever telephone him in New York?

Mr. ORMAN. Maybe.

Mr. MOSER. Did you ever telephone him in Miami?

Mr. ORMAN. Maybe.

Mr. MOSER. Do you know who Harold Duell is?

Mr. ORMAN. Very well.

Mr. MOSER. Is he a close friend of yours?

Mr. ORMAN. A very close friend.

Mr. MOSER. Did you attend a birthday party at his house in 1949?

Mr. ORMAN. Possibly so.

Mr. MOSER. Attended by Mr. and Mrs. Farley, Mr. and Mrs. Fred-ericks, yourself, and Abe Baker?

Mr. ORMAN. Possibly so.

Mr. MOSER. Possibly so.

Mr. ORMAN. Yes.

Mr. MOSER. So, you know all of these people well; do you not?

Mr. ORMAN. Oh, very well.

Mr. MOSER. They are all intimate friends of yours?

Mr. ORMAN. I would think they were good friends of mine, very good friends of mine.

Mr. MOSER. On November 14, 1950, and on November 16, 1950, you telephoned Mr. Baker in Miami; is that correct?

Mr. ORMAN. I would not know, sir. Whoever gave you the information must know.

Mr. MOSER. Yes. On January 5, 1951, and on January 10, 1951, you telephoned Abe Baker in Miami.

Mr. ORMAN. Did I?

Mr. MOSER. Is that about right?

Mr. ORMAN. I don't know; I don't remember.

Mr. MOSER. You should know that. It was only a few months ago.

Mr. ORMAN. I don't remember it, so it couldn't have been that important or I would have remembered.

Mr. MOSER. Yes. On May 1, 1951, and on May 8, 1951, you telephoned Mr. Baker at the Hampshire House in New York. Do you remember that?

Mr. ORMAN. No; I do not, sir.

Mr. MOSER. You don't remember?

Mr. ORMAN. No.

Mr. MOSER. Is it possible that you were telephoning Mr. Baker because the season for the boardwalk games was about to open and you wanted to know whether or not he would like to make arrangements?

Mr. ORMAN. No: Mr. Moser, it is not possible.

Mr. MOSER. That is not possible.

Mr. ORMAN. No, sir.

Mr. MOSER. Do you know what the Fascination Amusement Co. is?

Mr. ORMAN. Do I know what it is?

Mr. MOSER. Yes.

Mr. ORMAN. I don't know what the amusement company is. I know a fascination game.

Mr. MOSER. You do?

Mr. ORMAN. Yes.

Mr. MOSER. Do you know who operates it in Atlantic City?

Mr. ORMAN. I don't think I do.

Mr. MOSER. Do you know Mr. Fred Packard?

Mr. ORMAN. I know of him.

Mr. MOSER. Have you ever had any dealings with him?

Mr. ORMAN. No, sir; I have not.

Mr. MOSER. You know him only slightly?

Mr. ORMAN. I know him.

Mr. MOSER. Did you ever have any business dealings with him?

Mr. ORMAN. No, I have not.

Mr. MOSER. None whatever?

Mr. ORMAN. No.

Mr. MOSER. Have you ever been on Palisades Avenue, Cliffside, N. J?

Mr. ORMAN. Possibly so.

Mr. MOSER. You don't remember that, either?

Mr. ORMAN. No.

Mr. MOSER. You don't know that Palisades Avenue is a place where there are a number of gambling games and other operations of that kind?

Mr. ORMAN. No; I do not, sir.

Mr. MOSER. You don't know that is the place that was involved in recent indictments in Bergen County?

Mr. ORMAN. I am not too familiar with that.

Mr. MOSER. Do you know Joe Adonis?

Mr. ORMAN. I know of him.

Mr. MOSER. You know that he was recently indicted and convicted, do you not?

Mr. ORMAN. I read about it.

Mr. MOSER. Do you know that that was in connection with operations at Palisades Avenue in Cliffside, N. J?

Mr. ORMAN. I don't know what the connection is.

Mr. MOSER. You don't know about that?

Mr. ORMAN. No.

Mr. MOSER. Have you ever—has Joe Adonis ever stayed at your hotel?

Mr. ORMAN. Spent the night?

Mr. MOSER. Has he ever come in?

Mr. ORMAN. He has been in my hotel.

Mr. MOSER. He has?

Mr. ORMAN. To have dinner.

The CHAIRMAN. Keep your voice up.

Mr. ORMAN. He has been in my hotel to have dinner.

Mr. MOSER. Has he ever stayed overnight?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. How long ago?

Mr. ORMAN. I just don't remember, a couple of years, I guess.

Mr. MOSER. A couple of years?

Mr. ORMAN. Yes.

Mr. MOSER. In your previous testimony you said about a year ago.

Mr. ORMAN. I will have to refer you back to the record all the time for my previous testimony.

Mr. MOSER. I see. Your memory has slipped in the past 10 days?

Mr. ORMAN. I am a little upset this morning.

Mr. MOSER. You are upset this morning?

Mr. ORMAN. Yes.

Mr. MOSER. Why?

(No answer.)

Mr. MOSER. Who came to your hotel with Joe Adonis?

Mr. ORMAN. I would not remember, sir.

Mr. MOSER. You don't remember?

Mr. ORMAN. No, sir.

Mr. MOSER. Did Nig Rosen come with him?

Mr. ORMAN. I would not remember, sir. I don't think so, but I would not remember.

Mr. MOSER. Is it possible that Nig Rosen has been in your hotel?

Mr. ORMAN. He has been in my hotel.

Mr. MOSER. He has?

Mr. ORMAN. Yes. I have a private—I mean, I have a public dining room and bar in the hotel.

Mr. MOSER. And anybody can come there?

Mr. ORMAN. Anybody. You can even come there.

Mr. MOSER. Nig Rosen and Marco Reginelli and Joe Adonis have all been there?

Mr. ORMAN. And we have had a few Governors in there and Senators, and Congressmen. We have had most all types of people. I don't ask people who they are when they come in.

Mr. MOSER. Did you ever telephone to Mr. Adonis at the Brighton Hotel?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. You don't remember that?

Mr. ORMAN. No.

Mr. MOSER. In your previous testimony you said that you thought you had.

Mr. ORMAN. Well, then——

Mr. MOSER. Is that correct, then?

Mr. ORMAN. Well, if I said that, I will stick by it.

Mr. MOSER. I see. What is it that you probably talked to him about?

Mr. ORMAN. Oh, I wouldn't know, sir.

Mr. MOSER. You don't know?

Mr. ORMAN. Maybe I asked him how it was down there, how he liked his accommodations there at the Brighton.

Mr. MOSER. Did he like them all right?

Mr. ORMAN. I don't remember.

Mr. MOSER. He was only in the restaurant, so what do you mean by accommodations?

Mr. ORMAN. I stated that—you asked me what I talked to him about, and I said I might have asked him what his accommodations were and how he liked them in the Brighton Hotel.

Mr. MOSER. At Palisades Avenue, where they have these amusement games, and things, do you know that Frank Erickson was involved in some of those?

Mr. ORMAN. No.

Mr. MOSER. You don't know anything about that?

Mr. ORMAN. No.

Mr. MOSER. Why did you make a telephone call to Mr. Packard, Mr. Fred Packard, who owns an amusement game at Palisades Avenue in Cliffside, N. J., on May 10, 1951, at 5:51 p. m.?

Mr. ORMAN. I would not remember, sir.

Mr. MOSER. You don't remember that?

Mr. ORMAN. No.

Mr. MOSER. That was only a few months ago.

Mr. ORMAN. Yes.

Mr. MOSER. You don't remember telephoning him?

Mr. ORMAN. No.

Mr. MOSER. You had no occasion to telephone him that you remember?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. Your memory is very dim this morning, isn't it?

Mr. ORMAN. Very bad, very bad, very bad.

Mr. MOSER. Is there something in particular that has caused you to be upset?

Mr. ORMAN. No.

Mr. MOSER. Why is it that you remember so little this morning?

Mr. ORMAN. Well [no further answer].

Mr. MOSER. In 1941 you worked in the Bath and Turf Club, did you not, in Atlantic City?

Mr. ORMAN. I don't recall.

Mr. MOSER. You testified to that effect before Mayor Taggart. I read your testimony awhile ago.

Mr. ORMAN. I don't care what you read, I don't believe anything in Mr. Taggart's record.

Mr. MOSER. Your testimony was taken under oath and a record was made of it.

Mr. ORMAN. I would have to see it.

Mr. MOSER. I will be very glad to show it to you, if you will promise to give it back.

Mr. ROBB. I don't think that last crack was fair, Counsel.

The CHAIRMAN. It will have no inference at all. We will hand the papers over to counsel, and we will be sure they will be returned.

Mr. ROBB. Neither counsel nor the witness will steal anything.

The CHAIRMAN. We don't have any such thought, I assure you.

Mr. ORMAN. I don't see my signature on the bottom of it.

The CHAIRMAN. You are welcome to read it, counsel.

Mr. MOSER. Did you ever work at the Bath and Turf Club?

Mr. ORMAN. I don't remember.

Mr. MOSER. Did you swear to that testimony at the time it was taken?

Mr. ORMAN. Not to my knowledge.

Mr. MOSER. You don't remember it?

Mr. ORMAN. I don't remember it.

Mr. MOSER. Do you deny that that testimony was taken?

Mr. ORMAN. I deny anything my signature is not on.

Mr. MOSER. You deny anything your signature is not on, do you?

Mr. ORMAN. That is right.

Mr. MOSER. If there is an original of that copy which has your signature on it, would you deny what is in the copy?

Mr. ORMAN. No, sir.

Mr. MOSER. You deny anything that your signature is on, even though it is untrue; is that correct?

Mr. ORMAN. I did not say that.

The CHAIRMAN. I think you misspoke yourself, Mr. Moser.

Mr. MOSER. Anything your signature is not on, you deny, whether it is true or not; is that correct?

Mr. ORMAN. No; not whether it is true or not. That is incorrect.

Mr. MOSER. I am asking you whether that is true, and you say you deny it because your signature is not on it.

Mr. ORMAN. I would not remember if it was. It is too far back.

Mr. MOSER. Well, in any case, you can tell us if you did remember, you can tell us whether it was true or not, whether your signature is on it or not; couldn't you?

Mr. ORMAN. If I remember the incident; yes, sir.

Mr. MOSER. Do you know a man named Joe Ryan?

Mr. ORMAN. No, sir.

Mr. MOSER. You do not?

Mr. ORMAN. No.

Mr. MOSER. Mr. Orman, in your testimony previously we asked you why you carried a gun.

Mr. ORMAN. Yes.

Mr. MOSER. You testified that the reason for that was that you were a jewelry salesman; is that correct?

Mr. ORMAN. That was correct, if it is in there.

Mr. MOSER. Well, is it correct?

Mr. ORMAN. That was correct.

Mr. MOSER. Yes.

Mr. ORMAN. Yes.

Mr. MOSER. And you were a jewelry salesman working out of New York, were you not?

Mr. ORMAN. No, sir.

Mr. MOSER. Where did you work out of?

Mr. ORMAN. I did not work out of any particular place.

Mr. MOSER. Where did you get your jewelry for sale?

Mr. ORMAN. Oh, different places.

Mr. MOSER. Did you get it in New York?

Mr. ORMAN. No.

Mr. MOSER. You did not?

Mr. ORMAN. No.

Mr. MOSER. That was about the time you were making substantial deposits amounting to \$41,000 in New York, is that correct, in 1936?

Mr. ORMAN. I would say that is incorrect.

Mr. MOSER. You applied for your license to carry a gun in 1935?

Mr. ORMAN. Right.

Mr. MOSER. So you were carrying a gun at that time and the deposits were made in 1936, as shown by yesterday's testimony, and you said you got the gun because you were a jewelry salesman.

Now, do you still say it is incorrect that you were a jewelry salesman in 1936?

Mr. ORMAN. Whatever I stated at the closed hearing is what was so.

Mr. MOSER. Mr. Orman, do you know a man named Francis Smith?

Mr. ORMAN. Francis Smith?

Mr. MOSER. Yes.

Mr. ORMAN. Yes, sir.

Mr. MOSER. Do you know that he has a store on the boardwalk in Atlantic City?

Mr. ORMAN. I have heard of him having a store there; yes, sir.

Mr. MOSER. You do know that?

Mr. ORMAN. Yes, sir.

Mr. MOSER. Do you know they sell jewelry in that store?

Mr. ORMAN. No; I do not. I don't know what they sell.

Mr. MOSER. That store is at 917 Boardwalk. Does that sound correct to you?

MR. ORMAN. It could be.

MR. MOSER. Yesterday—have you talked to Mr. Smith recently?

MR. ORMAN. Not too recently.

MR. MOSER. How recently?

MR. ORMAN. Several weeks back.

MR. MOSER. How many weeks back?

MR. ORMAN. Maybe 3.

MR. MOSER. What did you talk to him about?

MR. ORMAN. Oh, just something that he was supposed to have said.

MR. MOSER. What was he supposed to have said?

MR. ORMAN. I just don't recall.

MR. MOSER. You don't recall?

MR. ORMAN. No.

MR. MOSER. Well, you must recall.

MR. ORMAN. Well, it turned out to be very unimportant, and I dismissed it from my mind.

MR. MOSER. So, you don't remember?

MR. ORMAN. I don't remember.

MR. MOSER. Last night a man walked into Mr. Smith's store, a man named Joe Ryan, who is a jewelry salesman, and he said to the girl behind the counter:

You tell Mr. Smith that if he testifies against Mr. Orman before the Senate committee he is going to be rubbed out.

Do you know anything about that event?

MR. ORMAN. Well, I certainly do not.

MR. MOSER. You don't?

MR. ORMAN. No; I certainly do not.

MR. MOSER. Well, I would just like to tell you, Mr. Orman, that if anything like that occurs we are going to find the bottom of it, and I would also like to tell you that when a witness is going to appear before this committee, nobody is going to threaten to stop him from doing that. Do you understand?

MR. ORMAN. I certainly do, and I am well aware of the consequences, and I had nothing to do with it.

MR. MOSER. I would also like to say that Mr. Smith is going to testify before this committee, and he will be given full police protection; and, furthermore, the matter has been referred to the FBI, and they will get to the bottom of it, and I assure you if anything happens to Mr. Smith the finger is pointed right at you. Do you understand that?

MR. ORMAN. I don't care about any threats. I am not interested in Mr. Smith, and I am not concerned with the FBI or anything in connection with Mr. Smith.

MR. MOSER. I know you are not concerned with the FBI, but I will say to you that it is concerned with you.

MR. ORMAN. Just be sure that I am implicated, so long as you feel so sure that I had something to do with it.

MR. MOSER. I don't know whether you have had anything to do with it or not, but I am just telling you what will happen if anything happens to Mr. Smith.

MR. ORMAN. Did you ever know of me ever having anything to do with any actions of that kind?

MR. MOSER. Well, have you had anything to do with actions of that kind?

Mr. ORMAN. No; I certainly have not; never.

Mr. MOSER. All right.

Mr. ORMAN. Are you satisfied that the newspapermen receive that like all your other inferences about me?

Mr. MOSER. You are excused.

The CHAIRMAN. You are excused, sir.

Mr. MOSER. Mr. Francis Smith.

Mr. ORMAN. Senator O'Connor, may I say something in regard to one of the witnesses' testimony yesterday, before I leave?

The CHAIRMAN. Yes. You may have any opportunity to make any statement you want about anything.

Mr. ORMAN. All right. Senator, yesterday when Officer Gribbin was up here, he made a statement that he thought, or he was informed by one of his informers, that I was a partner of Fred Masucci and Benjamin Rubinstein. I state again for the record, and under oath, that I have never at any time been a partner of Fred Masucci or Benjamin Rubinstein in any business whatsoever.

Then he also made a statement that one day, up on Maine Avenue in Atlantic City, he saw Mr. Fredericks and myself go into an apartment or about to go into an apartment where one Benjamin Rubinstein resides.

On that particular day—if I recall, that was on a Saturday—Mr. Warlich, whom I had never seen in my life, happened to be on that beat on Maine Avenue, which may have been 300 feet, at the time, from this apartment that we were going into. We happened to be going in to see Mr. Louis Watson, who lives on the ground floor of that apartment, and who is a building inspector of the city of Atlantic City.

I was contemplating on building a ramp garage. He knew some engineer and architect that had submitted some sort of plan for him along that line sometime prior to that. That was the mission of Mr. Fredericks and I on that particular day.

I never knew that Mr. Rubinstein ever lived up above Mr. Watson, and I assure you again, under oath, that I have never in my life been in Mr. Rubinstein's house.

Now, I just wanted to make that clear, Senator, for the record.

Thank you, sir.

The CHAIRMAN. Very good, sir.

Counsel, it will not be necessary for you to wait around, because I realize you have other professional engagements. In the event your presence is desired, the committee will call upon you.

Mr. ROBB. Thank you, sir.

Mr. MOSER. Mr. Francis L. Smith.

TESTIMONY OF FRANCIS L. SMITH, MARGATE, N. J.

The CHAIRMAN. Will you raise your right hand, please.

In the presence of the Almighty God, do you swear the testimony you shall give will be the truth, the whole truth, and nothing but the truth?

Mr. SMITH. I do.

The CHAIRMAN. What is your full name?

Mr. SMITH. Francis L. Smith.

Mr. MOSER. Francis L. Smith?

Mr. SMITH. Yes, sir.

Mr. Moser. What is your address?

Mr. Smith. 9 South Madison, Margate.

Mr. Moser. In Margate, N. J.?

Mr. Smith. Yes, sir.

The Chairman. What is your business or occupation?

Mr. Smith. I have operated a bumper game on the boardwalk most recently.

The Chairman. One of the amusement games?

Mr. Smith. That is right.

The Chairman. And how long have you been engaged in that sort of work?

Mr. Smith. The last 2 years.

The Chairman. For the last 2 years?

Mr. Smith. Yes, sir.

The Chairman. Mr. Smith, could I ask you while you are on the stand to just talk into the microphone there. Thank you. And speak in a loud and distinct voice so all may hear you while you are on the stand, and keep your voice up.

All right, Mr. Moser.

Mr. Moser. Mr. Smith, will you tell us whether you ever worked for "Nocky" Johnson in connection with any of his activities?

Mr. Smith. No, sir.

Mr. Moser. You never did?

Mr. Smith. No, sir.

Mr. Moser. Back in the fall of 1939 what was your activity?

Mr. Smith. I was in the numbers business.

Mr. Moser. In the numbers game?

Mr. Smith. Yes.

Mr. Moser. With whom?

Mr. Smith. Rubenstein and Mealia.

Mr. Moser. Mealia and Benjamin Rubenstein?

Mr. Smith. Yes, sir.

Mr. Moser. Were you partners?

Mr. Smith. No.

Mr. Moser. You were working for them?

Mr. Smith. I worked in the office, and I was a runner at different times.

Mr. Moser. You were a runner for them?

Mr. Smith. Yes.

Mr. Moser. Then what did you do after you finished working for them?

Mr. Smith. I became a partner with Rubenstein.

Mr. Moser. What happened to Mealia?

Mr. Smith. Well, during the trial of Johnson most number backers went to jail at that time.

Mr. Moser. Will you talk a little louder?

Mr. Smith. When Mealia—

The Chairman. Mr. Smith, I know you can talk louder than that.

Mr. Smith. I am sorry.

The Chairman. Just talk up, keep your voice up, because it is quite difficult to hear you in a room as large as this, unless you speak into the microphone and loudly. It won't be for so long.

Mr. Smith. Right.

Mr. MOSER. So, after Mealia went to jail in connection with the conviction of Nocky Johnson, and the other group at that time, what did you do?

Mr. SMITH. I became a partner.

Mr. MOSER. You became a partner of whom?

Mr. SMITH. Rubenstein.

Mr. MOSER. Benjamin Rubenstein, in the numbers game?

Mr. SMITH. Yes.

Mr. MOSER. How long did you do that?

Mr. SMITH. Until around 1941 or early 1942.

Mr. MOSER. What happened then?

Mr. SMITH. I left the business, the numbers business.

Mr. MOSER. Why did you leave?

Mr. SMITH. Well, I had been arrested by Mayor Taggart.

Mr. MOSER. Oh, you had?

Mr. SMITH. Yes, sir.

Mr. MOSER. Was Rubenstein arrested at the same time?

Mr. SMITH. No; he was not active in the business at that time.

Mr. MOSER. Was Rubenstein convicted for tax evasion?

Mr. SMITH. Yes.

Mr. MOSER. In connection with the numbers game?

Mr. SMITH. That is right.

Mr. MOSER. After you were arrested by Mayor Taggart, what happened? Were you fined?

Mr. SMITH. I was fined a thousand dollars.

Mr. MOSER. Yes, and what else?

Mr. SMITH. And I had to pay it for being on probation. In other words, I was fined a thousand dollars and put on probation until it was paid, which was paid immediately. So, therefore, I was not on probation for any length of time.

Mr. MOSER. Yes. It was paid immediately?

Mr. SMITH. Yes, sir.

Mr. MOSER. Who paid it?

Mr. SMITH. I did.

Mr. MOSER. You paid it out of your own pocket?

Mr. SMITH. Yes, sir.

Mr. MOSER. And, after you were out of that business, what did you do?

Mr. SMITH. Then I went to work in Mays Landing during the war.

Mr. MOSER. In a war plant?

Mr. SMITH. Yes, sir.

Mr. MOSER. How long did that last?

Mr. SMITH. Until the end of the war.

Mr. MOSER. Did you engage in any gambling activities while you were at the war plant?

Mr. SMITH. Very shortly after I went to the plant, I severed my connections with the numbers business, and a little later I went in business on the Boardwalk, pokerino.

Mr. MOSER. While you were still at the war plant?

Mr. SMITH. That is right.

Mr. MOSER. That is, on your off time you ran a pokerino game on the walk; is that right?

Mr. SMITH. That is right.

Mr. MOSER. Working for somebody else?

Mr. SMITH. As a partner.

Mr. MOSER. You were a partner?

Mr. SMITH. That is right.

Mr. MOSER. How long did that last?

Mr. SMITH. I believe until early 1948, in June.

Mr. MOSER. And, while you were doing that, did you make any attempt to go into the bingo game, or anything like that?

Mr. SMITH. Yes; I did.

Mr. MOSER. What happened there?

Mr. SMITH. I tried to get into the bingo next to the pokerino place—that is 2111 Boardwalk. I believe—so, I contacted a friend of mine, Vince Lane, to intercede for me.

Mr. MOSER. You contacted Vince Lane?

Mr. SMITH. That is right.

Mr. MOSER. Why did you go to him?

Mr. SMITH. Well, I knew him very well. I had lived with his mother. She had, not a rooming house, but she was a friend of ours, so I lived there for some time, and I knew Vince through that connection.

Mr. MOSER. Did you live in the same ward that he did?

Mr. SMITH. Not at the time of the bingo proposition.

Mr. MOSER. You only went to Vince Lane because he was a friend of yours?

Mr. SMITH. That is right.

Mr. MOSER. Why did you think he could help you out in the bingo?

Mr. SMITH. Well, I knew he was leader of the ward, and I knew he was a friend of mine, and whatever he could do he would probably do for me.

Mr. MOSER. So you went to Vince Lane and asked him if he could help you open a bingo game; is that right?

Mr. SMITH. That is right.

Mr. MOSER. What did he say?

Mr. SMITH. Well, he told me from time to time that he had spoken to Farley, Senator Farley, and that everything looked all right, but, "See him yourself."

So he made an appointment for me, and I went up to his office in the Schwemm Building and had a conference with him, and although there was nothing definite at any time, I did believe I could open.

Mr. MOSER. A bingo game is a legal game, is it, or not?

Mr. SMITH. It is legal.

Mr. MOSER. Or it was at that time?

Mr. SMITH. Yes; licensed by the city.

Mr. MOSER. You had to have a license from the city in order to operate?

Mr. SMITH. That is correct.

Mr. MOSER. Mr. Smith, you said a minute ago that although there was nothing definite at the time, you did think you would be allowed to open. Can you be a little more explicit than that and state just what did happen?

Mr. SMITH. Well, Mr. Farley would speak in a noncommittal way at all times, when you asked him for something, and he would say, "I don't know for sure," and, "If I can help you, I will," and, "Wait

and see what develops," conversation to that extent, where it was noncommittal.

The CHAIRMAN. I see.

Mr. MOSER. Well, after that what did you do? Did you make any further effort to find out whether you were going to get your license?

Mr. SMITH. Well, the time dragged on, and it was late in June, and I was starting to get worried about the license, when I saw the activity across the walk on the Million Dollar Pier, which was directly across.

Mr. MOSER. What activity did you see across the street?

Mr. SMITH. They were equipping for bingo also.

Mr. MOSER. They were getting ready for it?

Mr. SMITH. That is right.

Mr. MOSER. So you thought they must have had clearance for their license, is that right?

Mr. SMITH. Yes.

Mr. MOSER. All right. So then what did you do?

Mr. SMITH. I contacted Mr. Farley at his home, and tried to find out what it was, but it was less, I figured there was less chance of getting open, because he said—

Mr. MOSER. Well, excuse me. Did you go to see Mr. Orman before that about your bingo game?

Mr. SMITH. No; I visited Mr. Farley first.

Mr. MOSER. Yes.

Mr. SMITH. And spoke to him, and there was still nothing definite, there was no refusal, but nothing to encourage me that I would believe that I could. So a little later I went to see Mr. Orman.

Mr. MOSER. What conversation did you have with him?

Mr. SMITH. He said, "What are you doing up there on the walk?" So I says, "Well, we are ready to open for bingo, if we get the go-ahead sign."

So he said, "Well, don't quote me, but I don't think you will get open." He said, "I made commitments," and he says, "I am not telling you you are not going to get open, but I don't think so."

Mr. MOSER. He said that he had already made commitments, so that he did not think you could open; is that right?

Mr. SMITH. That is right.

Mr. MOSER. What did he mean by commitments?

Mr. SMITH. Well, I took it to mean that he had promised somebody else a go-ahead on bingo across the street on the pier.

Mr. MOSER. Why did you go to Orman? What did he have to do with it? Does he have anything to do with issuing licenses?

Mr. SMITH. No; but I came to know, through general knowledge, that if Orman says "No," it was "No."

Mr. MOSER. You had general knowledge if you wanted to get a license you had to go to Orman, is that right?

Mr. SMITH. That is right.

Mr. MOSER. Do you still think that is so?

Mr. SMITH. More so now than ever.

Mr. MOSER. Well, after you had that talk with Orman, what did you do next?

Mr. SMITH. Well, I waited, I didn't make any moves, and—

Mr. MOSER. In the meantime you were operating the pokerino game, is that correct?

Mr. SMITH. Yes.

Mr. MOSER. All right. So what did you do?

Mr. SMITH. So I felt my pokerino license was being delayed and——

Mr. MOSER. Was it expiring?

Mr. SMITH. Yes. You see, this happened at the end of June, and the license is due July 1.

Mr. MOSER. I see.

Mr. SMITH. They are not always issued on July 1, but at that time they are due.

Mr. MOSER. And you thought the renewal of your pokerino license was being delayed, is that correct?

Mr. SMITH. Yes. I went down to see Mr. Farley at the Cosmopolitan Club, he was having dinner there. I saw him, and I was in an excited frame of mind, because I felt that I was going to be pushed around, and I wouldn't get the license, because I didn't quite give up on bingo.

I think they resented the fact that I still had hopes of opening. There was one fellow came to me and tried to get me to open, but I didn't want to open if the organization said "No"; I was not interested.

So when I felt that my pokerino license was being jeopardized, I thought I had better go down and see Mr. Farley.

Mr. MOSER. Well, you had this conference with Mr. Farley at the Cosmopolitan Hotel. That belongs to Mr. Orman, is that correct?

Mr. SMITH. That is right.

Mr. MOSER. Was Mr. Orman there at the time?

Mr. SMITH. Yes. We had the conference in his office.

Mr. MOSER. You and Mr. Farley and Mr. Orman talked together about it, is that right?

Mr. SMITH. Yes.

Mr. MOSER. What did they tell you?

Mr. SMITH. Well, I got straightened out on my license. Mr. Farley says there, "Don't threaten me. Don't get excited. Keep your head. Nobody is going to hurt you."

So I said, "Well, this is my livelihood, and I want to get my pokerino license first." I said, "I have not given up on bingo, but I still haven't done anything wrong."

So Mr. Farley says, "Well, I will give you a note to get your license." He says, "You can go up and get it from the city hall at the mercantile office," and he gave me a note.

Mr. MOSER. Mr. Smith, you said that Mr. Farley gave you a note. Was this a handwritten note by him?

Mr. SMITH. Yes.

Mr. MOSER. To whom was it addressed?

Mr. SMITH. I don't know whether it was addressed to anyone in particular. I took it to Mr. Kelley, who issues the licenses. That is the only place you could take it.

Mr. MOSER. It was a note saying that Mr. Farley approved your having a pokerino license?

Mr. SMITH. That is right.

Mr. MOSER. Your pokerino license was renewed?

Mr. SMITH. Yes.

Mr. MOSER. And did you take it to Mr. Kelley?

Mr. SMITH. Yes; and I got my license.

So I brought the bingo subject up——

Mr. MOSER. You brought the bingo subject up with whom?

Mr. SMITH. With both of them, Mr. Farley and Mr. Orman.

Mr. MOSER. Mr. Smith, you are back at the Cosmopolitan Hotel in your conference with Mr. Orman and Mr. Farley; is that correct?

Mr. SMITH. That is right.

Mr. MOSER. Well, go ahead then. Then you talked about the bingo license that you wanted to obtain. Go ahead and explain what happened.

Mr. SMITH. Well, we spoke awhile and Mr. Farley says, "Can we do anything for this fellow?" And Orman says, "No, we can't do a thing for him this year."

So Farley said, "You will have to wait on that, on the bingo, we cannot do a thing for you right now."

Mr. MOSER. Mr. Farley turned to Mr. Orman, did he, and Mr. Orman said, "We can't do a thing for you this year," is that correct?

Mr. SMITH. Right. So I left and got my pokerino license, and I didn't make any further move on the bingo, I forgot about it.

Mr. MOSER. Well, Mr. Smith, this all occurred in 1947?

Mr. SMITH. I think that is right.

Mr. MOSER. So at the end of 1947 you did not have the bingo license, but you did have your pokerino license renewed?

Mr. SMITH. Right.

Mr. MOSER. Did you make any further attempts to obtain bingo after that?

Mr. SMITH. No.

Mr. MOSER. Did you decide to make any other game?

Mr. SMITH. Yes. I left the pokerino shortly after the bingo question. I sold out the pokerino, and I went to Coney Island to look around for another game. I wanted to get back in business.

The CHAIRMAN. Won't you keep your voice up, please, so we all can hear you?

Mr. SMITH. I am sorry, sir. I went to Coney Island. I looked around for different games. So when I came back I went to Mr. Orman again to ask him if I could open some type of game on the Boardwalk. So he said, "Well, you go over and see Bader."

Mr. MOSER. Mr. Smith, Bader is whom? Is that Daniel Bader, the man who issues licenses?

Mr. SMITH. Yes.

Mr. MOSER. Yes.

Mr. SMITH. So I went over to Mr. Bader's office, and I said that I would like to open a game, and I explained the different games. I had a couple in mind, such as penny pitch, and another game. So he said, "Do you have your location?"

So I suggested Garden Pier, which was out on account of it being city property; it could not be rented; I don't know why; some litigation.

Anyway, I could not get a location. So I didn't make any further move at that time. However, I did ask him if the opportunity arose could I get a bumper game.

He says, "Well, I can issue you a license for a bumper game if you have a location." So I says, "Thank you very much, and I will look."

So in October of 1948 a location was available, so through a previous conversation with Mr. MacBeth—that is the assistant to Mr. Farley—

Mr. MOSER. May I interrupt you a moment, Mr. Smith?

Mr. SMITH. Yes.

Mr. MOSER. To identify Mr. MacBeth. Do you know his full name?

Mr. SMITH. Joe MacBeth.

Mr. MOSER. Joe MacBeth?

Mr. SMITH. Yes.

Mr. MOSER. What is his official position?

Mr. SMITH. Assistant county treasurer.

Mr. MOSER. He is assistant county treasurer?

Mr. SMITH. That is right.

Mr. MOSER. Is he also the treasurer of the Atlantic County Republican Club or Committee—the Atlantic County Republican Committee—is he treasurer of that?

Mr. SMITH. I am not familiar with the exact title, sir.

Mr. MOSER. All right. Then go ahead. You went to see Mr. MacBeth. Tell us what happened.

Mr. SMITH. So I spoke to him, and he told me that I could get the bumper license, which was a thousand dollars, and it would cost me another thousand dollars.

Mr. MOSER. He said the license was a thousand dollars, but it would cost you another thousand?

Mr. SMITH. Yes.

Mr. MOSER. What did he mean by that?

Mr. SMITH. Well, that I had to get up a thousand dollars to secure the privilege of running.

Mr. MOSER. A thousand dollars more than the license fee?

Mr. SMITH. Right.

Mr. MOSER. All right. Then what happened?

Mr. SMITH. So I said, "Well, that is all right with me." So I did all the elementary work. I got the lease signed, and I went to work right away immediately to get my ticket to operate the license.

So I went to see Mr. MacBeth, and I gave him the money for the license, and the other thousand dollars.

Mr. MOSER. Did you give him this money in cash?

Mr. SMITH. Yes, sir.

Mr. MOSER. You mean both sums of a thousand dollars were in cash?

Mr. SMITH. Right.

Mr. MOSER. What denomination bills were they?

Mr. SMITH. Large bills—I don't recall.

Mr. MOSER. Perhaps \$100 bills?

Mr. SMITH. Hundreds or fifties.

Mr. MOSER. Yes. You handed this to Mr. MacBeth in his office?

Mr. SMITH. Right.

Mr. MOSER. Why would you be giving your license fee to Mr. MacBeth rather than to Mr. Bader? Mr. Bader, as I understand, was the man who had the authority to issue licenses. Why did you give the money to Mr. MacBeth?

Mr. SMITH. Well, that I couldn't answer, any more than general knowledge, that you can tell, I knew that is what should be done, so that is what I did.

Mr. MOSER. All right. So you handed a thousand dollars to Mr. MacBeth, which was for the license fee?

Mr. SMITH. Yes.

Mr. MOSER. And then you handed him another thousand dollars which was to be paid outside the license fee?

Mr. SMITH. Yes.

Mr. MOSER. To whom was that supposed to go, did you think?

Mr. SMITH. I did not question it.

Mr. MOSER. I see. But you paid it to Mr. MacBeth, who was Mr. Farley's assistant?

Mr. SMITH. That is right.

Mr. MOSER. As assistant county treasurer?

Mr. SMITH. That is right.

Mr. MOSER. Then what happened? Did you get your license?

Mr. SMITH. Yes; I got my license from the mercantile office, and I equipped the place and started operations, and I operated for quite a while. The following year Mr. Mahoney came to me and told me that Mr. Farley—

Mr. MOSER. Mr. Mahoney came to you? Who is Mr. Mahoney?

Mr. SMITH. From the Brigantine Cafe; he was the owner.

Mr. MOSER. Mr. Mahoney is owner of a cafe?

Mr. SMITH. Yes.

Mr. MOSER. He came to see you at your shop; is that correct?

Mr. SMITH. Yes.

Mr. MOSER. What did he say?

Mr. SMITH. He called me and told me to come out to the car. I met him on the walk, or near the walk, and he was in his car, so he said, "I have been sent out by 'Hap' to get some money together."

Mr. MOSER. Who is "Hap"? "Hap" Farley?

Mr. SMITH. Right.

Mr. MOSER. Yes; go ahead.

Mr. SMITH. And he said, "I figure your end should be about 500; is that all right with you?" I said, "Well, it is all right with me, but I would like to make a call first, if you don't mind."

So he said, "Well, that is all right"; he said, "You can see me out at my place or give me a call."

So I got a hold of Mr. MacBeth and told him, so he said, "Well, you go out to Dick's"—that is Dick Mahoney—"and have him call me." which I did.

So Mahoney called Mr. MacBeth at his home. They had a conversation, and then I got on the phone and Mr. MacBeth says, "Is it all right with you to give him half of it now?" I says, "Yes." So I said, "I will bring it out to him." So I brought it out either the following day or the following night, and I told him I would straighten out the rest later.

Mr. MOSER. Half of it was \$250; is that correct?

Mr. SMITH. Right.

Mr. MOSER. What denominations did you give him that in?

Mr. SMITH. Large bills.

Mr. MOSER. You did give it to him—that is, you gave it to Dick Mahoney?

Mr. SMITH. I gave it to him in an envelope.

Mr. MOSER. Yes; at his house?

Mr. SMITH. No; at his bar.

Mr. MOSER. Oh, at his bar.

Mr. SMITH. Yes.

Mr. MOSER. All right. Then go ahead, then what happened?

Mr. SMITH. So later in the season I had a little visit, and Mr. Orman sent word up that if he caught me paying cash he was going to knock my brains out, which only means that he would knock me out of business.

Mr. MOSER. Mr. Smith, now, I would like to get that straight. You said that word was sent up from Mr. Orman. How was it sent? Did you get a telephone call?

Mr. SMITH. No, a fellow named Danny Kaplan, who I knew was friendly with Orman, and I knew it was so, came up to see me and said, "Have you had any trouble with 'Stumpy'?" And I said, "Not that I know of."

He said, "Well, you had better be careful," he said, "because if he catches you paying cash," he said, "he is going to knock you out."

Mr. MOSER. Did he say if he catches you paying cash or catches you paying cash to somebody else?

Mr. SMITH. No, he meant on the board—paying cash over the board in the game.

Mr. MOSER. Oh, I see. So nothing further developed?

Mr. SMITH. Nothing further developed, because I immediately went to chips. In other words, I would not leave dimes on the board at all. When somebody put a dime down, I would take it off and put a chip on the board instead.

So I called MacBeth and explained it to him and he said, "Well, I don't see, if everybody else is paying cash, why you cannot." So—

Mr. MOSER. Was everybody else on the boardwalk using cash in the operation of the game?

Mr. SMITH. From what I had heard they were. I didn't see it, but I knew it, that everybody did pay cash.

Mr. MOSER. Yes. So you went to MacBeth and asked him about it?

Mr. SMITH. Yes.

Mr. MOSER. And he said he didn't see why you could not use cash if everybody else did; is that correct?

Mr. SMITH. That is right.

Mr. MOSER. What happened after that?

Mr. SMITH. Nothing happened further at that time. But I knew there was something amiss, I didn't know what, but I didn't feel I should have to bow to Stumpy, and I knew that he didn't have too much time for me, so I just stayed away from him.

Mr. MOSER. Mr. Smith, how about the \$250 that you still owed?

Mr. SMITH. I went down. I called MacBeth again, and I asked Joe, "What will I do with that other money? Do you want me to bring it to you?" He said, "No, why don't you go over and take it to 'Hap' yourself?"

Mr. MOSER. Take it to "Hap" Farley, that means?

Mr. SMITH. Yes.

Mr. MOSER. Yourself. Yes.

Mr. SMITH. So I went up in the morning, and I went into his home, and I went into the kitchen, and I gave him the money.

Mr. MOSER. This was at Senator Farley's home?

Mr. SMITH. Yes.

Mr. MOSER. Yes, all right.

Mr. SMITH. So I gave him the money, and had a conversation, and he patted me on the back and said, "Any time you need anything, Smitty, come to me."

And he gave my kid a nickel for ice cream.

Mr. MOSER. And that was a kick-back. Well, in what denominations did you give Senator Farley that \$250?

Mr. SMITH. Large bills.

Mr. MOSER. Fifties, probably?

Mr. SMITH. Very probably it was so. I left and I didn't see him for some time after that.

Mr. MOSER. You did not say that loud enough so I could hear it, Mr. Smith.

Mr. SMITH. So that was all of the episode there and I left.

Mr. MOSER. And kept on operating your game?

Mr. SMITH. Yes.

Mr. MOSER. Then what happened after that?

Mr. SMITH. Well, I read in the local papers that Parsons had sent out an edict—

Mr. MOSER. Are you speaking of Attorney General Parsons of New Jersey?

Mr. SMITH. That is right. He sent an edict out.

Mr. MOSER. He sent a bulletin out with regard to the operation of games; is that correct?

Mr. SMITH. Yes.

Mr. MOSER. What did that say?

Mr. SMITH. Well, so far as I know, or so far as anybody knows, probably, it said that wheels and games of chance, bingo and games where the skill of the player did not predominate should be closed.

Shortly after that certain games were closed.

When I heard about it, I added it up, and it looked like I may go down, too, even though the game had been in operation for a long time, a similar game to that.

So I called Mr. MacBeth and talked it over and he said, "Well, maybe you will. You can't tell. It looks serious."

So at 9 o'clock one night I was operating, and two detectives walked in, that is Pike and Brower and said, "Slough." So I says, "Official?" And they says, "Yep, close the doors."

Mr. MOSER. "Slough" means everybody has to shut down?

Mr. SMITH. That is right.

Mr. MOSER. This was an official slough?

Mr. SMITH. Right.

Mr. MOSER. All right.

Mr. SMITH. So I naturally closed and went home and picked up the paper the next morning, and I saw where only two places were listed in the paper. So I was unduly alarmed. I figured we were the only ones knocked out. The pier had not been opened, they were closed down during the week at that time of the year anyway, and the other game downtown either was missed by the paper, or there was some error somewhere, but anyway, the three games that were in operation were closed.

So I went down to see Mr. Farley again.

Mr. MOSER. You went down to see Senator Farley?

Mr. SMITH. Right.

Mr. MOSER. Where did you go, to his home?

Mr. SMITH. To his home.

Mr. MOSER. Yes.

MR. SMITH. He was just leaving, and he went back into the kitchen again with me, and I was in a high state again, a nervous state. So he told me to calm down and take it easy.

So I asked him if there was anything that could be done, could I revise the game in any way?

So he says, "If you can put skill into the game, where the skill of the player predominates, we can probably help you to get open again."

The CHAIRMAN. Now, Mr. Smith, you will have to talk louder, please, because it is so difficult to hear you.

MR. SMITH. O.K.

The CHAIRMAN. Thank you.

MR. SMITH. So he says, "You get ahold of Todd Kerstetter," who is the assistant director of public safety.

So I went directly to him and explained that Mr. Farley had sent me to him, and that if I would revise the game would he accompany me over and inspect it, and if there was any way of letting me operate would he do so.

So he immediately said, "Well, I am going to be busy," this and that, so I said, "Can you delegate someone?"

So he delegated Pike, who had made, not the raid, but the closure, and Pike suggested that I do the things first, rather than explain to him just what I was going to do, which I did. I revised the game, and I got ahold of Pike again, and he inspected it.

Then I did not hear anything for some time, a few days. I called Mr. MacBeth, and it was status quo.

Then I went to Kerstetter again at the city hall, and as soon as I walked in the office I knew I was out.

MR. MOSER. You say you walked into Kerstetter's office and you knew you were out. How did you know that?

MR. SMITH. By his attitude.

MR. MOSER. That is, he was hostile to you?

MR. SMITH. Yes; nervous, hostile. So I tried to pin him down on who decides whether or not it is skill. I said, "There is no lawyer in the State who is willing to decide which is skill and which is not skill."

I said, "I have revised the game and you have not looked at it."

So he says, "Well, take it to court."

I said, "Well, that is pretty expensive. I don't think I should be obliged to do that."

MR. MOSER. Yes.

MR. SMITH. So I said, "Will you give me a letter that I should do that?"

He said, "No."

I said, "Then who decides?"

He says, "I do. I decide if it is legal or not."

I says, "O.K.; thank you."

And I left his office. Well, I called my wife and I said, "It looks like we are out." I says, "Forget about this game."

So she is highly excitable, so she went immediately to work, and she went to see Prosecutor Scott, and she saw him on the street corner. She grabbed him and explained everything to him, and told him that she was going to see Attorney General Parsons as to why we should be closed and why bingo should be open.

Bingo had opened in the interim.

Mr. MOSER. Bingo was wide open but the bumper game, as modified by you, they would not let open?

Mr. SMITH. No; they didn't even look at it.

So when she grabbed Scott, he explained to her that he would close the bingo games.

Then the next day she went to see Attorney General Parsons, who was busy on the Trenton Six case. She saw his assistant. She realized she was being kissed off up there.

She came back to Atlantic City and she was referred to the local police. She threatened to swear out warrants for bingo.

While she was at city hall, around 4 o'clock in the afternoon, I got a call from Orman, very abusive and threatening.

Mr. MOSER. You got a call from whom?

Mr. SMITH. Orman.

Mr. MOSER. Stumpy Orman?

Mr. SMITH. That is right.

Mr. MOSER. What did he say?

Mr. SMITH. He started to call me whatever name was in the book and when he got finished, I said, "That goes double from me to you." So he started to tell me how fresh I was.

Mr. MOSER. You mean you talked back to Orman?

Mr. SMITH. Yes.

Mr. MOSER. Go ahead.

Mr. SMITH. The language that he used, I will have to skip, and what I used, too, as far as that goes.

So he said, "I will be up."

I said, "It will be a pleasure."

I figured it was a man-to-man thing, but, instead of coming up, I am waiting up front for him and I see two strange characters watching the place, looking at their watches and trying to intimidate me. They succeeded. I was upset. Naturally, I was a little frightened, too. So I started to add it up. I said, "I am not quite normal here. I am fighting a mob."

I figured there was no use calling city hall, so I picked up the phone and I figured at least I will have their names if they try anything. So I called the FBI. I dialed the operator and said, "Emergency, FBI." They connected me with Philadelphia. So I at least had an opportunity to tell them who was outside and what had transpired previously.

Then I started to think of my own safety. I was frightened.

Mr. MOSER. You said, Mr. Smith, that two men came up and stood around the store in a threatening manner. Did you know either of them?

Mr. SMITH. I didn't at the time, but I found out who they were.

Mr. MOSER. Who were they?

Mr. SMITH. I asked the fellow next door if he knew them. He said, "That is Babe Marcella."

Mr. MOSER. Babe Marcella?

Mr. SMITH. Yes.

Mr. MOSER. He is a friend of Stumpy Orman?

Mr. SMITH. I asked him, "Is he connected with Stumpy?"

He said, "He is his body guard."

He asked me if I knew him. I said I had never seen him. I said, "I know how to add. The hell with this."

So I picked up the phone.

Mr. MOSER. When Mr. Orman called you on the telephone, did he say anything about whether or not you would be permitted to operate any game?

Mr. SMITH. He said, "You won't even be able to live in this town if you open anything or step across the line. We will knock your brains out."

I said, "I don't need you," and there was some more conversation on the phone.

He said, "Well, answer."

I said, "I didn't call you. You called me."

That was when he said he was coming up.

Mr. MOSER. I interrupted you when you said you telephoned the FBI. Did anything transpire from that?

Mr. SMITH. After I gave them my statement, I figured it was the only weapon I could use against this type of person and I wanted to make sure that I wasn't blushing. So I went out to the Boardwalk. I didn't want to go into the store because at the time I saw two of them there. I didn't have anything for protection, myself. So I figured I was better off outside. So I went outside. I happened to see Jack Galen, the detective, and I grabbed him and asked him to stay with me until I could close up and get out of there.

In the meantime, my wife came back and I went over to city hall. From the chief of police's office, Chief of Police Saunders, who wasn't in, although there was a young fellow there, a policeman, I phoned the FBI. He let me use the telephone. I called the FBI right from city hall.

I wanted to go on record so they would know I wasn't kidding. I told them the story and they said, "Well, we cannot help you unless it is interstate."

So I said, "How about Treasury?"

He said, "Well, come down to my house."

So I asked for an escort to the FBI agent, Welsh, in Benton, on Sacramento Avenue. So I went down there.

Mr. MOSER. You went down to Welsh's house?

Mr. SMITH. That is right. So I explained the story to him and he said, "Well, I don't think you have too much to worry about. Don't worry about them. They probably won't bother you. They are just trying to scare you."

I didn't go home that night. I stayed at my brother-in-law's house and then I stayed there for the night.

Mr. MOSER. How long ago did this conversation with Orman occur, in which he told you you wouldn't be able to operate in Atlantic City again? How long ago? Do you have the date of it?

Mr. SMITH. It was about a week after the closure, probably about the 14th.

Mr. MOSER. The middle of June?

Mr. SMITH. Yes.

Shortly after that I decided to dispose of the merchandise I had bought, the game. A couple of days passed and I got a call from MacBeth. He said: "This is the first time I have ever had to talk to you this way, but you better stop talking about Farley or we are going to close you permanently."

Then he went on to say, "You won't be able even to dispose of your stock."

I said, "I haven't been shooting off."

He said, "Well, you control Mary"—that is my wife—"because we can close you and you know we can close you and keep you closed."

I said, "O. K., Joe."

That was the last I heard from them.

MR. MOSER. Mr. Smith, we were mentioning the date on which this occurred and you said it was the middle of June. I just want to make it clear for the record that that is June 1951; is that correct?

MR. SMITH. You mean this threat?

MR. MOSER. The telephone call from Orman in which he said he would shut you down, and all these other incidents you have just described—they were June 1951?

MR. SMITH. Yes, sir.

MR. MOSER. Is that the end of what happened to you in regard to this?

MR. SMITH. I believe so. I hadn't had too much contact with any of them.

MR. MOSER. And you are now engaged in liquidating the merchandise; is that correct?

MR. SMITH. Yes.

MR. MOSER. Have you had any other threats from Mr. Orman?

MR. SMITH. No.

MR. MOSER. When did you leave your house to come down here to testify?

MR. SMITH. I left last night.

MR. MOSER. What time did you leave?

MR. SMITH. Seven or eight o'clock last night.

MR. MOSER. Do you know a man named Joe Ryan, a jewelry salesman?

MR. SMITH. Yes.

MR. MOSER. Does he come from New York City?

MR. SMITH. I don't know where he is from.

MR. MOSER. Does he come to your store occasionally?

MR. SMITH. Yes. I sublet a jewelry concession up front and he supplies the fellows who operate that, with costume jewelry. Other than that I never met him.

MR. MOSER. Did you know that last night after you left, Joe Ryan came into your store and said to the girl in charge of the jewelry concession, "Tell Mr. Smith that if he testifies against Orman before the Senate committee, he is going to be rubbed out"? Do you know that?

MR. SMITH. No; I don't doubt it.

MR. MOSER. We understand that is what happened. You didn't know that until now? We have reported the matter to the FBI. We have made sure that you have adequate police protection here and when you finish your testimony you will be protected as you leave the building and you will have such further protection as you desire.

MR. SMITH. Thank you, sir.

How about my family? Do they have any protection?

MR. MOSER. I believe the FBI in Atlantic City has already been alerted to that.

MR. SMITH. Thank you, sir.

The CHAIRMAN. I want to say, with double emphasis, that this committee, as the counsel has explained, wants to put it on record, positively, that every protection of law will be afforded you and others like you who come forward to tell the truth. Certainly, it is a sorry day in America if people who come forward to expose such conditions are threatened and their lives placed in jeopardy. So you have our assurances that every possible protection will be afforded you and members of your family in order that nothing will happen to you.

Mr. SMITH. Thank you very much, sir.

Mr. MOSER. I would like to add that I personally feel that under the circumstances you have contributed a very great service in showing the courage to come down and testify the way you have, and I want to thank you for it.

Mr. SMITH. Thank you.

The CHAIRMAN. Mr. Smith, if criminal conditions in this country, such as have been exposed, are to be corrected, they can only be corrected when people have the courage—and I will say, the guts—like you have, to come forward and to state the facts. It therefore not only justifies, but demands, the cooperation of law-enforcement officials at every level in order to insure to you and others like you the protection that you are entitled to have.

Mr. SMITH. I am no lily, but I feel cleaner than I ever felt in my life with this type of person and I wish a few more would do it. We need it.

The CHAIRMAN. All right, sir.

Mr. SMITH. Thank you, sir.

The CHAIRMAN. Vincent Lane.

**TESTIMONY OF JAMES VINCENT LANE, ATLANTIC CITY, N. J.,
ACCOMPANIED BY MURRAY FREDERICKS, ATTORNEY, ATLANTIC
CITY, N. J.**

The CHAIRMAN. In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. LANE. I do.

The CHAIRMAN. Will you give your full name, please?

Mr. LANE. James V. Lane.

The CHAIRMAN. Your address?

Mr. LANE. 1515 Pacific Avenue, Atlantic City, N. J.

The CHAIRMAN. What is your position or business connection?

Mr. LANE. I am the assistant chief probation officer in Atlantic County probation office.

The CHAIRMAN. How long have you been occupying that position?

Mr. LANE. I went in there in 1937 as an investigator. Three years later I was made a probation officer and subsequently was raised to assistant chief.

The CHAIRMAN. And you, with your family, have lived in Atlantic City for how long?

Mr. LANE. 1902.

The CHAIRMAN. Just for the record, Mr. Fredericks, you are acting as Mr. Lane's counsel, his private attorney?

Mr. FREDERICKS. That is right.

Mr. LANE. That is correct, Senator.

Mr. MOSER. Mr. Fredericks, you are not here in your capacity as city solicitor, are you? You are just representing Mr. Lane personally?

Mr. FREDERICKS. That is correct, Mr. Moser.

Mr. MOSER. Mr. Lane, would you tell us where you went to school and how long?

Mr. LANE. I went to parochial school and graduated from the parochial school in Atlantic City. I went to Mount St. Marys College, at Emmetsburg, Md., for 2 years, and went to Catholic University in this city for about 18 months.

Mr. MOSER. After you left there, what was your first job?

Mr. LANE. I cannot tell you that. I do not remember.

Mr. MOSER. You do not remember?

Mr. LANE. No; I do not.

Mr. MOSER. Did you ever work in a bookie room in the Admiral Hotel?

Mr. LANE. Yes; I did, sir.

Mr. MOSER. Tell us about that and tell us the circumstances.

Mr. LANE. I was the board man.

Mr. MOSER. The board man?

Mr. LANE. That is right.

Mr. MOSER. And how long did you work there?

Mr. LANE. I would say about a year.

Mr. MOSER. You remember when it was?

Mr. LANE. Well, will you go back to the transcript of the private hearing, because there is a matter there I would like to clear up.

Mr. MOSER. We would be very glad to have you clear it up, sir. What is the particular point?

Mr. LANE. You asked me when I worked in the horse room and I told you that it was so far back that I couldn't remember, and then you said, "approximately."

Mr. MOSER. You know more exactly now?

Mr. LANE. I gave it more thought. I think I can place it. I said the early twenties; is that right?

Mr. MOSER. The testimony before was that it was in the early twenties. I asked whether it was in the early twenties or early thirties and you said, "Let's say it was in the twenties."

Mr. LANE. Let's say it was in the thirties, now. I have given it more thought. I was confused. It was so far back that I had to give it more thought, and I can put the date in the thirties.

Mr. MOSER. That is the Admiral Hotel?

Mr. LANE. That is right.

Mr. MOSER. Is that still operating in Atlantic City?

Mr. LANE. It is a hotel now. It is not operating as a horse room.

Mr. MOSER. Was it a hotel at that time?

Mr. LANE. Yes.

Mr. MOSER. With a horse room in the back?

Mr. LANE. No. The whole ground floor.

Mr. MOSER. Wide open?

Mr. LANE. That is right.

Mr. MOSER. Was the whole place used for a horse room?

Mr. LANE. What do you mean? The whole ground floor.

Mr. MOSER. How many people would be accommodated while it was operating?

Mr. LANE. I imagine 100, maybe more. Of course, that was way back in the middle thirties. This is not Atlantic City presently.

Mr. MOSER. Things were more wide open then than they are now?

Mr. LANE. Considerably, Mr. Moser.

Mr. MOSER. Then I understand you worked at Henry Cohen's place?

Mr. LANE. That was before the Admiral.

Mr. MOSER. Before the Admiral?

Mr. LANE. That is right.

Mr. MOSER. For numbers and horse rooms, and so forth.

Mr. LANE. That is right; yes, sir.

Mr. MOSER. How do the horse rooms operate there now?

Mr. LANE. A horse parlor or betting establishment.

Mr. MOSER. Just a wide open horse establishment, like the Admiral?

Mr. LANE. I wouldn't say wide open. There was a doorman. They had all the accouterments of the horse room that they usually have.

Mr. MOSER. I do not know much about horse rooms.

Mr. LANE. I can bring you up to date, maybe.

Mr. MOSER. That just is what I had hoped you would do, bring me up to date. How does a horse room operate in Atlantic City, now?

Mr. LANE. Mr. Moser, for the past 13 years I have been a probation officer. I have disengaged myself from the horse business entirely.

Mr. MOSER. I understand that.

Mr. LANE. And I think I should get E for rehabilitation, at least.

Mr. MOSER. Yes; I agree with you.

Mr. LANE. So presently, I know nothing about horse rooms, only what I obtain from interviewing men who are placed on probation.

Mr. MOSER. That is the reason why we want you to testify. As the assistant chief probation officer, you probably talk to everybody who is convicted of gambling.

Mr. LANE. Let me say this. I do not think Atlantic City is any better, or any worse, than any resort or any town of comparable size in the United States.

Mr. MOSER. Would you come back to the question I asked? How do the horse rooms operate there now?

Mr. LANE. I do not know, specifically, but it would be a little difficult, I imagine. They must be all small operations. I do not think there is any casinos that I know of in Atlantic City. Not like they had in the middle thirties. I think that is more or less a small operation, in cigar stores and men on the streets with what they call "hand books." That is about all I could tell you about it.

Mr. MOSER. Is Atlantic City pretty well closed down now from the point of view of gambling?

Mr. LANE. I should think it was. I should think Atlantic City is about as clean as it ever has been in its career.

Mr. MOSER. You would say the slough is on?

Mr. LANE. If you want to call it "the slough," we will say the slough is on.

Mr. MOSER. I used that term because it seems to be the term used in Atlantic City.

Mr. LANE. We used that term when I was working in the horse room. It is closed now.

Mr. MOSER. Is the reason Atlantic City is such a clean town because the Four Horsemen have been making it so?

Mr. LANE. I attribute some of it to the Four Horsemen and the vice squad, which has done a fairly decent job.

Mr. MOSER. You know Harold Scheper?

Mr. LANE. Yes; I do.

Mr. MOSER. Is he on probation?

Mr. LANE. He certainly is.

Mr. MOSER. How long has he been on probation?

Mr. LANE. I think he was on probation—I am not sure. Presently, I have 415 probationers. I think Scheper went on around 1948.

Mr. MOSER. How often do you see him?

Mr. LANE. I haven't seen Scheper now in over a month.

Mr. MOSER. He doesn't have to report to you any more?

Mr. LANE. Yes; he does.

Mr. MOSER. How does he report?

Mr. LANE. He had permisison to go to the hospital for hospitalization in Boston.

Mr. MOSER. So you do not have to talk to him?

Mr. LANE. No.

Mr. MOSER. How often did you talk to him before he went to the hospital?

Mr. LANE. I wasn't there all the time when he reported. I do not think I had too much conversation with him. The reports are taken by a secretary or Mr. Gormley, or some kind of receptionist.

Mr. MOSER. What kind of a report does he turn in?

Mr. LANE. He comes in and says, "Harold Scheper reporting."

Mr. MOSER. That is all he has to say?

Mr. LANE. That is right. His fine was paid at the date of the trial.

Mr. MOSER. If the fine is paid, you do not have to have him say anything except, "I am here"?

Mr. LANE. With 415 probationers, we could not do much more than that. It is a difficult job.

Mr. MOSER. You are not in a position to ascertain whether the probationers are complying with their probation, are you?

Mr. LANE. To the best of our ability, we check on them. We make spot checks, we make spot home visits. We do the very best we can. As I told Mr. Lane at the closed hearing, we do the best we can with the staff we have.

The National Probation Association says that the average case load for a probation officer is 35. We have 415 probationers as of June 30. So I have an elderly colored woman who is an investigator. I have Mr. Gormley who was loaned to us by the county court, who makes up the juvenile docket and tends to the juvenile cases. I have a secretary. And then there is myself.

We have the appropriations this year for another probation officer, but he has not been appointed. We could use three or four more probation officers.

Mr. MOSER. In other words, you have 100 cases per person in your office?

Mr. LANE. I am the only probation officer. I am the supervising probation officer. Mr. Gormley is an investigator when he works, but he is usually taken up with the juvenile-court docket and juvenile-court affairs. He was loaned by the county court for that purpose.

Mr. MOSER. Instead of having the proper case load of 35, you have a case load of 400?

Mr. LANE. We have 415 as of June 30.

Mr. MOSER. So it is practically impossible to perform a reasonable job?

Mr. LANE. Adequately.

Mr. MOSER. When a fellow like Scheper, for example, comes in, you do not have time to do anything.

Mr. LANE. If he asks to be interviewed, I would talk to him. If he has something he wants, like going to Boston to the clinic, he asks to see me. I understand he is suffering from Hodgkin's disease. He asked to go to the clinic in Boston and we gave him permission.

Mr. MOSER. How about Harry Haggerty?

Mr. LANE. He is on probation.

Mr. MOSER. Does he have to do anything more than report and say, "I am here"?

Mr. LANE. I see Haggerty two or three times a day when I am going to and from the office. I live next to Haggerty. I have lived next to Haggerty for a long time. I know him for a long time. I keep a personal check on him.

Mr. MOSER. You know Francis Smith, who testified just before you?

Mr. LANE. Yes.

Mr. MOSER. Did he contact you when he said he wanted to get a game open?

Mr. LANE. That is right.

Mr. MOSER. You offered to help him?

Mr. LANE. He was a friend of mine. I offered to help him. Substantially, what he said regarding my talk, or whatever he said to me, what he said this morning, was substantially correct.

Mr. MOSER. I want to come back to Harold Scheper who is now sick, but whom you had reporting to you regularly as a probationer. You said you had no time to do any more than just have him say that he was reporting in. You also testified that you only interviewed them usually when they requested it.

Mr. LANE. Yes.

Mr. MOSER. You wouldn't know anything about Scheper's income, I suppose?

Mr. LANE. They asked me that at the closed hearing. They asked me whether he was employed. I said I didn't think so. I knew from investigation that his wife had a restaurant on Kentucky Avenue. I believe they asked me whether he lived with his wife. I said I didn't know. He gave her as his wife when he made out the face sheet when he was placed on probation.

They asked me how he lived, if he didn't work, and I told them that I thought he had means, that he had independent means. They asked me how I came to that conclusion. I said, "When he was arrested, the arresting officers went into the safe and seized some \$18,000 or \$20,000, and as a result of subsequent litigation, he recovered most of that."

That is substantially what I said. If it isn't you can refer to the records.

Mr. MOSER. That litigation was in connection with an injury that his son received?

Mr. LANE. No. That was litigation to recover the money as being illegally seized by the arresting officers.

Mr. MOSER. His income-tax return shows he had a gross income from his business in 1950, of \$175,000. That would surprise you, I would suppose?

Mr. LANE. It would really surprise me.

Mr. MOSER. That is what is recorded in his income-tax return.

Mr. LANE. It surprised me.

Mr. MOSER. It just seemed to me, as a probation officer, for a man under your probation, you would have some idea if he was carrying on such activity as that in the numbers game.

Mr. LANE. I think I would. But again, our investigative capacity is limited. I just told you what comprised our staff. I am busy in the office all day long. I mean that sincerely.

Mr. MOSER. His income in 1948, his gross income, from operations, and that was a year after he was convicted, was about \$118,000.

Mr. LANE. He is doing real good.

Mr. MOSER. That is reported in his income tax return. It just seemed to me that, as assistant probation officer, you would have some idea if the man was carrying on such activities.

Mr. LANE. A man like Scheper—do you think he is going to come in and tell me that he made that money and made that kind of return?

Mr. MOSER. He is on probation for numbers games and here he is carrying on.

Mr. LANE. I have to go back to my original statement.

The CHAIRMAN. You don't have to go back to your original statement. We are asking you about your testimony now. Here is a fact, that in 2 years apparently, this man reports income aggregating almost \$300,000. That indicates quite a lot of activity, to say the least.

Mr. LANE. Yes, it does.

The CHAIRMAN. Because that is a pretty good income. If he reported it, I guess he made at least that.

The question is: You, as the probation officer ostensibly is expected to supervise his activities or at least to know what he is doing. Can you give no better explanation as to why you didn't know, or what you did know as to his activities and as to his occupation, when he admits receiving \$300,000 from them almost in 2 years?

Mr. LANE. Senator, the records of this income, this man's income-tax return, are not available to me.

The CHAIRMAN. Of course, I did not assume that, but certainly the activities in which he was engaging over the span of 2 years ought to be known to you as a probation officer.

Mr. LANE. If I had the average case load, I think I would have been able to do a little better job on Scheper than we did, but I must go back and plead that our staff is inadequate and we do not have the men. I very seldom leave the office, believe me.

Mr. MOSER. I would also like to refer back to your testimony in which you said that you know quite a lot about the gambling operations in town and you think Atlantic City is one of the best towns in the United States from the point of view of being closed down. Yet now you say—and you attribute your knowledge to the fact that you were assistant probation officer—

Mr. LANE. That is right.

Mr. MOSER. Now you tell us that your case load is so extremely heavy that you could not possibly know about these things.

Mr. LANE. Mr. Moser, I do not know what to make about that statement there. I wish you would explain it a little more.

Mr. MOSER. I don't know what to make of the fact that you say that you know about gambling.

Mr. LANE. Just a moment.

The CHAIRMAN. You asked Mr. Moser to explain.

Mr. MOSER. I am just trying to find out how you can say, with your knowledge, based on your knowledge as assistant probation officer, that Atlantic City is closed up and that there is less gambling there, at least it is as good as any other community in the United States.

Mr. LANE. That is my personal opinion.

Mr. MOSER. Yes, but you based it upon your knowledge as probation officer.

Mr. LANE. Yes, sir.

Mr. MOSER. When I asked you that question, you said you are the assistant probation officer. Now you tell us your case load is so heavy that you couldn't know all those things.

Mr. LANE. We are speaking about Mr. Scheper's income tax return.

Mr. MOSER. We are talking about your knowledge of the cases under your jurisdiction.

Mr. LANE. We just spoke now of Mr. Scheper's income tax return and I said I did not know that he made that much money.

Mr. MOSER. That is correct. Mr. Scheper is a very good example.

Mr. LANE. You are going back now to generalities. You asked me about Atlantic City. Are we talking about Atlantic City or are we talking about Mr. Scheper specifically? What are we talking about? You mix your questions up a little bit, Mr. Moser.

Mr. MOSER. You are talking about Mr. Scheper—

(The witness consulted with his counsel.)

Mr. MOSER. You were telling us about Mr. Scheper after having told us that you were unable to check any of your cases except on a very superficial basis. We picked Mr. Scheper as a glaring example of a man whose activities must be known to you if you had had any contact with him at all.

Mr. LANE. We have law enforcement bodies in Atlantic City, believe me, and I have all I can do, as I just explained to you, to supervise Mr. Scheper, let's say, as you said, superficially. I cannot be a law enforcement agent. If Mr. Scheper violates the law and he is brought in and he is indicted, we immediately charge him with violation of probation and bring him before the court.

Mr. MOSER. But you have some responsibility to ascertain whether he is complying with his probation.

Mr. LANE. To the limit of my ability.

Mr. MOSER. What time do you go to work in the morning?

Mr. LANE. Nine o'clock.

Mr. MOSER. What time do you leave in the afternoon?

Mr. LANE. Four o'clock. Lots of times it is 5 o'clock and 5:30.

Mr. MOSER. How much time do you take for lunch?

Mr. LANE. An hour.

Mr. MOSER. In that time you have this tremendous case load?

Mr. LANE. That is right.

Mr. MOSER. It seems to me that you are probably not in a very good position to tell us whether gambling is open or closed in Atlantic City.

Mr. LANE. Let's say it was my personal opinion, without anything I learned from my probation activities. Let's say that was my personal opinion.

Mr. MOSER. Did you hear Mr. McCallum's testimony yesterday, in which he said he called you, or rather Boyd called you in June 1949?

Mr. LANE. Let's straighten that call out first. I don't recollect Mr. Boyd's calling me about Mr. McCallum.

Mr. MOSER. You just do not remember?

Mr. LANE. No, I do not.

Mr. MOSER. Didn't you then, in October 1949, telephone Mr. Brone?

Mr. LANE. Yes, I did.

Mr. MOSER. What did you say?

Mr. LANE. Mr. McCallum just misstated that a trifle. I will tell you what I actually did.

Mr. MOSER. You remember that one?

Mr. LANE. Yes, I do.

Mr. MOSER. But you do not remember the previous one?

Mr. LANE. I remember it because Mr. McCallum said the same thing before a local grand jury in which I was called to testify—the same identical charge that is levied here by him.

Mr. MOSER. Now is your opportunity to correct it.

Mr. LANE. Mr. McCallum's mother came in, not Mr. McCallum. She came in to see me and asked me would I please do something because it looked like her son was in trouble. I called David R. Brone, the assistant county prosecutor, and asked him to do what he could for McCallum.

Mr. MOSER. Do you remember the case of Austin Johnson?

Mr. LANE. Yes, I do.

Mr. MOSER. He was on probation; wasn't he?

Mr. LANE. That is right.

Mr. MOSER. While he was on probation, he was arrested; was he not?

Mr. LANE. That is right.

Mr. MOSER. Immediately after being arrested, he was released on bail?

Mr. LANE. That is right.

Mr. MOSER. Since it was a violation of probation, why didn't he go back to jail?

Mr. LANE. We had correspondence with the recorder and we told him that he was on probation, that this charge on which he was presently up before the recorder and being held for the grand jury, may or may not be a violation of probation, and would he make the bail sufficient so that he could be retained in case of a violation of probation.

Mr. MOSER. So he was let out on bail right away.

Mr. LANE. That is right.

Mr. MOSER. Then, wasn't he immediately arrested again?

Mr. LANE. That is right.

I consulted with the county judge and asked him what to do in this matter and he said, "Continue on, unless he is indicted and brought to trial. If he is indicted, we will bring him to trial on the violation of probation and the two charges."

Mr. MOSER. You were here yesterday and did you hear the testimony of Officer Warlich?

Mr. LANE. Yes, I did.

Mr. MOSER. About the raids he was conducting?

Mr. LANE. Yes, sir.

Mr. MOSER. What is your understanding of that conversation?

Mr. LANE. Could we go back, while we are on Austin Johnson?

Mr. MOSER. Yes, I thought we finished that.

Mr. LANE. I want to clear up one point.

Mr. MOSER. Yes.

Mr. LANE. I think Officer Warlich testified that the prosecutor's office issued the warrant for the arrest of Austin Johnson after he was indicted.

Mr. MOSER. I think that is correct.

Mr. LANE. It is incorrect. I must say Officer Warlich is in error. I do not think he did it intentionally. I issued the warrant and signed the warrant and the warrant was served on Mr. Johnson by Mr. Gormley of our office for violation of probation. Subsequently, his attorney applied to the court and he was released on \$5,000 bail.

Mr. MOSER. Who was the judge?

Mr. LANE. I think it was Judge Leonard.

Mr. MOSER. I think that is all we want to ask you, Mr. Lane.

Mr. LANE. Thank you.

Mr. MOSER. Wait just a minute.

The CHAIRMAN. All right, gentlemen.

Mr. Benjamin Rubenstein.

**TESTIMONY OF BENJAMIN RUBENSTEIN, ATLANTIC CITY, N. J.,
ACCOMPANIED BY EDWARD I. FEINBERG, ATTORNEY, ATLANTIC
CITY, N. J.**

The CHAIRMAN. Will you hold up your right hand, please?

In the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. RUBENSTEIN. I do.

The CHAIRMAN. You have counsel with you. Counsel, will you be kind enough to identify yourself?

Mr. FEINBERG. Edward I. Feinberg, Guaranty Trust Co., Atlantic City.

The CHAIRMAN. What is your full name?

Mr. RUBENSTEIN. Benjamin Rubenstein.

The CHAIRMAN. Mr. Rubenstein, what is your address?

Mr. RUBENSTEIN. 12 North Maine Avenue, Atlantic City.

The CHAIRMAN. What business or occupation are you engaged in?

Mr. RUBENSTEIN. I am connected with the Studio Music Co., at 1616 Pacific Avenue.

The CHAIRMAN. And for how long have you been connected with that concern, approximately?

Mr. RUBENSTEIN. Since 1947.

The CHAIRMAN. About 4 years?

Mr. RUBENSTEIN. Yes.

The CHAIRMAN. All right, Mr. Moser.

Mr. MOSER. You are connected with the Music Box Corp.?

Mr. RUBENSTEIN. Studio Music, Inc.

Mr. MOSER. And the business of that company is what?

Mr. RUBENSTEIN. I operate juke boxes and I have a canned music service.

Mr. MOSER. And you own that company entirely, yourself; do you?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Is it a corporation?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Do you have any other business that you operate?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. Have you any other business? What is the Music Box Corp.?

Mr. RUBENSTEIN. The Music Box Corp. is a similar company to the Studio Music Co., but no connection.

Mr. MOSER. No connection?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. You own the Music Box Corp.?

Mr. RUBENSTEIN. I have nothing to do with the Music Box Corp.

Mr. MOSER. Did you use to work there?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. How long ago?

Mr. RUBENSTEIN. Until 1944, perhaps.

Mr. MOSER. And you worked there as manager?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. And they are also in the same business of having canned music; is that correct?

Mr. RUBENSTEIN. No, they had no canned music. They had juke boxes and the music that is known as automatic hostesses.

Mr. MOSER. Now, at the present time, the only business with respect to which you will testify is the Studio Music Co., Inc.?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. You had an income tax violation at the time Nockey Johnson was convicted?

Mr. RUBENSTEIN. I had an income tax violation.

Mr. MOSER. What year was that?

Mr. RUBENSTEIN. 1938-39.

Mr. MOSER. Were you convicted?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Serve any time?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. How long have you been out?

Mr. RUBENSTEIN. Since 1941—the end of 1941.

Mr. MOSER. Where were you? In Lewisburg Penitentiary?

Mr. RUBENSTEIN. That is right.

Mr. MOSER. Are you in the numbers game at all?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. On what grounds?

Mr. RUBENSTEIN. That it may tend to incriminate me of some Federal income tax statute.

Mr. MOSER. Federal income tax?

Mr. RUBENSTEIN. Federal offense.

Mr. MOSER. Have you reported all your income in your Federal income-tax returns?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. I would like to ask you, particularly, about income you received in 1948 and 1949 from the Atlantic Amusement Co. Did you receive any income from that source?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. On the ground that it might incriminate you?

Mr. RUBENSTEIN. That it may tend to incriminate me.

Mr. MOSER. Do you know Fred Masucci?

Mr. RUBENSTEIN. Yes.

Mr. MOSER. Is he a partner of yours?

Mr. RUBENSTEIN. I refuse to answer that question, sir, on the same ground.

Mr. MOSER. In 1948 your income-tax returns showed income from the Atlantic Amusement Co. in the amount of \$12,336.76, the exact amount as appears in Fred Masucci's income-tax returns. Is it reasonable to assume that that indicates that you and he are partners?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. In 1949, a similar situation exists. Your return and his both contain an item of \$15,269.35 from the Atlantic Amusement Co. Does that indicate that you and he may be partners?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. It is obvious that you are; is it not?

Mr. RUBENSTEIN. I refuse to answer the question.

Mr. MOSER. Isn't it true that the Atlantic Amusement Co. is the principal numbers game in Atlantic City?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. Isn't it the principal numbers bank?

Mr. RUBENSTEIN. I refuse to answer the question.

Mr. MOSER. When Masucci became a partner in your business, we understand that he was forced in by a muscle operation in which you were arrested, and following the arrest, Mr. Masucci came in as a partner. Is that true?

Mr. RUBENSTEIN. I refuse to answer the question, sir.

Mr. MOSER. You do not deny it; do you?

Mr. RUBENSTEIN. I refuse to answer the question.

Mr. MOSER. Why should you refuse to answer that? That has nothing to do with the income tax.

Mr. FEINBERG. That question, if I may state for the record, is objectionable because it presupposes an existing partnership. In view of the fact that there is no such testimony, it ought to be reframed so the witness can answer it properly.

Mr. MOSER. If the question is reframed, is there any chance you would advise him to answer it?

Mr. FEINBERG. That is up to the witness.

The CHAIRMAN. Might you propound the question in a different form?

Mr. MOSER. Is Fred Masucci a partner of yours?

Mr. RUBENSTEIN. I refuse to answer the question, sir, on the ground that it may tend to incriminate me.

Mr. MOSER. If he became a partner of yours, was it the result of a muscle operation?

Mr. RUBENSTEIN. I refuse to answer the question.

Mr. MOSER. If the muscle operation did take place, was it connected with an arrest?

Mr. RUBENSTEIN. I refuse to answer the question.

Mr. MOSER. Did Stumpy Orman have anything to do with any muscle operation as far as you are concerned?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. You are sure he did not?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. You are not sure?

Mr. RUBENSTEIN. No, sir. I mean "no," sir.

Mr. MOSER. You are sure. Do you own a bar called Bud's Bar?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. At the 1800 block in Atlantic City?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Do you know who does?

Mr. RUBENSTEIN. Yes; I do.

Mr. MOSER. Who does?

Mr. RUBENSTEIN. Katherine Schubert.

Mr. MOSER. Did you lend her the money with which to purchase that bar?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. On what ground?

Mr. RUBENSTEIN. That it may tend to incriminate me.

Mr. MOSER. Under the Federal income tax law?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Who is Dave Eisenberg?

Mr. RUBENSTEIN. A friend of mine.

Mr. MOSER. What business is he in?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. On the ground that it may incriminate you?

Mr. RUBENSTEIN. Yes, sir.

The CHAIRMAN. How could that answer, if given by you, tend to incriminate you? This has nothing to do with any activities or operations of your own. The question simply refers to a fact about another individual entirely, which does not indicate anything on your part, other than just common knowledge. Is it, or is it not, a fact?

(The witness consulted his counsel.)

Mr. RUBENSTEIN. I refuse to answer the question because association with him might prove a conspiracy to violate the tax laws.

Mr. MOSER. That is interesting. Then Dave Eisenberg is a man whom you know well and you refuse to testify with regard to your relationship with him because it might incriminate you. Does he work in Bud's Bar?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Does his son?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Has his son ever worked in that bar?

Mr. RUBENSTEIN. Yes.

Mr. MOSER. He has? Did you get him the job in that bar?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. You had nothing to do with his getting the job in that bar?

Mr. RUBENSTEIN. No, sir.

Mr. MOSER. Did you suggest to Kay Schubert that she hire him?

Mr. RUBENSTEIN. I believe I did.

Mr. MOSER. Does Kay Schubert operate the bar herself?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Personally?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. How many hours a day does she spend there?

Mr. RUBENSTEIN. Five, six. I don't know.

Mr. MOSER. Isn't it true that Bud's Bar is indirectly owned by you because you have a criminal record and that would prevent you from owning a bar?

Mr. RUBENSTEIN. Absolutely not.

Mr. MOSER. It is not true? Isn't it true that you financed that bar?

Mr. RUBENSTEIN. I refuse to answer that question, sir.

Mr. MOSER. Well, you refuse to answer whether you financed it because it would reveal probably that you violated the law by financing a bar which you could not own yourself?

Mr. RUBENSTEIN. I have no connection with the bar.

Mr. MOSER. You have no connection with the bar, but you do have a connection with Kay Schubert because you loaned her some money; is that correct?

Mr. RUBENSTEIN. I refuse to answer that question.

Mr. MOSER. And you loaned her the money so she could open the bar?

Mr. RUBENSTEIN. I refuse to answer the question.

Mr. MOSER. The reason you loaned her the money to open the bar is that you could have a bar indirectly; isn't that true?

Mr. RUBENSTEIN. I have no connection with the bar.

Mr. MOSER. No connection with the bar except your money is in it; isn't that true?

Mr. RUBENSTEIN. I refuse to answer the question.

Mr. MOSER. Do you own an automobile?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. What kind?

Mr. RUBENSTEIN. An Oldsmobile.

Mr. MOSER. What year?

Mr. RUBENSTEIN. 1949.

Mr. MOSER. Where did you buy it?

Mr. RUBENSTEIN. Saunders Motor Co.

Mr. MOSER. Is that the Saunders Motor Co. owned by the brother of the chief of police?

Mr. RUBENSTEIN. I believe so.

Mr. MOSER. Does your wife own an automobile?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. And what kind does she own?

Mr. RUBENSTEIN. A Ford.

Mr. MOSER. What year?

Mr. RUBENSTEIN. 1951.

Mr. MOSER. Did she pay for that?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. She paid for it with her own money?

Mr. RUBENSTEIN. Yes, sir.

Mr. MOSER. Did you give her the money with which to pay for it?

Mr. RUBENSTEIN. Yes, sir.

MR. MOSER. So, in effect, you own two automobiles; is that correct?

MR. RUBENSTEIN. It is my wife's car.

MR. MOSER. Who is Dorothy Mitchell?

I asked you who is Dorothy Mitchell?

MR. RUBENSTEIN. I was waiting until you were through talking.

MR. MOSER. Go ahead.

MR. RUBENSTEIN. She is a young lady I know.

MR. MOSER. What is your connection with her?

MR. RUBENSTEIN. She worked for me at the Studio Music Co.

MR. MOSER. When you were the manager there, she was one of your subordinate employees?

MR. RUBENSTEIN. The Studio Music Co. is controlled by me.

MR. MOSER. She worked for you there? What work did she do?

MR. RUBENSTEIN. It was in connection with the music business, sir.

MR. MOSER. Does she still work there?

MR. RUBENSTEIN. No, sir.

MR. MOSER. Where does she work now?

MR. RUBENSTEIN. I refuse to answer that question, sir.

MR. MOSER. How can you refuse to answer where she works? How does that incriminate you?

MR. RUBENSTEIN. It is on the same basis as in the Eisenberg matter, sir.

MR. MOSER. The probability is that she works for you in an illegal activity with respect to which you refuse to testify; is that correct?

MR. RUBENSTEIN. I refuse to answer that question, sir.

MR. MOSER. In your previous testimony before this committee, in executive session, you said the Ford belonged to your son. Would you like to change that testimony here?

MR. RUBENSTEIN. It is my son's car in my wife's name, as I explained it to you before.

MR. MOSER. And you paid for it?

MR. RUBENSTEIN. That is right.

The CHAIRMAN. That is all.

MR. FEINBERG. May we stipulate for the record that he refused to answer the questions on the grounds of self-incrimination?

The CHAIRMAN. It is understood that in each case, even though it is not repeated, that his refusal is based on his belief that it might incriminate him, and it is further agreed that in each case the Chair is considered to have directed him to answer and he still persists in his refusal on the ground of self-incrimination.

MR. FEINBERG. May we further stipulate that these questions pry into his private affairs and are not pertinent to this inquiry.

The CHAIRMAN. I would not agree to that. We would be willing to have you state that, as your opinion. And you can state that as the reason why you advised him to take the course he has taken.

MR. FEINBERG. I have only explained the law as to privilege. That is entirely up to him. But, as his attorney, I would like to make the further objection on the record that these questions are directed to his private affairs and are not pertinent to this inquiry.

The CHAIRMAN. That will be noted, Counsel.

Mrs. Mitchell.

**TESTIMONY OF MRS. DOROTHY MITCHELL, ATLANTIC CITY, N. J.,
ACCOMPANIED BY HARRY MILLER, ATTORNEY, ATLANTIC
CITY, N. J.**

The CHAIRMAN. In the presence of Almighty God, do you swear the testimony you will give will be the truth, the whole truth, and nothing but the truth?

Mrs. MITCHELL. I do.

The CHAIRMAN. Will you state your full name, please?

Mrs. MITCHELL. Dorothy Mitchell.

The CHAIRMAN. Your address, please?

Mrs. MITCHELL. Nine North New Haven Avenue, Atlantic City, N. J.

The CHAIRMAN. You are represented by private counsel?

Mrs. MITCHELL. Yes; I am.

The CHAIRMAN. Your counsel's name is?

Mr. MILLER. Harry Miller, 349 Guaranty Trust Building, Atlantic City, N. J.

The CHAIRMAN. Mr. Miller, of course, you are already included in the record as having represented a previous witness.

Mr. MILLER. That is right.

The CHAIRMAN. I just wanted to identify that you are known to the committee. We are very glad to have you.

Mr. MOSER. Mrs. Mitchell, at one time, you worked as an employee at the Music Box Corp.; is that correct?

Mrs. MITCHELL. That is right, sir.

Mr. MOSER. In what capacity did you work there?

Mrs. MITCHELL. I was an operator on one of the hostess machines.

Mr. MOSER. And were you a subordinate employee of Mr. Rubenstein?

Mrs. MITCHELL. He was my boss; yes.

Mr. MOSER. He was your boss? He was the manager of the store?

Mrs. MITCHELL. That is right.

Mr. MOSER. What kind of work did you do on the machines?

Mrs. MITCHELL. I answered calls. I talked.

Mr. MOSER. Where did you work after that?

Mrs. MITCHELL. I refuse to answer that question, sir.

Mr. MOSER. Didn't you work for the Studio Music Co.?

Mrs. MITCHELL. Not directly after Music Box.

Mr. MOSER. Have you ever worked for the Studio Music Co.?

Mrs. MITCHELL. Yes; I have.

Mr. MOSER. When did you work for that company?

Mrs. MITCHELL. I believe in '47. I am not sure.

Mr. MOSER. How long did you work for it?

Mrs. MITCHELL. Maybe a year.

Mr. MOSER. Mr. Rubenstein was your boss then?

Mrs. MITCHELL. That is right.

Mr. MOSER. And he owns that company; does he?

Mrs. MITCHELL. Yes; he does.

Mr. MOSER. When did you finish working for it? In 1947?

Mrs. MITCHELL. I believe that is right.

Mr. MOSER. Where do you work now?

Mrs. MITCHELL. I refuse to answer that question, sir.

Mr. MILLER. May we have the stipulation that was heretofore made with regard to the reason for her refusal to answer?

The CHAIRMAN. Yes; with the equal stipulation that she is directed to answer and still persists in her refusal on that ground.

Mr. MILLER. Yes.

Mr. MOSER. Do you have any connections with Mr. Fred Masucci?

Mrs. MITCHELL. I refuse to answer that question, sir.

Mr. MOSER. Isn't it true that Rubenstein and Fred Masucci are partners in the numbers business?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. And do you refuse to answer on the ground that it will incriminate you?

Mrs. MITCHELL. Yes, sir.

Mr. MOSER. How could their activities incriminate you?

Mrs. MITCHELL. Under the Federal income-tax laws.

Mr. MOSER. I am talking about their income tax; not yours. How can matters with regard to their income tax affect your income tax?

Mrs. MITCHELL. There may be a charge of conspiracy there.

Mr. MOSER. A charge of conspiracy?

Mrs. MITCHELL. That is right.

Mr. MOSER. Isn't it true that you and Rubenstein and Masucci are all partners in the numbers business in Atlantic City?

Mrs. MITCHELL. I refuse to answer that question, sir.

Mr. MOSER. Isn't it true that Rubenstein and Masucci are the partners and that you are their principal bank and you handle their bank?

Mrs. MITCHELL. I refuse to answer that.

Mr. MOSER. Isn't it true you operate the bank for them?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. Is there an organization in Atlantic City called the Atlantic Amusement Co.?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. Isn't it true that there is and that you keep its books and records?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. Isn't it true that the records reveal that Masucci and Rubenstein are both partners in that and have equal shares?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. Do you know that their income-tax returns for 1948 and 1949 included exactly the same amount received from Atlantic Amusement Co.?

Mrs. MITCHELL. I refuse to answer that.

Mr. MOSER. Isn't it true that you prepared those returns for them?

Mrs. MITCHELL. I refuse to answer that.

Mr. MOSER. And included those amounts?

What is at the address of 15½ North Florida Avenue in Atlantic City?

Mrs. MITCHELL. I don't know, sir.

Mr. MOSER. You have never heard of that place?

Mrs. MITCHELL. Never heard of it.

Mr. MOSER. Have you ever been to a place like that?

Mrs. MITCHELL. Not that I know of, sir.

Mr. MOSER. Isn't it true that every day you go into that building at 2 o'clock.

Mr. MILLER. What was the address?

Mr. MOSER. 15½ North Florida.

Mrs. MITCHELL. That address is not familiar to me.

The CHAIRMAN. Could it be that there is another street approach or another opening on any other street, because you seem to be definite about not knowing the address? You seem to be definite about your doubt as to whether or not there is such a location.

Mr. MOSER. Where do you go at 2 o'clock every day?

Mrs. MITCHELL. I refuse to answer that question, sir.

Mr. MOSER. Isn't it true that there is a building there in which the numbers operation is carried on, that you go to every day at 2 o'clock?

Mrs. MITCHELL. I refuse to answer that question, sir.

Mr. MOSER. Isn't it true that you go there and stay from 2 until the end of the day to operate the numbers bank?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. Isn't it true that Mr. Rubenstein goes in there at 2:20 every day?

Mrs. MITCHELL. I also refuse to answer that question.

Mr. MOSER. Do you know Dave Eisenberg?

Mrs. MITCHELL. Yes; I know him.

Mr. MOSER. Who is he?

Mrs. MITCHELL. He worked at Music Box when I did.

Mr. MOSER. Does he work now where you work?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. How about Buddy Stern?

Mrs. MITCHELL. I know Buddy.

Mr. MOSER. Who is he?

Mrs. MITCHELL. A friend.

Mr. MOSER. Does he work in that place?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. Have you filed Federal income tax returns recently?

Mrs. MITCHELL. Yes; I have.

Mr. MOSER. Did you bring them here pursuant to the subpoena?

Mrs. MITCHELL. No. I have no records.

Mr. MOSER. What was your income for 1950?

Mr. MITCHELL. I refuse to answer that question.

Mr. MOSER. You have no records?

Mrs. MITCHELL. No records.

Mr. MOSER. You have no income tax returns?

Mrs. MITCHELL. No copies of them.

Mr. MOSER. You have no copies?

Mrs. MITCHELL. No.

Mr. MOSER. You retained no copies of your income tax returns; is that correct?

Mrs. MITCHELL. That is correct, sir.

Mr. MOSER. And you have no other records?

Mrs. MITCHELL. No.

Mr. MOSER. Have you ever had any records?

Mrs. MITCHELL. I have never kept records.

Mr. MOSER. You never kept records?

Mrs. MITCHELL. No.

Mr. MOSER. How do you know what figures to put in your income tax returns?

Mrs. MITCHELL. I refuse to answer that question, on the same ground.

Mr. MOSER. You refuse to answer how you know what figures to put in your income tax return?

Mrs. MITCHELL. That is right, sir.

Mr. MOSER. It must be very simple to know where the figures come from.

Mrs. MITCHELL. I refuse to answer that.

Mr. MOSER. How can it incriminate you to tell me how you know what the figures are?

Mrs. MITCHELL. It may tend to incriminate me in regard to the income tax laws.

Mr. MOSER. You keep a check book?

Mrs. MITCHELL. No, sir.

Mr. MOSER. Are all your dealings in cash?

Mrs. MITCHELL. No, sir.

Mr. MOSER. Do you use money orders?

Mrs. MITCHELL. I refuse to answer that question.

Mr. MOSER. How do you pay your rent? In cash?

Mrs. MITCHELL. We send a bank order.

Mr. MOSER. You send a bank order?

Mrs. MITCHELL. That is right.

Mr. MOSER. How do you pay for your electric light bill?

Mrs. MITCHELL. I pay that in cash.

Mr. MOSER. Where do you get the cash that is used to pay the rent?

Mrs. MITCHELL. I am a married woman. My husband works.

Mr. MOSER. Does your husband pay the rent?

Mrs. MITCHELL. Yes, he does.

Mr. MOSER. And where does he work?

Mrs. MITCHELL. He is a bartender at the Escort Bar in Atlantic City.

Mr. MOSER. Do you have an interest in that bar?

Mrs. MITCHELL. No, sir.

Mr. MOSER. Isn't it true that when Masucci became a member of that partnership with Rubenstein, it was a result of a muscle operation?

Mr. MILLER. I might suggest to counsel, if I may, that that question, I feel, incorporates more than one question in it. I am merely making that suggestion.

Mr. MOSER. All right. I still ask the question.

(The witness consulted her counsel.)

Mr. MILLER. Will you repeat the question, please?

Mr. MOSER. Mrs. Mitchell, my question was: Isn't it true that Masucci became a partner of Rubenstein as a result of a muscle operation?

Mrs. MITCHELL. I refuse to answer that question.

Senator KEFAUVER. Mrs. Mitchell, you can state what you know about it.

Mrs. MITCHELL. I have nothing to state.

Mr. MOSER. You have nothing to say about that at all?

Mrs. MITCHELL. That is right.

Mr. MOSER. Did Stumpy Orman have anything to do with Masucci becoming a partner of Rubenstein?

Mrs. MITCHELL. I wouldn't know.

Mr. MOSER. That is all I want to ask you, Mrs. Mitchell.

Mr. Berenato.

TESTIMONY OF JACK BERENATO, ATLANTIC CITY, N. J., ACCOMPANIED BY EDWARD I. FEINBERG, ATTORNEY, ATLANTIC CITY, N. J.

Senator KEFAUVER. Will you identify yourself, Counsel?

Mr. FEINBERG. Edward I. Feinberg, Guaranty Trust Building, Atlantic City.

Senator KEFAUVER. Mr. Berenato, do you solemnly swear the testimony you give to the committee, will be the whole truth, so help you God?

Mr. BERENATO. I do.

Mr. MOSER. Mr. Berenato, what is your business?

Mr. BERENATO. Restaurant and hotel business.

Senator KEFAUVER. Let's have you give your full name and address.

Mr. BERENATO. Jack Berenato, 109 Columbia Place, Atlantic City.

Senator KEFAUVER. How old are you, Mr. Berenato?

Mr. BERENATO. 46.

Senator KEFAUVER. What is the address of your business?

Mr. BERENATO. 2019 Pacific Avenue.

Senator KEFAUVER. That is your restaurant?

Mr. BERENATO. That is right. The hotel is 2017.

Senator KEFAUVER. What is the name of the restaurant?

Mr. BERENATO. Luigi's.

Senator KEFAUVER. All right, Mr. Moser.

Mr. MOSER. You are on probation at the present time, are you not?

Mr. BERENATO. Yes, sir.

Mr. MOSER. What was the charge on which you were arrested?

Mr. BERENATO. Bookmaking.

Mr. MOSER. Bookmaking?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Did you carry on a bookmaking establishment?

Mr. BERENATO. When?

Mr. MOSER. In 1947?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Where did you have that?

Mr. BERENATO. At 2017 Pacific.

Mr. MOSER. In the hotel?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Next to your restaurant?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Do you own the hotel?

Mr. BERENATO. Yes, sir.

Mr. MOSER. What is the name of the hotel?

Mr. BERENATO. Penn-Ray Hotel.

Mr. MOSER. And did you have a doorway leading from the restaurant into the hotel?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Your customers, who were going to the bookmaking establishment, would go through that door; is that correct?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Is that open now?

Mr. BERENATO. No, sir.

Mr. MOSER. When was it closed?

Mr. BERENATO. In 1947.

Mr. MOSER. Who is Dave Lowenthal?

Mr. BERENATO. A friend of mine.

Mr. MOSER. Does he work for you?

Mr. BERENATO. I refuse to answer that question. It may tend to incriminate me.

Senator KEFAUVER. Mr. Berenato, do you, or your counsel, wish to amplify that? We want to be fair with you. Give us some reason why that might incriminate you.

Mr. FEINBERG. What time is it, you want to know whether he worked for him?

Mr. MOSER. I asked if he worked for him now.

(The witness consulted his counsel.)

Mr. BERENATO. I refuse to answer. It may tend to incriminate me on income tax violation, conspiracy.

Senator KEFAUVER. Let's say, prior to 1946, did he work for you?

Mr. BERENATO. I don't think so.

Mr. MOSER. Has he ever worked for you?

Mr. BERENATO. I refuse to answer that question, sir.

Mr. MOSER. You run a hotel?

Senator KEFAUVER. Just a minute. I think we will order you to answer that question.

Mr. FEINBERG. May I confer with the witness?

Senator KEFAUVER. Yes.

(The witness conferred with his counsel.)

Mr. FEINBERG. The witness wants to answer.

Mr. BERENATO. He worked for me in 1947.

Mr. MOSER. In what capacity?

Mr. BERENATO. Clerk.

Mr. MOSER. In your hotel?

Mr. BERENATO. Yes, sir.

Mr. MOSER. And in the restaurant, too?

Mr. BERENATO. No, sir.

Mr. MOSER. In 1947 your hotel was being used as a bookie operation?

Mr. BERENATO. That is right, sir.

Mr. MOSER. Did Dave Lowenthal work in that operation?

Mr. BERENATO. Yes, sir.

Mr. MOSER. What was his activity in connection with that?

Mr. BERENATO. He was a clerk.

Mr. MOSER. But what did he do? What kind of clerk work did he do?

Mr. BERENATO. If somebody bet a horse, he would take the bet.

Mr. MOSER. He would take the bet and write it down?

Mr. BERENATO. That is right.

Mr. MOSER. How big an establishment was that?

Mr. BERENATO. It wasn't big.

Mr. MOSER. How many people would it accommodate?

Mr. BERENATO. Maybe 60 to 75.

Mr. MOSER. Where did you get your racing information?

Mr. BERENATO. Radio.

Mr. MOSER. Didn't you have any telephones?

Mr. BERENATO. I think I had one phone at the time.

Mr. MOSER. And did you get information over the telephone about the racing results?

Mr. BERENATO. No, sir.

Mr. MOSER. All from the radio?

Mr. BERENATO. That is right, sir.

Mr. MOSER. What station did you use?

Mr. BERENATO. WOND. I do not think WOND at that time was operating. A New York station.

Mr. MOSER. You got it from a New York station?

Mr. BERENATO. I think so.

Mr. MOSER. Do you know Lester Burdick?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Does he come to your hotel or restaurant often?

Mr. BERENATO. Well, in the past year or so, he has been coming in the restaurant. I have an advertisement over his radio.

Mr. MOSER. You do have an advertisement?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Do you pay for that advertisement by check or cash?

Mr. BERENATO. Cash, once a week.

Mr. MOSER. Does he come around and pick it up?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How much is it?

Mr. BERENATO. \$20.

Mr. MOSER. Why don't you pay him by check?

Mr. BERENATO. I pay all my bills by cash in the restaurant.

Mr. MOSER. You don't use the checking system at all?

Mr. BERENATO. Only for withholding taxes and Government taxes.

Mr. MOSER. Do you keep a record of all your receipts and disbursements?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Why do you use cash, not a checking account?

Mr. BERENATO. Whenever anything is delivered, it goes to the kitchen and they O. K. the bill and then it goes to the cashier and he pays it.

Mr. MOSER. How do you keep records of your activities if it is done by cash?

Mr. BERENATO. It is entered in the book every day.

Mr. MOSER. Do you have any other cash stored away?

Mr. BERENATO. What do you mean? In my pocket?

Mr. MOSER. Do you have any cash that you do not use in connection with your restaurant, that you have stored away some place?

Mr. BERENATO. No, sir.

Mr. MOSER. Do you have a safe deposit box?

Mr. BERENATO. Yes, sir.

Mr. MOSER. What is in it?

Mr. BERENATO. I don't think anything is in it now.

Mr. MOSER. Was there anything in it the day before yesterday?

Mr. BERENATO. I haven't been there in possibly 7 or 8 months, maybe a year.

Mr. MOSER. Have you ever kept cash there?

Mr. BERENATO. Yes, sir.

Mr. MOSER. How much at a time?

Mr. BERENATO. Maybe a thousand, \$1,500.

Mr. MOSER. Is that the maximum amount?

Mr. BERENATO. That is right.

Mr. MOSER. Why do you maintain a safe deposit box if you do not use it?

Mr. BERENATO. I used it.

Mr. MOSER. You do not use it now, though.

Mr. BERENATO. Naturally, you wouldn't run to a safe deposit box every day.

Mr. MOSER. You must know whether there is anything in it or not.

Mr. BERENATO. There is nothing in it now.

Mr. MOSER. There is nothing in it now?

Mr. BERENATO. No.

There is no sense in going there now.

Mr. MOSER. Is there any sense in maintaining it for 8 months when you are not using it?

Mr. BERENATO. I may use it sometime.

Mr. MOSER. You didn't stop using it on account of the investigation by this committee, by any chance, did you?

Mr. BERENATO. No, sir.

Mr. MOSER. Who is Anthony DiNaples, known as "Sharpy"?

Mr. BERENATO. He is a detective in Atlantic City.

Mr. MOSER. Do you know him well?

Mr. BERENATO. I know him all my life.

Mr. MOSER. Intimately?

Mr. BERENATO. Yes.

Mr. MOSER. Have you ever paid him any money?

Mr. BERENATO. No, sir.

Mr. MOSER. Do you know Stumpy Orman?

Mr. BERENATO. I certainly do.

Mr. MOSER. How long have you known him?

Mr. BERENATO. Twenty years, I presume.

Mr. MOSER. Isn't it true that people are brought to your establishment, Luigi's or to the hotel next door, for gambling purposes now?

Mr. BERENATO. I refuse to answer that question. It may tend to incriminate me.

Mr. MOSER. Is there any gambling going on in your hotel?

Mr. BERENATO. No, sir.

Mr. MOSER. Is there any gambling going on now on the premises adjoining the hotel?

Mr. BERENATO. Adjoining the hotel?

Mr. MOSER. Yes.

Mr. BERENATO. There is a lot there. There is an alleyway.

Mr. MOSER. There is what?

Mr. BERENATO. There is an alleyway.

Mr. MOSER. You said "a lot." You didn't mean a lot of gambling? You meant a lot of land?

Is there any gambling going on in your restaurant?

Mr. BERENATO. Not that I know of.

Mr. MOSER. Is there anything going on in the hotel in the way of gambling?

Mr. BERENATO. No; not that I know of.

Mr. MOSER. Is there any room nearby, or connected with them that you operate, in which gambling takes place?

Mr. BERENATO. Not that I know of.

Mr. MOSER. I asked you whether people come to your place to gamble or are brought to your place to gamble, and you refused to answer on

the ground that it might incriminate you. Would you like to change that answer to a denial?

Mr. BERENATO. I don't know. A restaurant is a public place. Suppose somebody comes in there and I don't know anything about it. I couldn't definitely say that. Not that I know of.

Mr. MOSER. Isn't it true that in the rear of your restaurant there is a door leading to a passageway which leads to a gambling establishment in the Penn-Ray Hotel?

Mr. BERENATO. That is a lie.

Mr. MOSER. That is not true?

Mr. BERENATO. Not true.

Mr. MOSER. Isn't it true that there are people called luggers who drive customers from Camden or Philadelphia to your place for the purpose of carrying on gambling activities?

Mr. BERENATO. When? Now?

Mr. MOSER. Now.

Mr. BERENATO. That is a lie.

Mr. MOSER. Have there ever been?

Mr. BERENATO. Previous to 1947, yes.

Mr. MOSER. Previous to 1947. Who paid the luggers? Did you?

Mr. BERENATO. I don't know.

Mr. MOSER. Well, were they independent people who brought customers on their own?

Senator KEFAUVER. Mr. Moser, perhaps he might just tell us how it worked prior to 1947. How did it work prior to 1947 in bringing these people in from Camden or Philadelphia?

Mr. BERENATO. I didn't bring people in from Philadelphia.

Mr. MOSER. Did you bring any from Camden?

Mr. BERENATO. No, sir.

Mr. MOSER. Any from New York?

Mr. BERENATO. No, sir.

Mr. MOSER. You didn't bring anybody in?

Mr. BERENATO. Myself? No.

Mr. MOSER. Weren't there luggers who brought people in?
(The witness consulted with his counsel.)

Mr. MOSER. Weren't there luggers who brought people in?

Mr. BERENATO. In 1947?

Mr. MOSER. Yes.

Mr. BERENATO. I imagine there were.

Mr. MOSER. You do not know anything about them?

Mr. BERENATO. Myself, personally?

Mr. MOSER. Yes.

Mr. BERENATO. No, I don't.

Mr. MOSER. You don't know for whom they worked?

Mr. BERENATO. They worked, probably, all over town when the town was open.

Mr. MOSER. What is the 500 Club?

Mr. BERENATO. It is a cabaret.

Mr. MOSER. And who owns that?

Mr. BERENATO. I don't know, but a friend of mine, Paul D'Amato, is the manager there.

Mr. MOSER. Paul D'Amato?

Mr. BERENATO. That is right.

Mr. MOSER. Does he have an interest in it?

Mr. BERENATO. I imagine he does.

Mr. MOSER. Do you have an interest in it?

Mr. BERENATO. No, sir.

Mr. MOSER. Is there gambling going on there?

Mr. BERENATO. Now?

Mr. MOSER. Yes.

Mr. BERENATO. No, sir.

Mr. MOSER. Has there ever been any you know of?

Mr. BERENATO. In 1947, 1942.

Mr. MOSER. Isn't it true that the 500 Club operates a gambling operation and that you have an interest in it?

Mr. BERENATO. Now?

Mr. MOSER. Yes.

Mr. BERENATO. Right now? No, sir.

Mr. MOSER. But did it ever?

Mr. BERENATO. Yes, it did have gambling there at one time.

Mr. MOSER. Do you have an interest in it?

Mr. BERENATO. What year? I do not know what year you are talking about.

Mr. MOSER. Any year.

Mr. BERENATO. I refuse to answer that question.

Senator KEFAUVER. 1947 or prior thereto?

Mr. BERENATO. I had no interest in 1947 or prior thereto.

Mr. MOSER. Have you had any interest since 1947?

Mr. BERENATO. I refuse to answer that question.

Mr. MOSER. Isn't it true that you do have an interest in that club and you have agreed you will keep your game closed in consideration of receiving a share of that club?

Mr. BERENATO. I refuse to answer that question.

Mr. MOSER. Do you know Louie Arnheim?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Do you know him well?

Mr. BERENATO. He comes in to the restaurant quite often to eat.

Mr. MOSER. He is a policeman, isn't he?

Mr. BERENATO. Yes, sir.

Mr. MOSER. He comes in often?

Mr. BERENATO. Yes, sir.

Mr. MOSER. It is an expensive restaurant, isn't it?

Mr. BERENATO. In what way?

Mr. MOSER. Aren't the prices fairly high?

Mr. BERENATO. No, sir. Moderate.

Mr. MOSER. Isn't it true that Louie Arnheim comes in there and gets free meals?

Mr. BERENATO. That is a lie. He pays for every check.

Mr. MOSER. Have you ever paid any money to him?

Mr. BERENATO. No, sir.

Mr. MOSER. Do you have a liquor license in Luigi's?

Mr. BERENATO. I am just the manager. My sister-in-law and two brothers have the restaurant.

Mr. MOSER. You own the real estate and your sister-in-law and two brothers own the restaurant and have the liquor license?

Mr. BERENATO. That is right.

Mr. MOSER. Is that because you are under conviction and under probation and cannot get a license?

Mr. BERENATO. No, sir.

Mr. MOSER. Who supplied the money for that license?

Mr. BERENATO. I refuse to answer that question. It may tend to incriminate me.

Mr. MOSER. That is all the questions I wish to ask.

Senator KEFAUVER. I am interested in how you operated. Was this a regular horse parlor you operated in 1947 or prior thereto, where people would come into the room and make bets there on horses?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. You would pay off between the races?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. You got your information by radio?

Mr. BERENATO. That is right.

Senator KEFAUVER. Was there one particular station that gave immediate results together with the odds paid or prices paid?

Mr. BERENATO. That is right.

Senator KEFAUVER. Just one station or several stations?

Mr. BERENATO. In 1947 and prior to that, there were two or three stations out of New York.

Senator KEFAUVER. What was the name of that station you got your information from?

Mr. BERENATO. I don't remember it offhand, but there were three stations in New York.

Senator KEFAUVER. You just tuned in to that station and they would supply the immediate results and also give information about how the race was being run, who was ahead at the turn?

Mr. BERENATO. They wouldn't give a description, just the results and the mutuel.

Senator KEFAUVER. Then you would pay off on what the radio gave?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. After, say, a person won something, he would then have money if he wanted to bet on another bet?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. Did you ever use wire services, ticker services?

Mr. BERENATO. There hasn't been wire services in Atlantic City since, I think, 1940 or prior to that.

Senator KEFAUVER. Is this radio service as satisfactory as the wire service?

Mr. BERENATO. No, sir.

Senator KEFAUVER. What is the difference?

Mr. BERENATO. You get the information faster by wire.

Senator KEFAUVER. Also get track conditions?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. Last-minute jockey changes?

Mr. BERENATO. Yes, sir.

Senator KEFAUVER. But you can operate successfully a bookie operation by radio; is that true?

Mr. BERENATO. I presume so.

Senator KEFAUVER. You did it all right, or, anyway, it was done there. Is that true?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. Do you know whether radio facilities in the vicinity of Atlantic City from New York, or from Atlantic City are now available if one wanted to go into the horse-race business?

Mr. BERENATO. I imagine you can get results over the country by radio.

Senator KEFAUVER. At one time you had a telephone that was disconnected by the telephone company, did you not?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. What were you using that telephone for?

Mr. BERENATO. The telephone company said I was using it for bets. The phone happened to be in the premises where there was gambling and they took it out.

Senator KEFAUVER. You filed a petition by Mr. Feinberg, your present lawyer, before the public utility commission, Docket No. 4077, to get your telephone back; is that correct?

Mr. BERENATO. Yes, sir.

Senator KEFAUVER. And apparently, the board of commissioners found that the telephone company was justified in taking it out, but they ordered that it be put back; is that correct?

Mr. BERENATO. That is right, sir.

Senator KEFAUVER. I think, just for the record, if counsel will identify this as a decision in that case, it might be of interest to the committee.

(The counsel examined the document.)

Senator KEFAUVER. That appears to be a mimeographed copy of the court's decision.

Mr. FEINBERG. This seems to be the decision. I want to call your attention, Senator, to one portion of it where it says that there was no clear or convincing proof that the telephone, located in the restaurant premises, or anywhere connected therewith, was ever used illegally. As I recall that case, this telephone was used for business purposes, but, by reason of the fact that Mr. Berenato had an entrance there to some other place, they took it out. The board held they were justified. That phone has never been used for any illegal purposes as far as I know. It is the phone that is now in the restaurant.

Senator KEFAUVER. Let the decision be filed as "Exhibit 2." It speaks for itself.

(The decision previously referred to was marked "Exhibit No. 2" and is on file with the special committee.)

Senator KEFAUVER. How long were you without the telephone?

Mr. BERENATO. About 4 months.

Senator KEFAUVER. Was that the telephone that was used by people to call in bets?

Mr. BERENATO. No, sir. That phone was in the restaurant.

Senator KEFAUVER. But the commission held there that they were justified in taking it out because it was in your place and your place had been proven to have been connected with a horse operation?

Mr. BERENATO. Yes.

Mr. MOSER. You did have another telephone, did you not, in the horse room, the horse operating room?

Mr. BERENATO. Not a public telephone. It was more of a communicating phone to talk from the front to the back.

Mr. MOSER. Didn't you receive bets over the telephone in that establishment?

Mr. BERENATO. No, sir. Not at that time.

Mr. MOSER. They were all brought in by hand?

Mr. BERENATO. That is right.

Mr. MOSER. You say, not at that time. Was there a time you had them come in by telephone?

Mr. BERENATO. Previous to that.

Mr. MOSER. Why was that telephone taken out?

Mr. BERENATO. I don't remember.

Mr. MOSER. You had a public telephone there. Why was it taken out? You must remember it.

(The witness consulted with his counsel.)

Mr. BERENATO. I don't remember. I know I had another phone.

Mr. MOSER. Didn't it curtail your activities a good deal to have the other phone taken out?

Mr. BERENATO. No, sir.

Mr. MOSER. Didn't people want to telephone bets in?

Mr. BERENATO. It was mostly cash and carry.

Mr. MOSER. They just walked in?

Do you know Station WOND?

Mr. BERENATO. Yes, sir.

Mr. MOSER. Have you ever listened to it?

Mr. BERENATO. I have an ad on there, yes; and I have listened to it.

Mr. MOSER. How often do you listen to it?

Mr. BERENATO. Whenever I am up in the afternoons.

Mr. MOSER. Whenever you are up in the afternoons? What do you mean?

Mr. BERENATO. If I get up early enough, I will listen to it.

Mr. MOSER. Do you listen to it regularly to see if your program is coming over?

Mr. BERENATO. No, sir.

Mr. MOSER. Don't you ever listen for racing news on it?

Mr. BERENATO. No, sir.

Mr. MOSER. Anybody you know do that?

Mr. BERENATO. I guess a lot of people listen to it.

Mr. MOSER. You do not know?

Senator KEFAUVER. Is Station WOND the station you got your racing news information from when you operated the horse parlor?

Mr. BERENATO. They weren't in business at that time.

Senator KEFAUVER. This horse parlor you operated, you say it was a large room that would hold 60 people?

Mr. BERENATO. Sixty to seventy-five people.

Senator KEFAUVER. Could anybody go in?

Mr. BERENATO. No, sir.

Senator KEFAUVER. How did you select the people you let in?

Mr. BERENATO. There was a man in the front store.

Senator KEFAUVER. He knew them?

Mr. BERENATO. Yes.

Senator KEFAUVER. How did you get by with the police operating?

Mr. BERENATO. At that time the entrance I had was more of a secret entrance. Behind this cigar store was a poolroom.

Senator KEFAUVER. It couldn't be very secret if 60 to 70 people went in and out.

Mr. BERENATO. It still could be secret. I operated there pretty long without the police knowing it.

Mr. MOSER. Did Officer Arnheim come in while you were operating?

Mr. BERENATO. He came in and inspected the place quite a few times.

Mr. MOSER. Was it operating?

Senator KEFAUVER. Inspected what place? The restaurant or the horse room?

Mr. BERENATO. It was a cigar store and behind the cigar store was a poolroom. There was one pool table in it. To the right there was an entrance under the next property. In other words, if they came in, the man in front saw they were detectives or cops, he wouldn't open the door to let them in, the door into the horse room. They would walk into a bare room with just a pool table and nobody there.

Mr. MOSER. Did Officer Arnheim know there was a horse room there?

Mr. BERENATO. No.

Mr. MOSER. Are you sure he didn't?

Mr. BERENATO. Positive.

Mr. MOSER. Did you ever get permission from city officials to operate that?

Mr. BERENATO. No, sir.

Mr. MOSER. Did you ever get approval from Stumpy Orman?

Mr. BERENATO. No, sir.

Mr. MOSER. You never paid anybody for the privilege of operating?

Mr. BERENATO. No, sir.

Mr. MOSER. Ever pay Stumpy Orman a share of the profits?

Mr. BERENATO. No, sir.

Mr. MOSER. Ever pay a share of the profits to anybody?

Mr. BERENATO. No, sir.

Senator KEFAUVER. That is all.

Mr. FEINBERG. Can the witnesses be excused?

Senator KEFAUVER. Mr. Berenato and Mr. Rubenstein are excused, with the understanding that they may be recalled at any time, if it is required.

Senator KEFAUVER. It is now 15 minutes to one. I think we better recess. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:45 p. m., the committee recessed, to reconvene at 2 o'clock the same day.)

AFTERNOON SESSION

Present: Senators O'Connor (chairman), Kefauver, and Hunt.

The CHAIRMAN. The hearing will come to order, please.

Mr. Philips, please.

Mr. Philips, all witnesses are sworn; so, I presume you have no objection?

Mr. PHILIPS. Absolutely not.

The CHAIRMAN. In the presence of the Almighty God, do you swear the testimony you shall give shall be the truth, the whole truth, and nothing but the truth?

Mr. PHILIPS. I do.

TESTIMONY OF ALBERT PHILIPS, ATLANTIC CITY, N. J., ACCOMPANIED BY MARVIN PERSKIE, ATTORNEY, ATLANTIC CITY, N. J.

The CHAIRMAN. Now, will you give us your full name, please?

Mr. PHILIPS. Albert Philips.

The CHAIRMAN. And you, sir, are accompanying him?

Mr. PERSKIE. Yes.

The CHAIRMAN. What is your name?

Mr. PERSKIE. Marvin Perskie, Atlantic City, N. J.

The CHAIRMAN. And your profession?

Mr. PERSKIE. I am an attorney at law.

The CHAIRMAN. You represent Mr. Philips?

Mr. PERSKIE. Yes, sir.

The CHAIRMAN. Thank you. I want to assure you that you are very welcome, sir.

Now, Mr. Philips, what is your full address?

Mr. PHILIPS. 556 North Massachusetts Avenue, Atlantic City, N. J.

The CHAIRMAN. And your business or occupation?

Mr. PHILIPS. I am a fuel merchant in Atlantic City.

The CHAIRMAN. A fuel merchant?

Mr. PHILIPS. That is right, petroleum products.

The CHAIRMAN. For how long?

Mr. PHILIPS. Since I came out of the service, 5½ years ago, I started in my own business.

The CHAIRMAN. Thank you. Mr. Moser, you may proceed.

Mr. MOSER. It is my understanding that you served on the grand jury of Atlantic County in the early part of 1951; is that correct?

Mr. PHILIPS. I did, sir.

Mr. MOSER. Was that the 1950 January term of the grand jury?

Mr. PHILIPS. That is called the January term; yes, sir.

Mr. MOSER. The January term?

Mr. PHILIPS. Yes, sir.

Mr. MOSER. Generally speaking, what kind of cases were brought before that grand jury?

Mr. PHILIPS. Criminal cases.

Mr. MOSER. Well, they are always criminal cases.

Mr. PHILIPS. Well, to make it more specific, gambling cases, rape, larceny, and so forth.

Mr. MOSER. Were a number of cases considered?

Mr. PHILIPS. Yes, sir; quite a few.

Mr. MOSER. Were there any indictments obtained?

Mr. PHILIPS. Yes, sir.

Mr. MOSER. Were there any gambling indictments?

Mr. PHILIPS. Yes, sir; quite a number.

Mr. MOSER. Can you tell us about some of them?

Mr. PHILIPS. Well, some of them.

Mr. MOSER. Excuse me, Mr. Philips; I don't want to ask you what happened within the proceedings of the grand jury.

Mr. PHILIPS. No; I would not care to state that.

Mr. MOSER. I merely want to know what the result of them was.

Mr. PHILIPS. The result of them, Mr. Moser, was that we got fine results when they were small cases—in other words, “small fry”—but when we came to go up to the higher brackets then, of course, we run into some difficulty.

Mr. MOSER. What kind of difficulty did you run into?

Mr. PHILLIPS. Well—

Mr. MOSER. Speaking in general terms.

Mr. PHILIPS. Speaking in general terms, it seems that when the officers involved—and when I say “officers involved” I mean other than those that were known as the Four Horsemen, who came in and did not quiver a bit about giving testimony, why, we found that in getting at a proper result from the testimony of the other officers, due to the fact it appeared to me—now, this is my personal opinion—that they were afraid of reprisals. So, therefore, they—

Mr. MOSER. It is your impression that the officers, other than the Four Horsemen, were pulling their punches in their testimony before the grand jury?

Mr. PHILIPS. Definitely so.

Mr. MOSER. That was obvious; was it?

Mr. PHILIPS. That was very obvious.

Mr. MOSER. You got the impression that they were pulling their punches because they were afraid of reprisals?

Mr. PHILIPS. That was my impression.

Mr. MOSER. Were the proceedings of the grand jury kept secret, so far as you could tell?

Mr. PHILIPS. Mr. Moser, I would say no, and I say that honestly, because there was many a time when I left the grand jury, and by the time I traveled 20 miles to my home, everybody in Atlantic City knew what happened, who was indicted, when, why, and where.

Mr. MOSER. Did they know what testimony had been given before the grand jury?

Mr. PHILIPS. It was never brought out definitely what went on in there, but I imagine they knew, because they knew who was indicted, and it was on the street before I even got home to drive my car 20 miles. Evidently they must have known the whole procedure.

Mr. MOSER. Mr. Philips, you said that the officers who testified seemed to pull their punches?

Mr. PHILIPS. Yes, sir.

Mr. MOSER. Have you any comments of a general nature to make with regard to the attitude of the prosecuting lawyers?

Mr. PHILIPS. Well, sir, I have come to the conclusion, after about the second or third meeting, the procedure of the grand jury is—in my estimate is—not handled correctly, because I don't believe, I would say safely, 90 to 95 percent of jurors know what their duties are. They have to look to a spokesman. Maybe that is the reason I am here to act as spokesman for them.

I could deliver and ask the questions and get the answers. They seemed to favor me and come over to me instead of asking their own questions. They would get me to ask the questions for them. I know they have the power of speech, but they just don't know how to put it across.

And I know that if the grand jurors themselves were given the opportunity to know what their duties are, we would get a better job done.

Mr. MOSER. Didn't the prosecuting attorney or the judge who presided explain to the jurors how they should handle the matter?

Mr. PHILIPS. Not to the extent that they would understand what they could do and what they could not do. The general opinion of the prosecutor and the assistant prosecutor is to present the case, and then turn around and ask you, "Are there any questions?"

Well, the majority of the times the grand jury would sit there like a bump on a log, and they wouldn't know what to say or what to do.

Mr. MOSER. Didn't the prosecutor press the cases vigorously?

Mr. PHILIPS. In some instances; in some instances, no.

Sometimes we would feel that we had something concrete, and our answer would be: "Now, I don't think you have enough to get a conviction downstairs." What they meant by "downstairs" was when it comes up before the petit jury—

Mr. MOSER. You mean sometimes the prosecutor would say that the case he presented did not seem to be enough for indictment; is that correct?

Mr. PHILIPS. After we sifted it out, to see if it was a prima facie case, and after we sifted it out, of course, we would more or less look for legal advice from the prosecutor and assistant prosecutor, and the consequence of it was that everybody expected to hear him give something favorable or not favorable, and when he would come forward with an answer such as "I don't think there is enough to bring a conviction downstairs," a lot of the jurors would get cold feet and say, "Let's forget about it."

Mr. MOSER. Did you ever get the impression that the prosecutor was soft-pedaling the cases?

Mr. PHILIPS. There were times that I thought probably he was soft-pedaling them, and other times, again, I just couldn't understand him. Sometimes he was very vigorous about things in secrecy; he would be deliberate on them, and tell you what the conditions were in Atlantic City, and how deplorable they were; and I have studied human nature all my life, and I thought I had human nature pretty well studied out; but, after I listened to the man for a while, then it was so confusing I got to a point of thinking, "Am I right or wrong in my deliberation here on the grand jury?"

Mr. MOSER. Now, you said that some of the policemen seemed to be hesitant about giving their testimony.

Mr. PHILIPS. That is right.

Mr. MOSER. Did you get the impression that the policemen were backed up by their superiors?

Mr. PHILIPS. Mr. Moser, I would say that none of the police officers got any backing up by their superiors, and I want to state this: My impression, and the impression of a lot of my fellow jurors—and we discussed it time and time again outside of the jury room, standing in the anteroom—was that in the Atlantic City Police Department there seemed to be no responsibility whatsoever. There was a lot of buck-passing.

We have had before us the officials of the police department, and those officials seemed to neglect; they seemed to feel that "I won't take the responsibility; let Bill Jones take it." And therefore, that

seemed to be felt all the way down the line to the patrolman on the beat; and, therefore, he was disgusted, and his attitude, whenever you asked him any questions, was that he felt if he did get out of line he would be reprimanded for it and put on an outlying beat, taken out of probably a radio car, which he might like that particular duty, or a dispatcher, which he might like that particular duty, and that impression always remained in my mind in the full 6 months I was on the grand jury.

Mr. MOSER. You got the impression that any officer vigorous in enforcement would be subject to reprisal; is that correct?

Mr. PHILIPS. I would say that, yes, sir.

Mr. MOSER. Did you find that there was a similar lack of backing from the State and county officials?

Mr. PHILIPS. Yes; that backing seemed to be lacking in the whole county of Atlantic.

Mr. MOSER. What is your solution to this problem, if you have one to recommend?

Mr. PHILIPS. Mr. Moser, I have given a lot of consideration to this, and I feel that the only way that we will ever get anything done, so far as jury work in Atlantic County is concerned, is to have a special jury and special prosecutor.

Mr. MOSER. A special prosecutor sent from outside the county, you mean?

Mr. PHILIPS. That is the only way you will get anything cleaned up, because everybody seems to be afraid of each other.

Mr. MOSER. I see. While you were the spokesman for the other members of the grand jury, did you take, generally speaking, a vigorous attitude with regard to law enforcement?

Mr. PHILIPS. I did, sir. I was sworn to a duty when I went there, and I felt, as a citizen and a businessman of Atlantic City, that, as a lifelong resident there, I knew a lot of the conditions. I knew a lot of conditions, I would say, from observation. I knew a lot of the conditions from conversation with other people. And I felt I had a duty to do, which I tried to do vigorously and conscientiously.

With that in mind, and probably with the forethought of what was happening in Atlantic City, maybe that is the reason I was made the spokesman, more or less, of that jury room, or the "Stormy Petrel" as I am called, and I felt that justice was not being done, and I felt from my connections and my examination of the so-called Four Horsemen, which name has grown prominent in Atlantic City, and knowing that they were men of sincerity, and they wanted to do a job, and they were fearless, being that they were fearless, I thought it was my turn to be fearless, too, regardless of any reprisals that I knew would come.

Mr. MOSER. You say reprisals you knew would come. Did any reprisals come to you as a member of the grand jury?

Mr. PHILIPS. Yes, Mr. Moser; it did. For 16 years—that is, 16 years ago I was appointed the State harbor master of New Jersey by Mr. Mertland and Governor Hoffman at that time.

Mr. MOSER. Is that an honorary position?

Mr. PHILIPS. That is an honorary position, Mr. Moser, and being around the water all my life, and being associated in marine work, I tried to do a job, and I donated time, 2 days a week in my busy periods, to execute the laws of the State of New Jersey for no remuneration whatsoever.

I created a friendly relation between the State of New Jersey and the boating fraternity; but, being so vigorous in my actions, and standing up to the powers that be in Atlantic City, and feeling that the so-called Four Horsemen, as they were termed, were trying to do an honest-to-goodness job in cleaning up some of this corruption in town, and knowing that they were sincere, why, I took up their fight, and I took it up without backing water.

I want to see justice done. That is what I was put there for, and I knew the reprisals would come.

Mr. MOSER. Mr. Philips, excuse me for interrupting you, but you say that you knew that reprisals would come, and as I understand it shortly after you finished serving as a grand juror you were removed as the State harbor master?

Mr. PHILIPS. I was notified that my reappointment would not take effect as of July 1, 1951?

Mr. MOSER. Who notified you?

Mr. PHILIPS. I was notified by the chief of the division of navigation, who has an office in Newark.

Mr. MOSER. Isn't it true that an appointment of that kind, such as chief harbor master, is really, in substance, an appointment by the State senator?

Mr. PHILIPS. He could have a lot to do with it, Mr. Moser. He could O. K. it or not O. K. it.

Mr. MOSER. But if he did not O. K. it you would not be appointed?

Mr. PHILIPS. I would not have a chance in the world.

Mr. MOSER. In other words, he had a complete veto power?

Mr. PHILIPS. That is right.

Mr. MOSER. And that senator is Hap Farley; is that correct?

Mr. PHILIPS. That is our senator from Atlantic County.

Mr. MOSER. That is all. Thank you.

The CHAIRMAN. Thank you, sir.

Mr. MOSER. Our next witness will be Mr. Portock.

The CHAIRMAN. Mr. Portock, will you raise your right hand and be sworn?

Mr. PORTOCK. Yes.

The CHAIRMAN. In the presence of the Almighty God do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. PORTOCK. I do.

TESTIMONY OF JACK PORTOCK, ATLANTIC CITY (N. J.) POLICE DEPARTMENT

The CHAIRMAN. Now, Mr. Portock, give us your full name, please, for the record.

Mr. PORTOCK. Jack Portock, P-o-r-t-o-c-k.

The CHAIRMAN. P-o-r-t-o-c-k?

Mr. PORTOCK. Yes.

The CHAIRMAN. And, Mr. Portock, your address?

Mr. PORTOCK. 222 North Montpelier Avenue, Atlantic City, N. J.

The CHAIRMAN. And you are a member of the police department?

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. Of what rank?

Mr. PORTOCK. Sir?

The CHAIRMAN. What grade?

Mr. PORTOCK. Patrolman, sir.

The CHAIRMAN. How long, Mr. Portock, have you been a member of the Atlantic City Police Department?

Mr. PORTOCK. It will be 3 years October 1, of 1951.

The CHAIRMAN. What did you do prior to that?

Mr. PORTOCK. I was in the service, sir.

The CHAIRMAN. In the service?

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. All right. Now, might I ask that throughout the time that you are on the stand that you talk out loudly, please, so that all may hear you.

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. Moser, you may proceed, please.

Mr. MOSER. Mr. Portock, you are a member of the Four Horsemen, are you not?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. And you are an ordinary flatfoot?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. You heard the previous testimony by two of the other Four Horsemen, and I refer particularly to Warlich's testimony, in which he described the pay-raise fight.

I don't think we ought to go into that again, except that I wonder if you have any additional thoughts that you would like to add to it.

Mr. PORTOCK. Well, I could explain the racket control over the police department, so far as having them vote certain ways, and not allowing the police department to advertise at certain racket-controlled stores, so far as advertising for our pay raise was concerned.

For instance, when we started on our pay raise, we distributed literature to be placed in the windows as, "Vote 'Yes' for the police and firemen's pay raise," and no one objected at that time.

But when Senator Farley made a statement that he was coming out openly against us, all the stores that were booking horses and writing numbers and taking baseball action, or doing everything illegal, deliberately ripped the signs out of the windows and said that they were taking orders from the organization, regardless of whether it was for police officers or firemen or anyone else, although they were involved in illegal rackets.

Mr. MOSER. Did you have an interview with Harry "Cherry" Haggerty?

Mr. PORTOCK. Yes, sir; I did, sir.

Mr. MOSER. What did he say about it?

Mr. PORTOCK. He was involved—

Mr. MOSER. He is a numbers racketeer; is he not?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. What did he say about it?

Mr. PORTOCK. I approached "Cherry" Haggerty with another officer by the name of Joseph Pasquale and asked him for his support in the police and firemen's pay raise, because he was the president of the Bartenders' Union. Previous to that I had obtained the support from the American Federation of Labor at the Ambassador Hotel, at their convention, and being that the Bartenders' Union was a member of that organization I went to him for an endorsement.

When I approached Mr. Haggerty as a member of the Bartenders' Union, he told me that, "I cannot give you an endorsement," he said, "because I am a politician."

I said, "Mr. Haggerty, I am not speaking to you as a police officer to a racket man, I am speaking to you as a union official."

He says, "I still say I am a politician, and you cannot bother me."

And as I started out the door he started to laugh and he said, "If you think that you can bother me, or any one of my men," he said, "I will have your 'tin'"—which means he would have my badge, or he would move me to Venice Park or Chelsea Heights, which are outlying districts in Atlantic City.

When he said that I thanked him and I said, "Yes, sir, Mr. Haggerty," and I walked out.

Mr. MOSER. Does Mr. Haggerty have any reason for being able to say he could take your "tin" away?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Does he have anything to do with the police force?

Mr. PORTOCK. In Atlantic City he does, sir.

Mr. MOSER. What does he have to do with the police force—excuse me just a minute—let me finish—as I understand it, he is the local man for the Bartenders' Union, and also you say that he is in the numbers racket. Why does a man like that have something to do with the operation of the police force of Atlantic City?

Mr. PORTOCK. Well, he has the protection of the political influence in Atlantic City, and he does as he pleases openly. Nobody can stop him unless, as you previously stated, you get somebody with a little bit of guts, as the Senator said before, and openly defy him. Otherwise they do as they please.

All he has to do is to call up a politician, or the director, or the chief, and if Officer Portock happened to go by his store and annoy him, Officer Portock was not walking that beat next day.

Mr. MOSER. You mean that they could change that beat over night?

Mr. PORTOCK. They could change the beat in 5 minutes.

Mr. MOSER. Do you mean to say that a gangster in Atlantic City can change a policeman's beat overnight?

Mr. PORTOCK. That is so.

The CHAIRMAN. Not only could it have been done, but in instances we have known about it actually happening?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Further, with regard to the pay raise fight, it is my understanding that a loyalty oath was distributed among the police force officers. Officer Warlich and Gribbin, I think, have both testified as to that. Was that the oath distributed by Lane, Vincent Lane?

Mr. PORTOCK. The loyalty oath was brought to me by one Edward Nappen.

Mr. MOSER. Edward Nappen?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. He is the indictment clerk in the prosecutor's office?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. And he asked you to oppose your own pay raise, is that correct?

Mr. PORTOCK. Yes, sir. Edward Nappen approached me approximately about a quarter to four in the afternoon, one afternoon as I was coming to work, and asked me if he could speak to me. I said, "Certainly, sir."

He took me into the captain's office, and he pulled out of his pocket a sheet of paper about as long as this [indicating], and he asked me to read it. I read the sheet of paper, and at the top, I don't know exactly, but it was in this manner, it said that:

"I will stay loyal to Senator Francis 'Hap' Farley, and will vote 'No' for the police and firemen's pay raise, and will work to defeat the police and firemen's pay referendum."

When I read it I became very perturbed, and Edward Nappen seen that I was getting excited and he says that, "Jack, this is not my idea." He said, "I just came from a meeting from the Penn-Atlantic Hotel with Senator Farley, and the rest of the political leaders, and I am just a messenger boy." He said, "I don't believe in this, but," he says, "I have to do it, that is my orders."

So I read it again, and I wanted to see who had really signed it. So I said to him, "Did anybody sign it?" He says, "Well, the one that you have to sign is in my pocket." He says, "I don't want you to see the other signatures."

When he said that I told him, "There is only two or three things that I am loyal to, my God and country, and my wife and children, and my mother and dad."

Mr. MOSER. Might you have added "Law enforcement"?

Mr. PORTOCK. Yes, sir; I could have.

Mr. MOSER. Now, at the time the vote was taken one of the officers testified that the policemen and firemen who were casting their ballots on the subject of the pay raise, some of them would show their ballots to a political leader, or to an inspector at the polls at the time they cast their votes.

Would you like to add anything to that?

Mr. PORTOCK. Yes, sir; that is true. On that day I was on vacation, and I had undertaken a job to go from poll to poll and help the boys out who were working with us, and I might say that we did not only have four horsemen, we at that time had 104 police officers, or 150 police officers, who really wanted the pay raise, and they worked for the pay raise, and as I was going around from poll to poll there were certain police officers or certain city employees who were under the thumb of the political element of Atlantic City, and when they voted, they voted an open ballot, in my presence, many a time.

As a matter of fact, Officer John Mooney, in my presence, voted an open ballot. He handed it open, openly to show them how he voted.

I cannot see how a police officer would deliberately vote "No" against his own pay raise, unless the pressure was put on.

Mr. MOSER. Officer Mooney is on the vice squad, is he not?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Who are some of the others that you say are subject to the thumb of the political organization?

Mr. PORTOCK. All the members of the vice squad, all the men in the radio cars, all the inside men, men that have jobs that you have to have political pressure to get the jobs, and if you didn't have the political pressure, you couldn't get it.

The CHAIRMAN. Well, Officer Portock, if that is true, that all the members of the vice squad and the other particular details that you have referred to are under the domination of the political leaders and are directly answerable to them, what have you to say as to their

effectiveness or efficiency in carrying out their duties to clean up conditions in Atlantic City?

Mr. PORTOCK. Well, in reference to the vice squad, I think that is what you mean, Senator?

The CHAIRMAN. Particularly.

Mr. PORTOCK. In reference to the vice squad, it is common knowledge throughout the entire city of Atlantic City that the vice squad would not make an arrest unless it had the O.K. from "Stumpy" Orman, or some political leader like James Boyd or Vincent Lane, and they would not do nothing upon their own. They are very, very inefficient because they cannot act upon their own.

Now, Sergeant Sullivan, who is in charge of the vice squad, he is the type of boy that would like to do a job, but he is not allowed to do a job. It is commonly known in Atlantic City that John Mooney runs the vice squad. If Sergeant Sullivan wanted to make an arrest, he would have to get the O.K. from John Mooney. That is commonly known throughout the entire city, sir.

The CHAIRMAN. One of the primary functions of such a squad is to—

Mr. PORTOCK. Stamp out vice.

The CHAIRMAN (continuing). Yes, indeed, to stamp out vice, by operating independently, and by striking wherever circumstances warrant and without notice to others, is that correct?

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. And do you think that is possible or impossible under present-day conditions?

Mr. PORTOCK. It is impossible if you have men that will take orders from the political leaders.

The CHAIRMAN. Yes, but I asked whether you think that as presently constituted, and operating as they are now, that it is possible to stamp out lawlessness.

Mr. PORTOCK. No, sir.

Senator HUNT. May I ask a question?

The CHAIRMAN. Senator Hunt.

Senator HUNT. You just mentioned the name of Mr. Mooney. Do you know him as a pretty free spender?

Mr. PORTOCK. Yes, sir.

Senator HUNT. Do you know him as often frequenting rather expensive night clubs?

Mr. PORTOCK. Yes, sir.

Senator HUNT. Do you think he spends apparently more money than a patrolman on a salary of \$2,900, plus a \$400 bonus, and being a married man, could spend?

Mr. PORTOCK. Yes, sir. I have openly seen him several times in night clubs. I have seen him throw \$50 bills over the bar. We have witnesses that have seen him on certain dates in which they call the North Side Bar. I have the date here some place, where he was in a vice-squad automobile and he was, I won't even say he was under the influence of liquor, but I would say he was very much intoxicated, at 5 or 6 o'clock in the morning, and you don't do them things unless you are getting money some place where you are not supposed to get it.

Mr. MOSER. Would you say, Mr. Portock, that the people who ultimately determine what vice will be stopped in Atlantic City are the persons who themselves are engaged in vice?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Is that correct?

Mr. PORTOCK. Correct, sir.

Mr. MOSER. After the election on the question of your pay raise, which you lost, I understand from the other officers who have testified that there were a number of reprisals.

Before coming to that it is also my understanding that there were a number of raids that you people conducted.

Mr. PORTOCK. Yes, sir.

Mr. MOSER. What was the nature of those? Would you like to enlarge on the testimony that has already been given?

Mr. PORTOCK. Well, I could say for one, one Austin Johnson, the reason I wanted to bring that arrest up was that Vincent Lane had made a statement here before this committee that Officer Warlich was in error when he stated that it was due to Officer Warlich and myself that the man was brought in on a violation of probation.

After the second arrest of Austin Johnson, Officer Warlich and I entered the prosecutor's office and asked the prosecutor, "How come a man who was on 5 years' probation, and who has been arrested twice on lottery charges, can be allowed to walk the streets of Atlantic City?"

For a moment he did not know what to say. He did not give us an answer, but immediately turned around, in our presence, and he told the girl, his secretary—as a matter of fact, he dictated a letter or the warrant, whatever she was writing down—to bring in Austin Johnson at that time. As a matter of fact, he told her to get Judge Leonard to sign the warrant.

Vincent Lane didn't know nothing about it. He had no ways and means of knowing anything about it, which it was his duty to bring him in here for the first arrest, not the second arrest.

Mr. MOSER. In other words, when Vincent Lane testified before this committee that it was he who asked for the warrant, he neglected to say that he did so at your insistence. Is that correct?

Mr. PORTOCK. He did not do it at our insistence. The prosecutor done it at our insistence. Vincent Lane was not there at all. He knew nothing about it. That warrant was issued probably after Austin Johnson was probably brought in, that Vincent Lane knew something about it.

Mr. MOSER. When Austin Johnson was in jail, did he come home at all?

Mr. PORTOCK. Yes, sir. It is commonly known throughout the entire north side of Atlantic City that the sheriff, Sheriff Gormley, used to send him home week ends, probably with a chauffeur, or somebody, every week end he was home.

Mr. MOSER. While he was incarcerated he would be allowed to go home every week end?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. And driven home in the sheriff's car?

Mr. PORTOCK. Yes.

Mr. MOSER. Did the sheriff's car take him back when the week end was over?

Mr. PORTOCK. One time Austin Johnson was probably a little late, and that is the time the sheriff probably got a little scared that Austin Johnson wasn't back on time, and he sent a teletype over the air that he had escaped, in order to cover up for him bringing him back

in town. As a matter of fact, the sheriff's aide, the man that was supposed to have brought him back in town that night, was the one who brought him back to Atlantic County, Mays Landing, and the Atlantic County grand jury at that time indicted Austin Johnson for escape, and at that time he was sent to State's prison, sir.

Mr. MOSER. Were there any other cases of prisoners who were allowed to spend their week ends at home, that you know of?

Mr. PORTOCK. It was commonly known, it was brought to us that Harold Scheper was brought home every week end, sir.

Mr. MOSER. And how about Austin Clark, was he one?

Mr. PORTOCK. I never heard nothing of him.

Mr. MOSER. But Scheper was allowed to come home every week end?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Harold Scheper is the man in the numbers game whose income-tax return shows a \$175,000 gross in 1950, is that correct?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. The man whom you have heard testimony about today?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Now, there was a raid that was called the Solitaire raid.

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Do you want to tell us about that?

Mr. PORTOCK. Yes, sir; very much so.

At 3203 Boardwalk, on December 7, 1950, Officers Gribbin and myself entered the premises and arrested one Fred Solitaire and Ellis Lewis. We confiscated a list of phone numbers, probably 100, 120, or 150 or more phone numbers that went as far as Newark, Chicago, Detroit, California, Baltimore, Md., throughout the entire State, of different bookmakers.

Mr. MOSER. Have you got a list of that?

Mr. PORTOCK. I don't have one here, sir, handy.

The CHAIRMAN. But you do have a photostat?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. I have before me a photostatic copy of a list, and let me show it to you, and ask you if that is it [handing document to witness].

Mr. PORTOCK. Yes, sir; there are the original phone numbers, the way we took them off the wall, sir.

Mr. MOSER. And is that document before you a copied list of the same?

Mr. PORTOCK. I would like to explain this list a little later, sir, if I may.

Mr. MOSER. All right.

Mr. PORTOCK. When we confiscated these phone numbers, and brought the prisoners into headquarters and booked them, we held onto these phone numbers for fear if they got into the wrong hands, that it would be a beautiful way to shake a lot of people down, and we were afraid to turn them in to the authorities for fear they would get lost, and we held onto them.

The following day or 2 days later, I just don't remember which, Officer Gribbin and myself were called in to Director Kerstetter's office, and he gave us a direct order to turn that evidence over to him. We refused. He ordered our captain at that time, or presently is, Capt. Howard Lewis, not to allow us out of the city hall until that list was turned over.

Officer Gribbin told him that the list was at home in a safe place, and he did not have it with him. We used that excuse to leave the city hall and gain a little bit of time to think it over.

When we come back, we enlisted the aid of one of the honest police officers of Atlantic City. Sgt. Albert Wilson, in making photostatic copies of the list before we turned them over, which he did, and in the process of making that list he would stop by his superior officer once or twice, or maybe three times, from assisting us in making up these photostats.

Now, after this list was turned over to Director Kerstetter, I would say about a week or two later, this list here was given to us by a member of the vice squad, broken down with the aid of the telephone company.

On the extreme left-hand side it has the phone number of a subscriber, then it has the subscriber's name, then it has the subscriber's address, and in the extreme right-hand corner it has titled at the top, "Bookmaker." And the name of the bookmaker in every one of these phone numbers, which means that the vice squad, including John Mooney who testified that he knew nothing about vice in Atlantic City, the name of every bookmaker in Atlantic City.

Now, 2 weeks later, after this list was issued, 2 weeks later Officers Gribbin and myself and Warlich, we raided an establishment known as Vincent Rando, which shows that nothing was done about these phone numbers, and about these bookmakers, and I will venture to say that 90 percent of these men are operating in Atlantic City today.

That is what I have to say about these phone numbers.

Mr. MOSER. And that the vice squad must know about it because they have that list indicating they are bookmakers.

Mr. PORTOCK. Yes, sir; they are the ones who put the names of the bookmakers in.

Mr. MOSER. Mr. Portock, will you also tell us about the situation that you discovered with regard to Cohen and Schneider. Will you tell us who they are and what their participation was.

Mr. PORTOCK. Cohen and Schneider are two bookmakers in Atlantic City who have been partners. They were operating at a place called 5 South Huntington, and 30 North La Clede Place in Atlantic City.

Sometime around in December of 1950—this is all information that was given to us through different informers that have been working with us—somewheres in December of 1950, the vice squad entered the premises of 30 North LaClede Place. I say the vice squad, but it was less Sergeant Sullivan, I understand through an investigation that he was in the hospital at the time—but they made a raid on 30 North LaClede Place and they arrested Mr. Cohen. Instead of taking Mr. Cohen in with the evidence, he started to quote "cop a plea" with them, "Is there anything I can do about it?" Or, "Can I see somebody or straighten this matter out?" And it is understood that he called "Stumpy" Orman.

"Stumpy" Orman told him it was going to cost him a lot of money.

He said, "Well, how much money?" "He said, \$2,500."

He is supposed to have paid \$2,500 to "Stumpy" Orman to be let go at that date. He was never arrested, sir. That is what we found about Cohen and Schneider.

Mr. MOSER. You think that is true because of the fact you know the raid took place, and you know there was no arrest, is that right?

Mr. PORTOCK. Yes.

Mr. MOSER. Now, you members of the Four Horsemen who conducted these raids, did you find any obstructions or reprisals in connection with your activities?

Mr. PORTOCK. Yes, sir. We received no cooperation from our superiors whatsoever. No cooperation at all. When we made an arrest on an indictable offense—which was always—we always charged the parties that we arrested with a high misdemeanor, which makes it indictable in the past, but if you brought an indictable offense to the Detective Bureau, you received the assistance of the Detective Bureau. They immediately assigned a detective to follow through on the investigation.

But in all our arrests of gambling, which was indictable, we had to make out our own reports. We had to make out our own prosecutor's processor reports. We had to make out our own investigations. This was all on our own time, sir. We had to do everything, so far as the case was concerned, even though it was not our job.

Now, at one time we received the able assistance of a man in the Detective Bureau by the name of Sidney Rosenberg, who assisted us, and he was called in to Inspector Arnheim's office and was given the devil for it, and he was told that if the Four Horsemen could make their raids on their off time, they could make their reports on their off time, that we can take care of them ourselves.

The members of the department, the rank and file, were with us 100 percent, and they were fearful of us being hurt. They used to approach us many times and say, "Be careful, they are going to get you. They are going to do this."

They put me on outlying beats, beats that were never patrolled in the history of Atlantic City. We were watched constantly by private detectives that were hired to watch us in case that we made a misslip, that they might get an excuse to suspend us, or something.

Mr. MOSER. You say you were being watched by private detectives.

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Who do you suppose employed the private detectives?

Mr. PORTOCK. Who do I suppose?

Mr. MOSER. Yes.

Mr. PORTOCK. Well, I would say "Stumpy" Orman, Vince Lane, "Hap" Farley, the political leaders you have before you today who control Atlantic City.

Mr. MOSER. They had private detectives watching the policemen to make sure that the policemen did not enforce the laws.

Mr. PORTOCK. No; I think they were watching us to see if we did anything wrong, like a police officer sometimes walks in to get a cup of coffee, that privilege was taken away from me. I walked right by my own door, and it is common knowledge that if a police officer walks the beat by his own home, instead of going to a restaurant to eat, where it costs a dollar to eat, he walks in and eats in his own home for 15 to 20 minutes. That privilege was taken away from me.

Mr. MOSER. They told you you could not do that?

Mr. PORTOCK. Yes, sir. I asked my sergeant if I could go in and eat, and he says, "Well, I will speak to my captain," who was Captain Lodovico, and he came back to me about 20 minutes later and told me that Captain Lodovico said in order to eat in your home while you work a beat, it is a special privilege and Portock is not one of them privileged.

The CHAIRMAN. Mr. Portock, right there, it is customary in a number of metropolitan departments to commend those officers who are particularly successful or vigilant in the enforcement of the law, and to give encouragement to them.

Has there been any such practice as that in the Atlantic City Department?

Mr. PORTOCK. I was never commended by any superior in the Atlantic City Police Department, sir. The only commendation we have had was from the Press Union newspaper, and the honest citizens of Atlantic City.

The CHAIRMAN. Was there no effort made to either reward those who were attempting to discharge their duty fearlessly, or to give them some incentive to carry on? Was there no such thing done?

Mr. PORTOCK. No, sir; we were hindered every way in every step we took. We received threats over the telephone. My wife was threatened, my children were threatened. They didn't have the guts to come up and threaten me.

And they used to take it out on my wife. I had to go to the phone company and put in a special phone, on which nobody could get the phone number.

When you walk the streets everybody, your own friends, are afraid to talk to you. They are afraid to speak to you for fear that the organization would hurt them in their businesses, and in their jobs.

Officer Warlich's dad wouldn't speak to him because he was afraid, not that he worked for the city, and they used to cry, his mother and father, that he was going to be hurt.

It cannot be explained, sir, how they hurt us and hindered us in every step we took.

The CHAIRMAN. Is that the condition obtaining, still existing right up to this time?

Mr. PORTOCK. No, sir.

The CHAIRMAN. Has there been much of a change in the situation?

Mr. PORTOCK. And due to the grand-jury investigation that we had, and other incidents that I will explain later, we were put back to certain jobs that we had before. I will explain that when the time comes, sir, if I may.

The CHAIRMAN. What I was attempting to do a minute or two ago was to point directly to the commanding officers in the police department, while I realize the seriousness of the matter of the telephone calls to which you have referred, I particularly wanted to invite your attention to the action or nonaction of the commanding officers of the police department. There they had a direct responsibility, and they ought to have been aware of the work that you and your fellow officers were performing.

Mr. PORTOCK. We sent in written requests to our superior officers, the chief of police and Director Kerstetter, in writing, asking them, informing them of the serious situation that takes place in Atlantic City, if they would allow us to go out and alleviate, to help alleviate the vice that is going on in Atlantic City, and we were continually turned down.

The CHAIRMAN. And never given any commendation or were never singled out for a pat on the back, so to speak?

Mr. PORTOCK. The only time they would pat me on the back is to knock me over, sir.

Mr. MOSER. Mr. Portock, did you see any evidence of attempts to block arrests or to sabotage your efforts to conduct arrests?

Mr. PORTOCK. I did not set that evidence, sir. That evidence involved one "Big Six" Shephardson, William Shephardson, a police officer, and Jesse Robinson. "Big Six" Shephardson has worked with the so-called Four Horsemen continuously throughout our campaign. He has given us evidence, he has worked with us, and at times when we were working he was always in the process of investigating gambling.

He was in the process of making an arrest of one Charles Hogan, who was a convicted criminal. As a matter of fact, he was forced to register under the Criminal Registration Act of Atlantic City by Frederick Warlich, and while "Big Six" Shephardson and Jesse Robinson were in the process of making an arrest, they had to go through an alley, and while they were in pursuit of this man, and they came to the entrance of this alley, Officer John Mooney pulled up in his private car and stopped right in front of the street and stayed there until Charles Hogan disappeared.

They reported it, they signed a complaint against John Mooney, and Jack Pilgrim, who is also a police officer, who helped Officer John Mooney in this incident.

This complaint was investigated by Assistant Director Todd Kerstetter, who whitewashed it completely, whitewashed it, after two officers testified openly that John Mooney and Jack Pilgrim blocked them in an arrest, and the complaint was whitewashed.

Mr. MOSER. Did you see any evidence of evidence disappearing?

Mr. PORTOCK. I did not see it, sir. I think we have a newspaperman here covering the story who was present at the time, Josh Weintraub. Officer James Maslin and Herbert Siebert, who also assisted the Four Horsemen continuous throughout their campaign, stopped a man on the street by the name of Edward Kelley, who is presently under indictment for that same charge, after the grand jury investigated it. Being inexperienced in gambling arrests, they did not know how far they could go in searching a man whom they suspected of having numbers evidence on his person. So they took the man to the detective bureau, and they insisted in the detective bureau to have the man searched. No one there in the detective bureau would help them out.

James Maslin came downstairs and left this one Edward Kelley there alone. As he left him there alone, Edward Kelley went to hand this reporter, Josh Weintraub, the number slips that were on his person, and Josh Weintraub refused to take them.

He then disappeared into a room, which is the office of Director Kerstetter, with one Jerry Sullivan, who is also a detective, and when he came out 2 minutes later he openly submitted to a search. Naturally there was no evidence on him.

Maslin filed a complaint. They had an investigation, and that was whitewashed, sir. The evidence was stolen right in the detective bureau.

Newspaper accounts will speak freely of that evidence.

Mr. MOSER. Were there any cases where confessions by people arrested were changed or altered in any way?

Mr. PORTOCK. Yes, sir. I arrested one by the name of Samuel Wortham for being a messenger to a lottery, and possession of numbers

slips. That is, not myself, I arrested him with Officer Joseph Pasquale, who also assisted us in every way he could. In making the arrest I questioned the man as to who he had worked for, and he told me he worked for "Cherry" Haggerty.

When I took him into the detective bureau, I gave him a sheet of paper, yellow paper, and asked him to put it down in his own handwriting, as to who he worked for, and who he turned the slips over to, and who paid him his money, and so forth and so on, and I figured that that was the best evidence that could be gotten, if the man made it in his own handwriting. Not being an experienced detective, I could not give him the questions and answers, and so forth and so on. The man put down the date, and the time, and he told me that he took the evidence to Jackson and Atlantic Avenue, that is what he wrote down on the sheet of paper, and put it into a car bearing the license number AC-491, which was "Cherry" Haggerty's license number, and told me the time he had been there, and so forth and so on, in the confession.

I turned that in as evidence. Now, about a week later I went to Inspector Arnheim, and asked him what he was going to do about it, whether he was going to bring "Cherry" Haggerty in and question him, or whether he was going to whitewash that, too, which eventually they did do.

He said, "The judge will take care of it when the case comes up." I said, "The judge doesn't have anything to do with it, if you make an arrest it is your job to go out and apprehend anyone else involved." He finally told me he would take care of it and turn it over to Sergeant Sullivan of the vice squad.

Sergeant Sullivan, in turn, brought this man Wortham in, instead of bringing "Cherry" Haggerty in, and questioned him in a way so that it made him the police officer and made me the criminal, that I forced the man to write the confession, that I browbeat him, and that I promised him immunity, that I done everything in my power to get him to write it in his own handwriting.

When I brought the man up I was in the presence of Joseph Pasquale, and I was in the presence of one Bernard Keene, a detective, and that was all whitewashed, nothing was done about that.

Mr. MOSER. Was the confession thrown away, altered, or what was done about it?

Mr. PORTOCK. They obtained a different statement from this individual, a confession. They could not throw that away, because everything I turned over to them I obtained a photostatic copy of for my own records, so they could not throw the confession away, it wouldn't do them no good. I still have it in my possession.

Mr. MOSER. Some of the other officers testified they had obtained warrants for searching and arresting various places, and they said they had difficulty obtaining the warrants, and when they did they usually found the place they were raiding was tipped off. Do you have any information to add to that?

Mr. PORTOCK. I think Officer Gribbin was very clear in stating the raid that we made on the waiters' union, on a man by the name of Massena, who was active there. We had our own informer there at the time. This individual, known as "Rheumatism" Rosey, came in and told them to clear out, that Portock and Gribbin had a warrant, and he already stated that.

But I would like to say that we had obtained a warrant for a man named Dorsett Stewart, and the reason we were successful on that was that we had tied the telephone up to his home, and nobody could make a call to warn him that we were on our way.

Now, I was on duty at the time, doing traffic in the center of the street, and when Officers Gribbin and Warlich approached me, and had permission from the chief of police for me to assist them on the arrest, I still did not leave my corner until I was relieved by Officer William Clayton, who reported the fact that he did relieve me properly, and I went on that raid on my lunch hour.

After the raid was successful, we found numerous evidence, all different types of adding machines, radio slips, money, everything that can be found in a numbers lottery bank, and we brought the evidence into the city hall, and I was suspended on the spot for participating in that raid. When the captain suspended me, I asked him why, and he said that I had no authority to leave my post. I told him that I was properly relieved, that I had the permission of the chief of police, and that it was my sworn duty, as a police officer, even if I was not properly relieved, to assist another officer in his duty, if I was asked to do so.

The CHAIRMAN. In other words, you got a reprimand for doing some extra work on your lunch hour?

Mr. PORTOCK. Yes, sir. I was suspended for 5 days. I was never called in by no one and asked why I went, where I went, to whom I went, or given an explanation of why I was suspended in any way, or to explain my efforts in no way, shape, or form.

I was suspended, and on the fifth day I received a letter at home to come back to work. Now, I did not lose any money, because the good citizens of Atlantic City sent different contributions in to the Press Union newspaper, several sent them in, a dollar, \$2, \$3, and I received \$35 over the amount of money that I lost on my wages. I took the \$35, after we had gotten together, myself and Gribbin and Warlich, and we donated the \$35 to the welfare agencies of Atlantic City, and the Press Union newspapers carried a wonderful story about it.

When the story came into the public's eye, I was called into Inspector Arnheim's office, and he was going to suspend me again because I accepted the money from the public.

So I told him it was his job, that if he was my superior to go ahead. But he gave me a break, through the goodness of his heart, I suspect.

Senator HUNT. Wouldn't it have been a profitable investment if you had allowed him to suspend you again, probably the citizens would have doubled the ante the next time.

Mr. PORTOCK. I think it would have, sir.

Mr. MOSER. Mr. Portock, they had a session of the grand jury early in January?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Did you testify before that grand jury?

Mr. PORTOCK. I testified before that grand jury approximately about 10 or 15 times, sir, on gambling arrests.

Mr. MOSER. I don't think it would be appropriate for you to reveal the testimony that occurred before the grand jury, except your own, otherwise the proceedings are secret.

Mr. PORTOCK. Yes, sir.

Mr. Moser. However, you can state what your own testimony was, you can state what the results of the proceedings of the grand jury were, and you can also state generally what your impression of the grand-jury proceedings was from your own experience.

Mr. Portock. Yes, sir.

Mr. Moser. Is there anything you would like to say with regard to that?

Mr. Portock. I testified before the Atlantic County grand jury, and I informed them of everything that had taken place in the city of Atlantic City. I informed them of my beliefs. I informed them of the evidence that I had confiscated in different arrests. I informed them of my convictions, that I think that the Atlantic City vice squad was not acting on its own, that it was politically controlled, that it is racket controlled.

I informed them of everything that I could possibly do to help alleviate the situation in Atlantic City. That is the first time that they had asked me.

Knowing that a grand-jury room is supposed to be secretive, I told them, not fearing that anyone on the outside would know what I said. Not that I cared, but it is supposed to be secret—and when I got home, about a week later we were called in to Mr. Frederick's office, who is city solicitor, Officer Warlich, Officer Gribbin, and myself, and he was talking to us about being good cops, and he was trying to help the organization, that he had nothing to do with the rackets, but he would like to see that the bad publicity was stopped. And he says, "Warlich and Gribbin might be able to be straightened out," he said, "but Portock," he said, "you have been a bad boy," he said, "up there in front of the grand jury." He said, "You said things you were not supposed to say."

So I asked him, I said, "I thought that was supposed to be secret." That was the only answer I received.

So in my opinion, everything that is said, or everything that is done in a grand-jury room, is made public, or I won't say made public, but it is made public to the ears of the people who control the grand-jury room.

I guess that about covers it, sir.

Mr. Moser. Did you hear of any cases of pressure being brought on grand jurors outside the grand jury for the purpose of influencing their activities?

Mr. Portock. Well, I understand that pressure was brought on Mr. Phillips. A Mr. Benjamin Alten, who was a member of the grand jury, pressure was brought on him.

Mr. Moser. What kind of pressure?

Mr. Portock. Well, the people that were in business, they would probably call him up and tell him he would not get his mercantile license or any sort of contract with the city. They would offer him to put in bids for the contract of the city merchandise if they didn't go along with him.

During the grand jury investigation they indicated, we know for a fact, that indictments were drawn up, indictments were signed, and it is common, ordinary knowledge throughout the city on a Sunday morning that certain individuals were indicted, and on Monday morning they were called back and taken to a vote, and the indictments were thrown out.

I mean, it was commonly known throughout the city of Atlantic City, sir.

Mr. MOSER. Do you know Lester Burdick?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. You heard testimony yesterday to the effect that he had received money from a bookie with a package of cigarettes. Do you have any other knowledge of money having been received by Lester Burdick from racketeers?

Mr. PORTOCK. Yes, sir. Mr. Warlich and myself—

Mr. MOSER. Let me interrupt you just a moment to say, for the record, that Lester Burdick is a salesman for the WOND radio station, and also is a clerk of the State Senate of New Jersey, is that correct?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. All right, now go ahead.

Mr. PORTOCK. Officer Warlich and myself, we were parked on Kentucky Avenue, I don't have the exact date here, I did have it, and I must have mislaid it, but we were watching "Cherry" Haggerty and Charles Hogan, and we noticed Lester Burdick drive up in his car AE-7, it was about 1:15 in the afternoon, and I think it was on the 12th of March. I have the date, but I don't have it handy, and we saw him speak to Charles Hogan. Charles Hogan walked in—it was on the 22d of March, pardon me.

Mr. MOSER. What is that book you are referring to?

Mr. PORTOCK. That is a diary we have kept of every incident that has taken place since we were active, so it is accurate.

Mr. MOSER. Give us the date on which Lester Burdick was talking to Mr. Hogan.

Mr. PORTOCK. On the 22d of March, Lester Burdick pulled up and spoke to Mr. Hogan. Naturally we could not hear what he said.

Mr. MOSER. What is Mr. Hogan's business?

Mr. PORTOCK. He is also in the numbers business. He is reputed to be "Cherry" Haggerty's partner, and Charles Hogan, he is commonly known as John, walked into the bartenders union and came out with John Massena, who is a bookmaker, and Massena walked up to Lester Burdick, and put his hand in his pocket, and pulled out a roll of bills big enough to choke a horse, and pulled off several bills and handed them to Lester Burdick, sir. We have seen that in our presence.

Mr. MOSER. Did you ever hear that Harry Haggerty had been shot?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. What is the story about that?

Mr. PORTOCK. Well, the story we don't know, sir, but it was rumored throughout the city of Atlantic City that "Cherry" Haggerty was shot, and he was taken to the hospital, and everything was secretive. Our informers tell us that quite a few politicians were present, were running in and out of the place, and instead of keeping him downstairs in the accident bureau, they immediately rushed him upstairs into the operation room, and they operated on him there, and no one seems to be able to get a record of the report that they make when you enter a hospital.

Austin Johnson had spoken to Officer Gribbin to go easy on him one time, and Officer Gribbin was trying to make a deal with him that maybe we might go easy with you, if you give us the information on how "Cherry" Haggerty got shot. He was very, very scared. He

said that "Maybe I will; give me time to think it over." In other words, it seemed as though he actually knew how he got shot, where he got shot, and why he got shot, but naturally when we talked it over we decided that we would not make any deal with Austin Johnson, so far as going easy on our testimony against him, and we never did get the information from Austin Johnson as to how he got shot or why he got shot.

Senator HUNT. Is this the Atlantic City Hospital?

Mr. PORTOCK. Yes, sir.

Senator HUNT. Under the jurisdiction of the municipal authorities?

Mr. PORTOCK. I think they donate \$200,000 or \$220,000 a year for certain of its activities that take place.

Senator HUNT. What is the name of the hospital?

Mr. PORTOCK. The Atlantic City Hospital, sir.

Senator HUNT. Is it under the supervision of any affiliation of any kind, denominational? Is it under any church organizations?

Mr. PORTOCK. No, sir; no, sir.

Senator HUNT. Thank you.

Mr. MOSER. Mr. Portock, do you want to tell us anything about how your testimony was received before the municipal court, when you presented cases of arrests that you have handled?

Mr. PORTOCK. Well, I have made several arrests in Atlantic City for low misdemeanors and disorderly conduct and disorderly persons, and when I am questioned on the stand it is more of a hostile attitude than it is a friendly attitude.

Mr. MOSER. You mean the prosecuting attorney treats you as though you were a defendant?

Mr. PORTOCK. The judge, sir. Judge Damico. In other words, we have no prosecuting attorney.

It became so bad that we went to the prosecutor for help. The law, I think, states in Atlantic City that if you ask for the assistance of the prosecutor's office in helping you to prosecute your case, and in helping you, that if the judge or the defendant's attorney questions you, to get up and object, which we have no authority to do. We went to the prosecutor, and every time we made an arrest they sent the assistant prosecutor there to help us.

The CHAIRMAN. Officer Portock, you previously have made reference to photostats that you got in the raid. I don't want to anticipate any of your testimony, but inasmuch as that might show interstate connections—

Mr. PORTOCK. Yes, sir.

The CHAIRMAN (continuing). I did not want you to overlook at least telling us what it is, and then having it introduced in the record, if it bears out what you say.

Mr. PORTOCK. Do you want me to tell you about this list?

The CHAIRMAN. Yes. You had made mention of it before, and you said you would come to it. I was wondering whether this would be an appropriate time to take it up.

Mr. PORTOCK. Yes, sir. This list is composed of the phone numbers that we had confiscated in the Fred Solitaire arrest, but when we confiscated the evidence, all that is on the list is a phone number, and a nickname of a man, or alias, or the first name, which no one knows who it is, but the individual who keeps the record.

Now, when this list was turned over to Director Kerstetter, he in turn turned it over to the vice squad, to try to get cooperation from the telephone company and find out who the phone numbers were listed under, who were the subscribers, and what the address was.

We were turned down upon our request to go out and work with the phone company, incidentally.

About a week later this list, complete with phone number, subscriber, and address, and the name of the bookmaker next to the address, was handed to Officer Gribbin by a member of the vice squad.

Mr. MOSER. I see. May I see that list a moment?

Mr. PORTOCK. Yes, sir. Now, in order for the vice squad to enter the name of the bookmaker in the last column, they must have known that that man was operating at that address.

Mr. MOSER. Now, Mr. Portock, I noted that the first three pages of this list consist of the names of bookmakers in Atlantic City.

Mr. PORTOCK. Yes, sir.

Mr. MOSER. There appears to be about 120 of them, approximately.

Mr. PORTOCK. Yes, sir.

Mr. MOSER. On the fourth page is a list that is entitled, "Out of Town Data on Phone Numbers Seized in the Solitaire Arrest."

Mr. PORTOCK. Yes, sir.

Mr. MOSER. And I would just like to check over the names to some extent and see what cities they come from.

I see that the first one is from Deal, N. J.; the next is from West Orange; the next one Newark; the next one is from Philadelphia; another from Philadelphia; another from Orange, N. J.; another from Pleasantville, N. J.; two more from Philadelphia; four more from Philadelphia; two from Poughkeepsie, N. Y.; one from Laurel, Md.; two from Laurel, Md.; one from Baltimore, Md.; another from Washington, D. C.; and two more from Washington, D. C.

Are those bookies in other cities, as you understand it?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Are they places where lay-off bets are placed?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. In other words, these bookies would place their lay-off bets with bookies in other States, is that correct?

Mr. PORTOCK. Yes, sir. In other words, if you call in to this individual bookmaking establishment, if you brought in a \$5,000 bet, and he had no place to lay it off in Atlantic City, he used to call out of town to lay off the lay-off bets.

Mr. MOSER. I offer this photostatic copy of the list in evidence, as well as the photostatic copy of the list taken from the raid itself.

The CHAIRMAN. They will both be introduced and marked in the record.

(The photostatic copies of the lists referred to are at the end of this hearing.)

Mr. MOSER. Go ahead.

Mr. PORTOCK. Yes, sir. Also another interstate aspect, when we made a raid on one Isaac Washington, on a numbers bank, we confiscated three cases of blank number books. Now, on the cartons of the number books was a label where these books were coming from. They were shipped from a man or a company by the name of I. M. Suffrin, from Pittsburgh, Pa., to a man known as Van Smothers, who was commonly known to be in the numbers racket.

Senator HUNT. Would you give us the name of the shipper again?

Mr. PORTOCK. I. M. Suffrin.

Senator HUNT. Thank you.

Mr. MOSER. Mr. Portock, you heard the testimony of Mr. Orman?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. In which he testified that he has nothing whatsoever to do with the police force of Atlantic City?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. And has no political influence and would not be able to influence the change of duty of any policeman?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Have you any evidence to the contrary on that subject?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. "Yes, sir," did you say?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Go ahead.

Mr. PORTOCK. If you will give me a moment, sir, so that I can look over my notes.

Mr. MOSER. Take your time.

Mr. PORTOCK. On May 2, 1951, about 2:30 p. m., "Stumpy" Orman approached me in his car.

Mr. MOSER. May I interrupt you just a moment to clarify where you were and when it was.

Mr. PORTOCK. I was working in an outlying district, as far out as you can possibly get in Atlantic City, known as beat No. 22, sir.

The CHAIRMAN. It's a wonder they didn't have you out in the ocean.

Mr. PORTOCK. Almost, sir.

Mr. MOSER. Isn't it true that since the date that you are now about to mention, you and the other "Four Horsemen" have been laying low?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. So that since this date you have not made any arrests on gambling establishments, is that correct?

Mr. PORTOCK. That is correct.

Mr. MOSER. Isn't it also true that there is a rumor around town that the "Four Horsemen" have been bought off?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Yes.

The CHAIRMAN. I don't quite get that. The "Four Horsemen"? I thought the "Four Horsemen" under Knute Rockne always had interference to help them get through the line. The only interference you seem to have gotten is to have them block and prevent you from getting any place.

Mr. PORTOCK. We had quite a bit of assistance from the rank and file police officers. I don't want you to undersell them.

The CHAIRMAN. But not from the higher-ups?

Mr. PORTOCK. The superiors.

The CHAIRMAN. Did they give you any assistance?

Mr. PORTOCK. Our sergeants assisted us, and the officers, but the higher echelon of the department interfered with us.

The CHAIRMAN. The "Four Horsemen" did not get any help by way of interference with them going through the line?

Mr. PORTOCK. No, sir.

Mr. MOSER. What is the date of this event you are about to tell us about?

Mr. PORTOCK. Second of May 1951. While patrolling my beat at beat 22—

Mr. MOSER. This is about 3 months ago, approximately?

Mr. PORTOCK. Yes, sir. I was approached by one "Stumpy" Orman, or should I say, before I get ahead—well, no, I can tell you that later—but about 2:30 p. m. I was approached by "Stumpy" Orman in his car, a 1951 Cadillac, license No. AG-17. He pulled up to me and asked me, he said, "Can I speak to you a minute, Portock?"

I said, "Yes, sir, Mr. Orman, you can speak to me anytime."

I got in his car and he pulled around the corner and—

Mr. MOSER. Did you say anything to him about the advisability of your getting into his car?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. What did you say?

Mr. PORTOCK. At first I was fearful of getting into his car, because I said to him, "This is not a trap in getting me into your car so that you can catch me off my beat and have me suspended, is it?" "No," he said, "it is safe enough to get into my car."

So I took him upon his word.

Mr. MOSER. All right. You said he assured you that you would not be in trouble because you got in his car?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. What time of day was that?

Mr. PORTOCK. Two-thirty.

Mr. MOSER. Two-thirty in the afternoon?

Mr. PORTOCK. Yes, sir.

He approached me and I got in his car, and we went around the corner and parked. He told me he had spoken to Freddie Masucci, and several of the other number banks and gamblers around town, and get them to try to straighten the matter out about the "Four Horsemen." I told him we were always open for suggestions, and whatever he wanted to say, to go ahead. He said to me, "Suppose—what do you want? Can I get your jobs back for you and forget about this?"

So I told him that Gribbin and myself were in a radio car, and Warlich was inside, and maybe if he could swing that deal we might be able to become good police officers, as he wanted us to become, that is, to forget about the different activities.

Mr. MOSER. Mr. Portock, this seems like a rather strange thing for you to be making a deal after your vigorous enforcement before.

Mr. PORTOCK. Yes, sir.

Mr. MOSER. Why were you willing to entertain such an idea?

Mr. PORTOCK. I was going to tell you that before, and that is why I changed my mind, when I broke into my conversation previously to that. We had been up to see Mr. Goldschein from the Federal grand jury.

Mr. MOSER. He is the special assistant attorney general?

Mr. PORTOCK. Yes, sir; for the Federal grand jury, investigating rackets in Philadelphia.

Mr. MOSER. Max Goldschein in Philadelphia, is that correct?

Mr. PORTOCK. Yes, sir.

Mr. MOSER. You went to see him?

Mr. PORTOCK. I went to see him, and he in turn came to see us in Atlantic City.

Upon his advice, he asked us to let the town open up a little bit, that maybe we could get more information, that when the racket men would go back to work in these different places, that they could subpoena them for being active in a crap game, as a stick man, and so forth and so on.

So we took his advice and we just stopped investigating. When this thing came up it was a golden opportunity; instead of us working the outlying beach, we could be sitting on the gravy train and taking things easy.

Mr. MOSER. You mean the suggestion by Mr. Orman?

Mr. PORTOCK. Yes, sir. So when Mr. Orman came up with his proposition I said to him, "Well, I will have to speak to Officers Gribbin and Warlich, that I couldn't decide anything myself." So he said, "O. K. I will see you tomorrow."

The next day at exactly the same time he pulled up to me in the car, and I got in the car and he said, "Did you speak to Gribbin and Warlich?" I said, "I did." He says, "Is everything O. K. with them?"

Incidentally, at that time I wanted a witness that I was speaking to Mr. Orman, and I had Officer Gribbin stashed out behind the bushes watching the transaction.

He asked me how I made out and I said that we made out pretty good.

So he says, "Well, will it be all right if you two boys go back in the radio car?" I says, "Well, before you can do anything, you have to move me back to my original relief." Now, incidentally, they had moved us to three different reliefs. We were all originally working together, and now we were working separately, so I told him he would immediately have to move us back to one relief, and then he would have to put Officer Warlich inside and Officers Gribbin and myself in a radio car.

Mr. MOSER. Together?

Mr. PORTOCK. Yes, sir. So he said, "How long? When do you want me to do that?" I said, "Immediately." He says, "Well, we have got to save a little face. We just can't do this right away." I said, "You didn't save any face when you had us moved out of the cars and put us back. You can move us back just as fast."

So he said, "Well, I will think about it." I said, "O. K., Mr. Orman."

That night when I got home from 4-o'clock duty, at 6 o'clock a radio car came around to the house and told me to go back to work at 12 o'clock, to Captain Lewis' relief, that I was moved back to Captain Lewis' relief that night.

The CHAIRMAN. So apparently "Stumpy" worked pretty fast.

Mr. PORTOCK. So apparently "Stumpy" Orman, all he had to do was to pick up the phone and move anybody anyplace anytime.

The CHAIRMAN. He is the one who told us today that he had no influence in regard to any changes in the police department.

Mr. PORTOCK. He is a liar. In plain English, sir, I am sorry to say it, but he is a liar. Perhaps I should say he is a prevaricator.

Mr. MOSER. That is a big word for a cop. Well, I have no further questions, Mr. Portock.

The CHAIRMAN. Do you have any questions, Senator Hunt?

Senator HUNT. Not right now.

The CHAIRMAN. Officer Portock, while it may be very evident to those of us who have known of your work intimately, and understand it to be of the highest order, it might not be entirely clear in the record, and I would like you to state clearly again as to why you talked with Mr. Orman in regard to a possible change back to your other position.

Mr. PORTOCK. Well, when we decided amongst ourselves to lay low, and let the town open up, we were still being abused. We were being persecuted. We were working in outlying beats, and when Mr. Orman came up and approached me to give me an easy job, which I knew I was going to do anyway, so far as not bothering the gamblers was concerned, I figured why do it the hard way when I can do it the easy way, if Mr. Orman is going to ask me to lay low, I am laying low anyway, so why should I do it while I was walking on the outlying beats, and anyway I will probably be in the outlying beat when I get back now.

The CHAIRMAN. Well, the truth is that you never intended to let down or to sell out in any way?

Mr. PORTOCK. Read the Atlantic City newspapers, sir, in the future, and you will see whether we sold out or not.

The CHAIRMAN. I know you have not. I want to make very clear about the cooperation given you by Mr. Max Goldschein. In other words, as I understand the story, he is special attorney general, and he had talked with you, and you had gone actually to see him.

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. In order to advance your work and to do everything possible to bring it to public attention.

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. And it was at his suggestion that you took a decisive step to see what more could be gotten?

Mr. PORTOCK. Max Goldschein cooperated with, I would say, 1,000 percent, sir. He gave us good advice. He was instrumental, I think, in this committee coming into Atlantic City.

We asked his assistance in different matters. If we wanted certain information about racket men and conditions, we went to him, and he cooperated with us as far as a man could humanly do, sir.

The CHAIRMAN. And what you were doing with "Stumpy" Orman really was in line with the plan that had been worked out with him.

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. All right. That is all. Thank you. Thank you very much, Mr. Portock.

I think previously in your testimony, Officer Portock, you had made mention of knowledge of Orman's influence in the police department, hadn't you?

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. Now, was this last effort on your part taken in relation to that phase of the matter?

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. Just to see how much influence he actually had?

Mr. PORTOCK. Yes, sir.

The CHAIRMAN. And did it work out and did you find out?

Mr. PORTOCK. Yes, sir. I found out a hundred percent.

The CHAIRMAN. In 3½ hours?

Mr. PORTOCK. Probably he worked faster than that. It didn't get to me for 3½ hours.

The CHAIRMAN. All right.

Mr. MOSER. Thank you very much.

The CHAIRMAN. All right, Officer Portock, thank you very much.

Now, I would like to make mention of the fact that this committee from the time, of course, of its inception, under the able Senator from Tennessee, Senator Kefauver, offers an opportunity to any citizen or any person who is referred to, or whose name is mentioned in connection with any of the testimony, so that he may answer any accusation leveled against him.

I would like to ask generally whether there is anyone here present whose name has been mentioned and who feels that he has been aggrieved or is aggrieved and who wants to make any reply?

(No response.)

The CHAIRMAN. All right. Now, Mr. Moser, have you anything to say?

Mr. MOSER. Well, I have this to say, Senator: We conferred with Senator Farley the other day, and told him that a number of things had been said about him in the closed hearings, that is was our obligation to bring out everything good and bad about the whole picture, that we felt that he ought to have the opportunity to answer anything that had been said that seemed to criticize him.

He said that he preferred not to testify, but that he would if we thought he should. We told him that we felt it was entirely his choice to decide whether he wanted to testify or not. We felt that the story that was being brought together by the witnesses was one that was very important and very serious, so far as he was concerned, and that if he did not answer the charges that were made by some of the witnesses, it might be construed as an admission of guilt on his part.

Accordingly, on July 18, day before yesterday, the committee sent a telegram to him in Atlantic City providing as follows:

As you know, open hearings of this committee convenes room 318, Senate Office Building, Washington, July 19 and 20. You are invited to appear and testify at time mutually agreeable. We believe it advisable from your viewpoint that you appear. If you cannot appear your representative will be welcome, provided thoroughly familiar with all facts.

The CHAIRMAN. Well, now to supplement that, I might say that anyone who is accused still has the opportunity to make any answer or to produce any evidence that he or she may feel bears upon the subject matter of this investigation.

Now, that concludes the witnesses in this hearing.

Just a minute. We have not adjourned as yet. I do not think that it would be well for us to adjourn without making a public expression of the feeling of this committee in commendation of the officers of the Atlantic City Police Department, the several officers I refer particularly, of course, to Officer Warlich, Officer Gribbin, and Officer Portock, who have, in our opinion, rendered outstanding service for which they are entitled to the praise and to the commendation of law-abiding citizens.

While they may not have received official commendation by the Atlantic City Police Department, we feel that on the record there should be placed a very definite statement of approval of what they have done and are doing.

In other words, they have shown very commendable courage—I used another word earlier, but I will change it properly to say “intestinal fortitude”—and we say that you men are entitled to the thanks of the law-abiding segment of the citizenry.

Senators, do you have anything to add? Senator HUNT?

Senator HUNT. I should like to associate myself with Senator O’Conor in his expressions complimenting the so-called Four Horsemen, and over and above that, having conducted the hearings in Atlantic City, I would like to take this opportunity to thank the press and the radio for the very splendid cooperation while we were in Atlantic City.

The CHAIRMAN. Do you have anything you want to ask, Senator Kefauver?

Senator KEFAUVER. No, thank you.

The CHAIRMAN. Well, that will conclude the testimony. The committee will resume hearings Monday, or will take up the hearing in regard to certain phases of activities in the State of Kentucky at 10 o’clock Monday morning.

(Whereupon, at 3:40 p. m., the subcommittee recessed until 10 a. m., Monday, July 23, 1951.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

WEDNESDAY, AUGUST 15, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to call of the chairman, at 10:25 a. m., in room 318 Senate Office Building, Senator Herbert R. O'Connor (chairman) presiding.

Present: Senators O'Connor, Kefauver, Hunt, and Wiley.

Also present: Senator Herman Welker (Idaho).

Richard Moser, chief counsel, Nicholas Stathis, Robert Frisch, Wallace Reidt, Roswell Perkins, and John Campbell, assistant counsel; Downey Rice, associate counsel; James Hepbron, administrative assistant.

The CHAIRMAN. The hearing will come to order.

At the outset, I would like to note for the record that, pursuant to a resolution of the full committee, the chairman is authorized to appoint a subcommittee to conduct this hearing. In accordance with that resolution, the chairman has appointed the Senator from Tennessee, Mr. Kefauver; the Senator from Wisconsin, Mr. Wiley; and the Senator from Maryland, to constitute the subcommittee. It also is provided in the resolution that any one Senator of the subcommittee shall constitute a quorum for the taking of testimony.

We will now proceed with the hearing of matters concerning the New York-Newark and other adjacent areas. The first witness we will call is Irving Sherman.

Mr. Sherman, will you raise your right hand, please.

In the presence of Almighty God, do you swear the testimony you give will be the truth, the whole truth, and nothing but the truth?

Mr. SHERMAN. I do.

TESTIMONY OF IRVING SHERMAN, NEW YORK, N. Y., ACCOMPANIED BY LOUIS WALDMAN, ATTORNEY, NEW YORK, N. Y.

The CHAIRMAN. Just for the record, please, at first, your full name?

Mr. SHERMAN. Irving Sherman.

The CHAIRMAN. Your address?

Mr. SHERMAN. 299 West Twelfth Street.

The CHAIRMAN. Counsel, for the record, would you be kind enough to give your name and your office address?

Mr. WALDMAN. My name is Louis Waldman. My office address is 305 Broadway, New York City.

The CHAIRMAN. Mr. Waldman, you are counsel for Irving Sherman?

Mr. WALDMAN. I am, sir.

The CHAIRMAN. We will proceed.

Mr. WALDMAN. With your permission, Mr. Chairman and gentlemen of the committee, I should like to make a formal request on behalf of my client.

Mr. Sherman is here under subpoena and is ready to testify before this committee in private or in public sessions. But he strenuously objects to the conduct of the committee's public hearings in such a manner as would inevitably make him a participant in a spectacle rather than being a witness at an orderly hearing, with klieg lights and cameras fixed on him and radio and television carrying his face, his every gesture and word to millions of people, so that he could not give to the committee information in an orderly and natural manner. His mind could not and would not under the circumstances existing at this moment operate with the calmness, the clarity, and the serenity so vital to him while on the witness stand to enable him to give testimony naturally.

Moreover, Mr. Chairman and gentlemen, my client objects to being compelled by the power of subpoena of this committee to render services against his will to the television, newsreel, and radio companies operating for their own profit and exploiting these hearings and his presence and testimony for commercial purposes.

We object to all of this on the ground that it violates my client's civil rights and fundamental freedoms under the laws of the Constitution of the United States.

I therefore respectfully request that, in the interest of obtaining the maximum information for this committee and for the Senate of the United States, you, Mr. Chairman and the committee, direct that these facilities be shut off and thus enable my client to proceed with his testimony.

The CHAIRMAN. Mr. Sherman, of course, the counsel's statement, we are sure, represents your views?

Mr. SHERMAN. That is right, sir.

The CHAIRMAN. And that is said on your behalf, we assume. While we assume that to be true, we want to have that for the record.

Mr. SHERMAN. That is right, sir.

The CHAIRMAN. The committee is unable to agree with all that has been said by Mr. Waldman because we could not think that the functioning of the committee in the manner in which it has functioned in the past has unduly interfered with the giving of testimony by a witness or prevented him from testifying in a calm and deliberate manner. I might also correct any impression that may have been given that this hearing has any commercial aspects because there would be, under the present plan, no commercialization whatsoever of the hearing if it would proceed with the newsreel cameras and other facilities.

I may note also for the record that there is no television camera in the group.

As we understand it, there is no live television program to be had. However, the committee feels that the witness' representations must be taken into consideration because our primary purpose is to receive testimony which will be given without undue interference and where

the witness will be in a calm position, be able to testify calmly and deliberately. At the same time, we do note the fact that this is a public hearing and we feel the public is entitled to have the information through its regular media of communications.

We must, however, have in mind the primary purpose of the committee to have the witness testify under circumstances conducive to the most deliberate testimony of which he is capable. The committee will grant the request of counsel that during the course of the interrogation the cameras will be turned off.

Mr. WALDMAN. Thank you very much.

May I request now, in view of a conference held by Mr. Sherman and myself with a subcommittee of your committee on July 12, 1951, in the presence of counsel for the committee, at which counsel and Senator Tobey indicated to me the subject matters on which information would be sought, we carefully prepared a statement which the witness has here, setting forth item by item those subject matters, overlooking not a single one. The facts in that statement, insofar as dates, months, and years are concerned, insofar as correct names and locations are concerned, and similar data, have been checked from the records. In the interest of giving you the maximum information subject to whatever information may be elicited later, I respectfully request that the witness be permitted to give testimony by reading that statement, indicating each item as he goes along and be allowed to finish it because a good deal of information may appear later in the statement that some member of the committee or counsel may think should be elicited earlier, at the end of the statement.

If the committee agrees, then, of course, whatever examination the committee or counsel want to make can be continued with the greatest profit to the committee and to the hearing.

The CHAIRMAN. Mr. Waldman, the committee feels it must pursue its regular course of conducting the interrogation, of course, allowing to the witness every opportunity he may desire to file any statement, or, in the event that the questions asked do not elicit all of the information, you, on his behalf, can so indicate, and the committee will be delighted to interrogate further or to afford an opportunity. We feel, however, it is preferable to pursue the usual line of having the questions asked and then at any appropriate time you may feel free to give us the benefit of your views.

Senator WILEY. How long is that statement, Mr. Counsel?

Mr. WALDMAN. The statement is precisely 31 pages long and covers 23 items indicated to me by your subcommittee, on which information is sought.

The CHAIRMAN. You have been most cooperative in the past, but we do feel that it would be possibly in the interest of saving time to start the other and also for another reason, that the committee wants it understood that we are not excluding any matters, even though there may be certain phases of the general situation which were not covered in the subcommittee hearing, this committee wants to have it clearly understood that we are not limiting the interrogation to certain matters, but feel free to ask about any question which the witness may have information on.

Mr. WALDMAN. May I add one word more, Mr. Chairman?

Another reason why we wanted that statement submitted to your committee, and in the public interest to the public, is that on so many

occasions before this committee this witness has been referred to by other people that in fairness to him he should be permitted to touch on those questions and give his recollection and his version of the experiences and the events as they occurred.

The CHAIRMAN. We agree with you and that is why I said, in the event that the committee does not touch upon every question that he feels ought to be brought out, in order to give him a fair opportunity to make his position known, the committee will be glad to have your advice in pointing to that question.

Senator WILEY. May I get an understanding of the situation? I understand Senator Tobey, as a subcommittee, presented to you as counsel for Sherman certain questions he wanted information on.

Mr. WALDMAN. That is right, to me.

Senator WILEY. He presented questions he wanted information on.

Mr. WALDMAN. That is right.

Senator WILEY. That is what you want to present to us?

Mr. WALDMAN. Precisely. We have prepared that information.

Senator WILEY. Did he frame the questions?

Mr. WALDMAN. Yes. He and counsel. Counsel was present. Counsel suggested the questions. I jotted them down. They aggregate 23 items.

Mr. MOSER. I do not think it is correct to say that Senator Tobey and I framed the questions. All we did was mention the subject matter.

Mr. WALDMAN. The framing of questions has two meanings to a lawyer. They were not in the form of interrogatories. The subject matters and personalities that would be involved, as to whom and as to what information was sought, was given to me. For instance, they wanted to know something about a meeting with Mayor O'Dwyer or Mr. Costello, a meeting with this or other personalities, and they indicated to me all the information on each person or on each event. Those are the persons and events which, by proper analysis, presented 23 items. The information presented, covered the 23 items, item by item.

Senator WILEY. Twenty-three items. How many pages?

Mr. WALDMAN. Thirty-one pages.

Senator WILEY. What would be the advantage of presenting them now instead of later on?

Mr. WALDMAN. I think the committee would get an integrated, coherent statement of events as they occurred, dovetailing the events into each other, just as life does.

Senator WILEY. Do you have a copy here?

Mr. WALDMAN. Would you like to look at it, Senator?

Senator WILEY. Yes. I think it is important.

The CHAIRMAN. Mr. Waldman, we understand it is satisfactory to you to have us proceed in the usual manner, with the understanding that, if the committee does not touch upon all of the question asked, you would have the opportunity of doing so.

I might state we expect and intend to cover all these matters, but, if through oversight or inadvertence, it has not been done, we give you assurance we will allow you to point it out to us.

Mr. WALDMAN. Thank you very much, Mr. Chairman. You are the boss.

The CHAIRMAN. At this time, you do desire the television and radio to be shut down.

Mr. WALDMAN. Also the cameras.

The CHAIRMAN. The committee feels, therefore, that the newsreel cameras and radio should be turned off and, if the photographers desire any pictures, they can take them now and then retire, so that the witness will not be interrupted during the course of testimony.

Mr. WALDMAN. Thank you very much.

The CHAIRMAN. The committee is ready to proceed with the questioning.

We will now ask our chief counsel, Mr. Richard Moser, if he will proceed with the questioning. Mr. Moser.

Mr. MOSER. Mr. Sherman, one of the questions that has given us a great deal of difficulty is the reason why it was so difficult for us to get you as a witness on previous occasions. You recall that you were sought as a witness before and did not appear. We understand that at the time you were sought you were in Miami Beach at the Saxony Hotel; is that correct?

Mr. SHERMAN. That isn't correct.

Mr. MOSER. Where were you?

Mr. SHERMAN. I was at the Shelborne Hotel.

Mr. MOSER. In Miami Beach?

Mr. SHERMAN. Yes.

Mr. MOSER. You were staying at what hotel?

Mr. SHERMAN. At the Shelborne Hotel.

Mr. MOSER. In Miami Beach?

Mr. SHERMAN. That is right.

Mr. MOSER. At that time, did you see Congressman Arthur G. Klein?

Mr. SHERMAN. Yes; I did.

Mr. MOSER. Did you have any discussion with him as to your appearance here?

Mr. SHERMAN. That is right.

Mr. MOSER. What was the nature of that discussion?

Mr. SHERMAN. Well, I told him of all the things I had been reading in the newspapers and I asked his opinion.

Mr. MOSER. His opinion as to what?

Mr. SHERMAN. As to the whole thing, as to the blast that I had had in the newspapers—just general talk about the whole thing.

Mr. MOSER. And what did he say?

Mr. SHERMAN. I ought to come in.

Mr. MOSER. He suggested you come in?

Mr. SHERMAN. Yes.

Mr. MOSER. Still you didn't come in.

Mr. SHERMAN. I did, quite a little while later.

Mr. MOSER. Quite a little later.

Mr. SHERMAN. I wouldn't know, Mr. Moser.

Mr. MOSER. After the hearings had closed in New York and Washington; isn't that true?

Mr. SHERMAN. I wouldn't be sure. I think it was after.

Mr. MOSER. I am quite sure you did appear after that.

At that time the committee was expected to go out of existence, was it not?

Mr. SHERMAN. I do not know. I couldn't answer that, Mr. Moser.

Mr. MOSER. Weren't you waiting until the committee did go out of existence before you made your appearance?

Mr. SHERMAN. No; I wasn't waiting.

Mr. MOSER. Did you have any conversation with Charles Lipsky on the subject?

Mr. SHERMAN. Yes; I did.

Mr. MOSER. What did you discuss with him?

Mr. SHERMAN. Nothing about this at all. I told him I would come in at any time if I could have the television and radio taken off and I would be glad to testify. There were several articles that appeared in the newspapers about statements made by Mr. Halley that I wasn't wanted. The next day another article appeared that I was wanted. There was a lot of contradictory statements.

Mr. MOSER. You told Charles Lipsky you would testify, but you did not tell anybody connected with the committee you would.

Mr. SHERMAN. I wasn't here to tell anybody on the committee.

Mr. MOSER. I am sure that everybody knew you were sought and I would like a little better explanation as to why you did not show up.

Mr. SHERMAN. I just did not want to get embarrassed and get on television and radio and all of that. That was the only reason. At that particular time my mother was very sick. She still is. That was one of the main reasons.

Mr. MOSER. Do you know Joseph Henshal?

Mr. SHERMAN. Yes, I do.

Mr. MOSER. Is he a lawyer?

Mr. SHERMAN. No, he is a garment manufacturer.

Mr. MOSER. Does he have a connection with Frank V. Connolly?

Mr. SHERMAN. Yes, I believe they had business.

Mr. MOSER. Had a business together?

Mr. SHERMAN. I do not know how the thing operated.

Mr. MOSER. What is their business together at the present time?

Mr. SHERMAN. Nothing.

Mr. MOSER. They have no connections at all?

Mr. SHERMAN. I haven't seen Connolly in 3 or 4 years.

Mr. MOSER. Do you know Moses Polakoff?

Mr. SHERMAN. Yes.

Mr. MOSER. Isn't he the lawyer that represented Luciano?

Mr. SHERMAN. I believe he represented him. I read that in the papers.

Mr. MOSER. I would like to ask you the nature of a meeting that occurred at Moses Polakoff's office on June 20, 1951, at which were present yourself, Mr. Waldman, Mr. Polakoff, and Joe Henshal. Was that meeting called for the purpose of discussing the testimony to be given before this committee?

Mr. SHERMAN. There was never any Joe Henshal there. Mr. Waldman told me that Moe Polakoff was an old classmate of his. We dropped by to have a general talk; there was no Mr. Henshal there or a meeting of that kind.

Mr. MOSER. Wasn't the purpose of the conference to discuss coordination of testimony to be given before this committee?

Mr. SHERMAN. Definitely not.

Mr. MOSER. What was the nature of the conversation?

Mr. SHERMAN. Just general conversation. I do not know the things that Mr. Waldman had to say to him.

Mr. WALDMAN. Mr. Chairman, since I was present, I might as well tell the committee—

The CHAIRMAN. We think it might be preferable to let the witness proceed with his testimony and, if there is anything further you would want to supply, that would be all right.

Mr. WALDMAN. I would be glad to tell you, lawyer to lawyer, what we were doing there.

The CHAIRMAN. The committee cannot anticipate what its counsel is leading up to, and we will let it go at that.

Mr. MOSER. Was there a man named Levin present at that conference?

Mr. SHERMAN. No.

Mr. MOSER. Mr. Sherman, do you know what the Detroit Purple Gang was?

Mr. SHERMAN. No. That is ridiculous.

Mr. MOSER. You do not know what it is?

Mr. SHERMAN. No.

Mr. MOSER. You never read about it?

Mr. SHERMAN. Yes.

Mr. MOSER. What did you read about it?

Mr. SHERMAN. I read a lot about the Purple Gang.

Mr. MOSER. What is ridiculous about the Purple Gang?

Mr. SHERMAN. It is ridiculous about the papers stating I was a member of the Purple Gang, and so on.

Mr. MOSER. What is it that is ridiculous?

Mr. SHERMAN. About my being a member of the Purple Gang or any gang.

Mr. MOSER. Have the papers said you were a member of the Purple Gang?

Mr. SHERMAN. Yes.

Mr. MOSER. What was the nature of that gang?

Mr. SHERMAN. I do not know anything about the gang. I do not know if there is any such gang.

Mr. MOSER. Isn't it true that there was a gang of people in Detroit convicted of labor extortion and racketeering charges?

Mr. SHERMAN. Mr. Moser, I do not know a thing about it.

Mr. MOSER. You had no connection with it at all?

Mr. SHERMAN. I had no connection with it whatsoever.

Mr. MOSER. But you do have a criminal record, don't you, to some extent?

Mr. SHERMAN. What do you mean by a criminal record?

Mr. MOSER. Have you ever been arrested?

Mr. SHERMAN. Yes, I have been arrested—not convicted.

Mr. MOSER. Were you arrested in 1933, in September?

Mr. SHERMAN. Well, I wouldn't know what date and what year.

Mr. MOSER. We have a record——

Mr. SHERMAN. What do you mean by "arrested"?

Mr. MOSER. We have a record that you were arrested on September 21, 1933, by the Washington Police Department and held for investigation; is that correct?

Mr. SHERMAN. Yes. I do not know what it was. I do not know what the thing was. They took me and several others. There was no case. There was no trial, nothing like that.

Mr. MOSER. Where were you living at the time?

Mr. SHERMAN. I believe at the Shoreham Hotel.

Mr. MOSER. Why did they call you in?

Mr. SHERMAN. I do not know. They didn't know themselves.

Mr. MOSER. They must have asked you some questions.

Mr. SHERMAN. They asked me no questions at all.

I do not remember being asked questions. They might have asked me questions. I do not remember what questions they may have asked me. I know there was no reason for it.

Mr. MOSER. There must have been some reason. The police do not pick men off the street.

Mr. WALDMAN. Mr. Chairman, I object to this kind of badgering of the witness. We know that the arrest of anybody raises no presumption of guilt of any kind and in a court they would not even be allowed to ask the question whether they were arrested. The mere answer of the witness is binding on the committee and counsel.

The CHAIRMAN. That is right. That has been pursued far enough.

Mr. SHERMAN. Mr. Moser, you might have been there, and the same thing could have happened to you.

The CHAIRMAN. The objection is sustained.

Mr. MOSER. Mr. Sherman, were you arrested in March 1938, in Hot Springs, Ark.?

Mr. SHERMAN. Yes.

Mr. MOSER. What was the nature of that?

Mr. SHERMAN. I was playing horses in a horse room.

Mr. MOSER. What happened?

Mr. SHERMAN. Nothing. I was discharged. Nothing happened.

Mr. MOSER. Was that in a place called Jacobs' Place?

Mr. SHERMAN. That is right. The Southern Hotel. I believe it was run by a man by the name of Jacobs.

Mr. MOSER. Isn't it true that Luciano was arrested at the same time?

Mr. SHERMAN. No.

Mr. MOSER. Was he there?

Mr. SHERMAN. No.

Mr. MOSER. Prior to 1930 what was your business?

Mr. SHERMAN. I do not know what it was.

Mr. MOSER. Shortly prior to 1930?

Mr. SHERMAN. Prior to 1930 I worked as an adjuster for the American Cloak and Suit Association.

Mr. MOSER. Adjuster?

Mr. SHERMAN. Adjuster. The work of an adjuster in the Cloak and Suit Association is sort of an arbitrator. The American Association represents the employer and we arbitrate cases with the union for the employer.

Mr. MOSER. Well, you mean you deal with the union?

Mr. SHERMAN. I dealt with the union.

Mr. MOSER. Were you involved at all in a strike that occurred in Mauch Chunk, Pa.?

Mr. SHERMAN. Mauch Chunk?

Mr. MOSER. Mauch Chunk.

Mr. SHERMAN. No.

Mr. MOSER. You never heard of a railroad strike in Mauch Chunk, Pa.?

Mr. SHERMAN. I heard of a lot of railroad strikes. I was never interested in it.

Mr. MOSER. You took no part in the settlement of it?

Mr. SHERMAN. No.

Mr. MOSER. Do you know a man named Kessler?

Didn't you have business dealings with a man named Kessler at the time you were adjuster for the Cloak and Suit Association?

Mr. SHERMAN. I do not remember. I do not think I know the name. I do not know.

Mr. MOSER. How about Lepke and Gurrah? Were they involved in it at the time?

Mr. SHERMAN. No; they were around the garment district. Everybody knows that.

Mr. MOSER. They were in the garment district?

Mr. SHERMAN. They were all through the garment district.

Mr. MOSER. You didn't have dealings with them?

Mr. SHERMAN. I certainly did not.

Mr. MOSER. You had no dealings with them?

Mr. SHERMAN. I had no dealings with them. No dealings.

Mr. MOSER. Haven't you previously told me you did?

Mr. SHERMAN. Mr. Moser, I couldn't have said I did. I told you I knew them. Everybody around the garment district knew them. You had to know them.

Mr. MOSER. Why did you have to know them?

Mr. SHERMAN. They would make you do that.

Mr. MOSER. Please explain that.

Mr. SHERMAN. I can't explain that. It was a general thing. Everybody in the industry from the union and the association—the employers and the workers, knew Lepke and Gurrah.

Mr. MOSER. You mean they control the industry?

Mr. SHERMAN. They did a lot of things. I heard of them doing a lot of things.

Mr. MOSER. What kind of things did they do?

Mr. SHERMAN. Work for the unions and for the bosses, work for this and for that.

Mr. MOSER. You mean they were working for both sides?

Mr. SHERMAN. Yes; they would work both sides. That is my opinion.

Mr. MOSER. In order to get along in the industry you had to work with them?

Mr. SHERMAN. Not necessarily. In some cases you did, if you didn't want to sort of get bothered in your business.

Mr. MOSER. How did they bother your business?

Mr. SHERMAN. Mr. Moser, I cannot explain that. I cannot explain what they did or how they bothered your business. I know lots of people used to complain about it, about the matter coming up, and their taking and asking for money, and things of that kind. How they did that, I couldn't say.

Mr. MOSER. They got shake-downs from both sides?

Mr. SHERMAN. That is what I would call them.

Mr. MOSER. Did you have to pay them anything?

Mr. SHERMAN. No; I never did.

Mr. MOSER. Did your association have to pay them?

Mr. SHERMAN. No.

Mr. MOSER. The association represented the employers?

Mr. SHERMAN. Yes, sir.

Mr. MOSER. Didn't the association have to get along with Lepke and Gurrah?

Mr. SHERMAN. We got along the best we could.

Mr. MOSER. You are being very vague about it.

Mr. SHERMAN. I am not vague, but I do not know how they operate. I would like to tell you. I would be glad to tell you. I know that everybody in the garment district—you can go there today and 90 percent of the people who are in business today will still know those two gentlemen.

Mr. MOSER. Sure, they will know them.

Mr. SHERMAN. A lot of them dealt with them.

Mr. MOSER. I am not intimating there was something wrong about your knowing them, but I am saying you were closely involved in the settlement of labor disputes in the industry and you must know something about how it was done and how they took part in it.

Mr. SHERMAN. I do not know. I do not know how they did it, why they did it or how much they got, or anything like that.

Mr. MOSER. Although you were settling labor disputes?

Mr. SHERMAN. I wasn't settling.

Mr. MOSER. I thought you said you were an adjuster?

Mr. SHERMAN. Here is what happens. I had all this in the statement, so I could explain it very clearly. If you want me to, I will read it to you.

The CHAIRMAN. Just answer the question.

Mr. SHERMAN. The work of an adjuster is this: The association would get a complaint from one of its members who would employ union people. These union people at times would ask for certain concessions that the employer couldn't afford to give them. The worker would go to the union and file a complaint. He might want double time or time and a half overtime, or some other concession. They would disagree. Then the case would be brought to the attention of the association. The association then would arbitrate that particular part with the union. If the arbitrators couldn't agree, it would then go to an impartial chairman and he would decide on the outcome of the case and those cases, Mr. Moser—there are hundreds every day—

Mr. MOSER. You are talking about individual workmen's complaints?

Mr. SHERMAN. Individual workmen's complaints against the particular firm they worked for.

Mr. MOSER. Did Lepke and Gurrah have any relations, any dealings with that?

Mr. SHERMAN. I don't know. I don't think they ever represented the association. I do not think they did. I do not know.

Mr. MOSER. You said you represented the employers.

Mr. SHERMAN. That is right.

Mr. MOSER. Isn't it true that at one time you were manager of the Brooklyn local of the International Ladies' Garment Workers Union?

Mr. SHERMAN. Definitely not. I have never been employed by the union.

Mr. MOSER. Never been employed by any union?

Mr. SHERMAN. No, sir.

Mr. MOSER. What is the Sun and Surf Club Cabaret at Long Beach, Long Island?

Mr. SHERMAN. The Sun and Surf Club Cabaret was represented by a gentleman named Joe Shalleck.

Mr. MOSER. It belonged to him?

Mr. SHERMAN. I don't know whether it belonged to him or who it belonged to. I wouldn't know. He was the owner. He was the trustee of the thing. It was turned over to him for some reason.

Mr. MOSER. Did you have any dealings with the cabaret?

Mr. SHERMAN. No. I was very much interested in buying the restaurant. We were there for about 5 weeks.

Mr. MOSER. When you say "we were there," you mean you had an interest in the restaurant?

Mr. SHERMAN. No; I did not.

Mr. MOSER. You mean you visited there?

Mr. SHERMAN. No. We went there for the purpose of buying it and we stayed around there for several weeks. We had lots of figures. The Sun and Surf Club had three different parts that they rented. One was a restaurant; one was a hotel; and then there was a cabaret club. The thing I was interested in was the restaurant that I was going to rent. I was not going to buy, but rent.

Senator WILEY. When did you go there?

Mr. SHERMAN. I believe sometime in 1936.

Mr. MOSER. Were you there to negotiate a rental of the restaurant?

Mr. SHERMAN. That is right.

Mr. MOSER. Who is "we"?

Mr. SHERMAN. Sam Salvin.

Mr. MOSER. You and he were going to rent it as partners, were you?

Mr. SHERMAN. That is right. I believe there was a third man. I wouldn't know the third man. I know the man is dead. I don't remember his name.

Mr. MOSER. Could the name have been Marty Krompier?

Mr. SHERMAN. No, sir.

Mr. MOSER. At the time you went down to negotiate, was the cabaret owned by Morris Zeig?

Mr. SHERMAN. I do not know.

Mr. MOSER. You never heard of Morris Zeig?

Mr. SHERMAN. No, sir.

Mr. MOSER. How about Owen Madden? Do you know him?

Mr. SHERMAN. Yes. I remember reading about him.

Mr. MOSER. His name was Owney Madden.

Mr. SHERMAN. Yes.

Mr. MOSER. Does he have any connection with that outfit?

Mr. SHERMAN. I have never seen him there. I do not know as he did.

Mr. MOSER. How about a man named Big Frenchy, whose correct name is George Jean Demange? You never heard of George Jean Demange or the Big Polak? Another name he goes by is Mella Rafelo.

Mr. SHERMAN. No, sir.

Mr. MOSER. How about George Fox?

Mr. SHERMAN. No, sir.

Mr. MOSER. Never heard of a man named George Fox in connection with that cabaret?

Mr. SHERMAN. No, definitely not.

Mr. MOSER. How about Jeremiah Sullivan, also known as John McHugh?

Mr. SHERMAN. I do not know him, never saw him there.

Mr. MOSER. Never heard of him?

Mr. SHERMAN. Never heard of him.

Mr. MOSER. How about Big Bill Dwyer?

Mr. SHERMAN. I knew Bill Dwyer. He is dead.

Mr. MOSER. Did he have a connection with that cabaret?

Mr. SHERMAN. Never saw him there. Don't know whether he had anything to do with it.

Mr. MOSER. You do not know whether any of those people had an interest in there?

Mr. SHERMAN. I am not sure. They were never there when I was there. I never negotiated with any of them, never had business with them.

Mr. MOSER. Did you ask the people with whom you negotiated who the owner was?

Mr. SHERMAN. No; we never got to that, Mr. Moser.

Mr. MOSER. You indicate you do not know whether those people had an ownership or not?

Mr. SHERMAN. That is right.

Mr. MOSER. It is possible they did have?

Mr. SHERMAN. I wouldn't know. It is possible, sure.

Mr. MOSER. I am not saying you had dealings with them because you denied it.

Mr. SHERMAN. I don't know if they had. As you say, it is possible.

Mr. MOSER. This is no accusation of you, but we have independent information that those men did have.

Mr. SHERMAN. That is very possible, Mr. Moser. I can say this—and I am under oath—I have never seen any of those men you mentioned around there and have never done any business with any of them at any time.

Mr. MOSER. Who were the men you did negotiate at that time with?

Mr. SHERMAN. Joe Shalleck.

Mr. MOSER. Just him?

Mr. SHERMAN. Yes.

Mr. MOSER. Nobody else?

Mr. SHERMAN. Nobody else I know of.

Mr. MOSER. Was he the only one you dealt with as a principal?

Mr. SHERMAN. He had several men around him. I do not know who they were and what part they were taking in the negotiations.

Mr. MOSER. Were they present when you negotiated with him?

Mr. SHERMAN. There was one man by the name of Rose. I forget his first name. I believe he had a lien on the property, or something like that.

Mr. MOSER. What is his name? Lou?

Mr. SHERMAN. Mr. Moser, I don't think so. I think it was Harry, but I am not sure of that.

Mr. MOSER. Harry Rose?

Mr. SHERMAN. I believe it was.

Mr. MOSER. Wasn't there a Harry Rose connected with the Arizona Bar & Grill?

Mr. SHERMAN. Yes, that is right. Harry Rose is right.

Mr. MOSER. That is the same one?

Mr. SHERMAN. That is right.

Mr. MOSER. The same man?

Mr. SHERMAN. That is right.

Mr. MOSER. You later had dealings with him, did you not, in connection with the Arizona Bar & Grill?

Mr. SHERMAN. Yes; I did.

Mr. MOSER. He was one of the people you dealt with as the principal when you were talking with Shalleck?

Mr. SHERMAN. No.

Mr. MOSER. You mean he was just there?

Mr. SHERMAN. The only one I dealt with was just Shalleck at that time. He was running around with a lot of papers. He had a lien on this property for some work. I do not know the type of work it was. He made himself sort of the big man around there. The only business I did in that place was with Joe Shalleck.

Mr. MOSER. The reason Rose was there was because he had a financial interest in it, I assume, having loaned money to them?

Mr. SHERMAN. I wouldn't know that.

Mr. MOSER. He said he had a lien?

Mr. SHERMAN. Against the property, or something.

Mr. MOSER. Probably because he lent money to the organization?

Mr. SHERMAN. I don't know whether he loaned money or built the building or built the bathhouse. He was also a builder, this gentleman.

Mr. MOSER. Mr. Sherman, I would like to repeat that I am not accusing you of anything at this moment, that I would like to point out that we have independent information that the real owners of the Sun and Surf Cabaret, where you were attempting to negotiate a lease of the restaurant, was owned by a group of gamblers prior to 1934. One was Morris Zeig, known as Ziggy Joseph Wallach, and also under the alias of Joe Gordon, who has a long police record, which I have before me. Another was Owey Madden, also a well-known criminal.

Mr. WALDMAN. Mr. Chairman, I do not like to interrupt counsel, but I think it is grossly unfair to pursue this method, by means of association of this kind, interrogating the witness who denies having any dealings with these men and then saying, "We have independent information," which is not available to us either for cross-examination or checking, that certain people owned an interest in this cabaret. If that were true, it ought not to be associated with this man who denies having anything to do with it.

The CHAIRMAN. Possibly that can be resolved by bringing it up at a later time. It does not connect up with this witness, so we will discontinue this line at the present time.

Mr. MOSER. I have already said to Mr. Sherman that I do not associate these people with him.

Mr. WALDMAN. I do not argue when the Chair agrees with me.

The CHAIRMAN. I think it will be better to take it up at a later time when there is positive evidence.

Mr. MOSER. Do you know Bill Duffy?

Mr. SHERMAN. No, sir.

Mr. MOSER. Never heard of Bill Duffy?

Mr. SHERMAN. No.

Mr. MOSER. Are you sure?

Mr. SHERMAN. No, I do not know him.

Mr. MOSER. Do you know Connie Immerman?

Mr. SHERMAN. Yes, I do.

Mr. MOSER. Did he have any connection with that?

Mr. SHERMAN. No.

Mr. MOSER. He owns the Cotton Club in Harlem, did he not?

Mr. SHERMAN. Yes, he did. No, I think he owned Connie's Inn.

Mr. MOSER. Connie's Inn?

Mr. SHERMAN. Yes.

Mr. MOSER. Where was that?

Mr. SHERMAN. Up in Harlem.

Mr. MOSER. And are you sure he had no interest in either the cabana or hotel or the restaurant at the Sun and Surf Club?

Mr. SHERMAN. Not at the time I was there.

Mr. MOSER. Did you ever conclude any lease from these negotiations?

Mr. SHERMAN. No.

Mr. MOSER. Why did it take so long to work out these negotiations? Six weeks seems like a long time.

Mr. SHERMAN. I think the proposition was misrepresented according to the amounts of money they were supposed to have taken in. There was a cafeteria on the beach and a restaurant upstairs, and I got a certain figure and kept watching it for a time, but it wasn't true.

Mr. MOSER. They gave you information as to the income and expenses?

Mr. SHERMAN. Yes.

Mr. MOSER. But they gave you no information with regard to liabilities? You knew that Rose had some kind of a lien, but they did give you no indication of other liabilities?

Mr. SHERMAN. We never got into that. We weren't going to buy that. We were going to lease it. I do not remember the price it was. We were going to lease it by the season.

Mr. MOSER. Did you inquire about the carrying charges?

Mr. SHERMAN. No, because we never got to that.

Senator WILEY. Who is "we"?

Mr. SHERMAN. That Sam Salvin who was with me at the time.

Senator WILEY. I see.

Mr. MOSER. Mr. Sherman, next I would like to ask you about what is called the Grand National Treasure Hunt which occurred in 1936.

Mr. SHERMAN. That is right.

Mr. MOSER. Did you have any connection with that?

Mr. SHERMAN. Yes.

Mr. MOSER. Would you mind telling us what your connection was?

Mr. SHERMAN. I sold tickets for it.

Mr. MOSER. You sold tickets for it?

Mr. SHERMAN. Yes.

Mr. MOSER. Who was running it?

Mr. SHERMAN. Mrs. Harriman, Lemphier.

Mr. MOSER. Major Lemphier?

Mr. SHERMAN. Yes.

Mr. MOSER. What was Mrs. Harriman's first name?

Mr. SHERMAN. I had that checked.

Mr. WALDMAN. J. Borden Harriman.

Mr. MOSER. Was your only connection with it that you sold tickets?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. Didn't you help organize it?

MR. SHERMAN. No. They had an association called the Conference for Legalized Lotteries. I do not know. They have been working on this for quite some time. This Mrs. Harriman has. This particular enterprise, this Grand National Treasure Hunt, was authorized by the United States postal authorities. They had permission in writing to use the mails. It was checked practically every week or every month. I was present when Mr. LaGuardia received an ambulance in New York City for Lafayette Hospital, which was purchased by the National Grand Treasure Hunt. I know they have given lots of money to many hospitals, which is a matter of record. You can check those things. They bought during the flood from R. C. Williams, grocer, a lot of foodstuffs and a lot of canned goods. They took those to the flooded areas, several truck loads. That was the work they were doing. That was not an illegitimate enterprise, Mr. Moser. That was authorized by the Government to operate. Those tickets were bought and sold at all stores. They were advertised in the newspapers every day. They had three or four floors of offices over on Madison Avenue.

MR. MOSER. You were selling tickets at your brother's store, weren't you?

MR. SHERMAN. All over. I gave them to him. I had them all through the garment district.

MR. MOSER. Do you know anyone by the name of Meyer or Harry Marks?

MR. SHERMAN. I think there was a Harry Marks connected with it. They had agents for different territories.

MR. MOSER. Wasn't Meyer Marks connected with the Sherbrook lottery in Canada?

MR. SHERMAN. I do not know.

MR. MOSER. Was Marty Kromprier connected with it?

MR. SHERMAN. I never saw him there. I have never done business with him.

SENATOR WILEY. Authorized by the Government? You mean by the State?

MR. SHERMAN. No; down here in Washington. This is where Mrs. Harriman came down and got a letter from the postal authorities authorizing her to use the mail for this particular lottery. It was sort of a contest. It wasn't called a lottery. It was sort of a contest, but I know, because I saw it in a frame in the office from the Post Office Department and also it had one of those permits from the New York Post Office Department.

SENATOR WILEY. What became of the proceeds?

MR. SHERMAN. All of this money went to charity.

MR. WALDMAN. Charity and philanthropy.

MR. SHERMAN. I just said that I saw these things myself. You can check them. I know the firm of R. C. Williams, where they bought loads and loads of stuff which they sent to flood areas. I know they bought an ambulance. They bought some heart respirators.

MR. MOSER. I ask you if Marty Kromprier was connected with it?

MR. SHERMAN. I do not know.

MR. MOSER. Do you know him?

MR. SHERMAN. Yes.

MR. MOSER. What was your connection with him?

MR. SHERMAN. Seeing him on the race track.

Mr. MOSER. Wasn't he one of Dutch Schultz' men?

Mr. SHERMAN. I don't know.

Mr. MOSER. He was shot the night after Dutch Schultz died, didn't you know that?

Mr. SHERMAN. No.

Mr. MOSER. How about Julius Axelrod?

Mr. SHERMAN. I know Julius Axelrod. He was there at the Grand National Treasure Hunt with me.

Mr. MOSER. What is his business?

Mr. SHERMAN. He is a waiter. He is a very hard-working man, Mr. Moser.

Mr. MOSER. And how long have you known him?

Mr. SHERMAN. I have known him for twenty-some-odd years, 25 to 26 years.

Mr. MOSER. Did you know Bugsy Siegel?

Mr. SHERMAN. Yes.

Mr. MOSER. Did he have anything to do with the Grand National Treasure Hunt?

Mr. SHERMAN. Definitely not.

Mr. MOSER. How about Moe Levy, do you know him?

Mr. SHERMAN. Don't know him.

Mr. MOSER. He also had an alias of Moe Gold or Mooney.

Mr. SHERMAN. No.

Mr. MOSER. Do you know Moe Wolinsky?

Mr. SHERMAN. No.

Mr. MOSER. He is dead. He was called "Dimples" Wolinsky.

Mr. SHERMAN. No.

Mr. MOSER. Meyer Lansky?

Mr. SHERMAN. I know him.

Mr. MOSER. Did he have anything to do with the treasure hunt?

Mr. SHERMAN. No.

Mr. MOSER. In 1937 you went to California, did you not?

Mr. SHERMAN. Yes.

Mr. MOSER. Did that have anything to do with the fact that Dewey was appointed special prosecutor?

Mr. SHERMAN. No. It had nothing to do with it.

Mr. WALDMAN. May the record show that now Governor Dewey was appointed special prosecutor in 1934.

Mr. MOSER. Didn't he try the Hines case in 1937?

Mr. WALDMAN. That is right. That was the end of his term as special prosecutor, then he became a candidate for district attorney, but he had functioned for 3 years before as special prosecutor.

Mr. MOSER. So after Dewey convicted Jimmie Hines and then ran for district attorney, a lot of people went to California. I wondered whether that was the reason you went there.

Mr. SHERMAN. No.

Mr. MOSER. You went there on April 8 and gave as your address the St. Moritz Hotel in New York. Were you staying at the St. Moritz?

Mr. SHERMAN. For a little while.

Mr. MOSER. While you were staying at the Wilshire Hotel in Beverly Hills.

Mr. SHERMAN. That is where I stayed.

Mr. MOSER. While you were there you telephoned Bugsy Siegel on at least three occasions?

Mr. SHERMAN. That is very possible, Mr. Moser.

Mr. MOSER. Will you tell us what you might have telephoned Bugsy Siegel about?

Mr. SHERMAN. I was very familiar with Frank Orsatti. I was quite familiar with Frank Orsatti.

Mr. MOSER. Who was he?

Mr. SHERMAN. Who had quite a stable of horses. I stayed at the Beverly-Wilshire Hotel, and I think Siegel lived just a couple of blocks from there. I believe it was on South Oxford. Orsatti at about 11 or 11:30, 3 or 4 days a week would come to my hotel, pick me up, or sometimes I would pick him up. He had an office on Sunset Boulevard. He would call Siegel from my hotel. They would exchange what they called sort of information on horses. I called him, it might have been more than 3 times and asked him if he had any kind of horses that we can bet on.

Mr. MOSER. Wasn't your brother Harry in the movie industry at that time?

Mr. SHERMAN. I have no brother Harry.

Mr. MOSER. Did you have a brother in the movie industry?

Mr. SHERMAN. Never. I have no brother in the movie industry.

Mr. MOSER. You didn't have at that time?

Mr. SHERMAN. No; at no time.

Mr. MOSER. Did you ever talk to Bugsy Siegel about any labor relations problems in the movies?

Mr. SHERMAN. No; Mr. Moser, I never did.

Mr. MOSER. How did you get to know Siegel in the first place?

Mr. SHERMAN. I met him through Frank Orsatti.

Mr. MOSER. You met him through Frank Orsatti?

Mr. SHERMAN. Yes.

Mr. MOSER. I see.

Mr. SHERMAN. I met him at the tracks. I believe I met him at Frank Orsatti's office.

Mr. MOSER. What were your dealings with Frank Orsatti? You said he owned a string of horses. What was your reason for dealing with him.

Mr. SHERMAN. I have known him for a long time. His brother, Ernie Orsatti, was a good friend of mine, a ball player with the St. Louis Cardinals.

Mr. MOSER. How did you meet Orsatti in the first place?

Mr. SHERMAN. Ernie?

Mr. MOSER. Yes.

Mr. SHERMAN. I met Ernie first, that was the ball player.

Mr. MOSER. And later got to know Frank?

Mr. SHERMAN. Later got to know Frank.

Mr. MOSER. And he was a friend of Bugsy Siegel?

Mr. SHERMAN. Yes, sir.

Mr. MOSER. You were also a friend of Louis B. Mayer, were you not?

Mr. SHERMAN. That is right.

Mr. MOSER. What were your dealings with him while in California?

Mr. SHERMAN. None whatsoever. Orsatti represented the majority of the stars working for MGM.

Mr. MOSER. He represented them as a labor——

Mr. SHERMAN. As an agent.

Mr. MOSER. An agent?

Mr. SHERMAN. Yes, sir. The Orsatti Agency in California is one of the largest of its kind, representing probably the top stars in the country, and have done a lot of business with Mayer through MGM, Twentieth Century Fox, and they were very friendly, very friendly terms.

Mr. MOSER. You met Mayer through Orsatti?

Mr. SHERMAN. Yes.

Mr. MOSER. You met socially or had you any dealings with him?

Mr. SHERMAN. Never had any dealings.

Mr. MOSER. Did you do any work for MGM?

Mr. SHERMAN. Never.

Mr. MOSER. What was your occupation while in California?

Mr. SHERMAN. I did very little at the time. Looking for something to do, but did very little, and then again in October—you talked about October—what, Mr. Moser?

Mr. MOSER. I don't believe I mentioned October.

Mr. SHERMAN. Because in October I—I got to California, I don't know when it was. I only stayed there a little while at the Beverly-Wilshire Hotel. My father died October 1937, so I left the Beverly-Wilshire Hotel and I think Mrs. Sherman moved into the Du Barry Apartment, which is a small apartment, where I believe Axelrod lived.

Mr. MOSER. The Du Barry Apartment at 448 South Catalina Street, Beverly Hills?

Mr. SHERMAN. I don't know the street.

Mr. MOSER. And Axelrod was the one who introduced you?

Mr. SHERMAN. Not me, I was never there.

Mr. MOSER. You didn't stay there?

Mr. SHERMAN. No; Mrs. Sherman. My father died and I came east, she stayed there.

Mr. MOSER. Is Julius Axelrod the one you said was a waiter?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. Where did you stay while Mrs. Sherman was staying at the Du Barry Apartments?

Mr. SHERMAN. I came back to New York, Mr. Moser, as I said. My father died and I came to the funeral and I stayed here.

Mr. MOSER. Yes. While you were out there did you have no source of income?

Mr. SHERMAN. No.

Mr. MOSER. No income at all?

Mr. SHERMAN. No.

Mr. MOSER. What did you live on?

Mr. SHERMAN. Well, I had a little money.

Mr. MOSER. You just lived on——

Mr. SHERMAN. I played the horses. Probably maybe lost a little.

Mr. MOSER. You lived on your savings, is that it, and bet a little on horses?

Mr. SHERMAN. Wasn't just savings. I had made a little money here and had a little money.

Mr. MOSER. You made a little money here. You mean in the East?

Mr. SHERMAN. Yes; I had a little bit of money, sure, when I went out there.

Mr. MOSER. I don't see why you say it probably wasn't savings.

Mr. SHERMAN. Well, it was savings, Mr. Moser. I didn't say it wasn't savings.

Mr. MOSER. Oh! When you registered at the Wilshire Hotel the first time you give your address as St. Moritz Hotel in New York, and the second time you gave it as 1400 Broadway, your brother's cigar store.

Mr. SHERMAN. Yes.

Mr. MOSER. Why did you give that address?

Mr. SHERMAN. I don't know, Mr. Moser. I might have given that address.

Mr. MOSER. Now you are sure that you never had any job with Louis B. Mayer or MGM?

Mr. SHERMAN. I am definite, definitely sure.

Mr. MOSER. When you were in California you had an automobile, didn't you?

Mr. SHERMAN. Yes, I did.

Mr. MOSER. What kind was it?

Mr. SHERMAN. 1937—I believe it was a Cadillac.

Mr. MOSER. A Cadillac?

Mr. SHERMAN. Yes.

Mr. MOSER. And you had it registered under California plates, did you not?

Mr. SHERMAN. I don't know, I don't remember.

Mr. MOSER. If I should tell you your license number was 9W6633, that wouldn't ring any bell, would it?

Mr. SHERMAN. 9W, what?

Mr. MOSER. 9W6633.

Mr. SHERMAN. Well, you know better than I do.

Mr. MOSER. Apparently. Did you ever have a driver to drive the car for you?

Mr. SHERMAN. No.

Mr. MOSER. You drove it yourself?

Mr. SHERMAN. Yes, mostly. At times, of course, with somebody with me, I might have let them drive, or something like that. But I never employed a chauffeur, if that is what you mean.

Mr. MOSER. Who was Emanuel Lippman?

Mr. SHERMAN. Emanuel Lippman?

Mr. MOSER. Also known as "Manny" King.

Mr. SHERMAN. I know him. He is a musician for Twentieth Century Fox.

Mr. MOSER. In California?

Mr. SHERMAN. Yes, sir. He is still working there.

Mr. MOSER. Did he drive your car for you?

Mr. SHERMAN. Once in a while.

Mr. MOSER. Just drove it as a friend?

Mr. SHERMAN. Yes, that is all.

Mr. MOSER. I suppose you knew that he was convicted of second degree forgery in 1925, did you not?

Mr. SHERMAN. No, I never did know.

Mr. MOSER. Didn't know anything about his background?

Mr. SHERMAN. No.

Mr. MOSER. Just met him out there?

Mr. SHERMAN. Just met him out there. I know he is a musician.

Mr. MOSER. Now in 1940 your family moved back to New York, did they not?

Mr. SHERMAN. Right.

Mr. MOSER. And you moved where?

Mr. SHERMAN. I believe we moved—1940, I believe we moved to Thirty-fifth Avenue.

Mr. MOSER. Where is 2 Horatio Street?

Mr. SHERMAN. Or to Horatio Street. That is on Thirteenth Street—well, I would say between Seventh and Eighth, and mostly toward Eighth.

Mr. MOSER. 2 Horatio is where you moved to?

Mr. SHERMAN. That is right.

Mr. MOSER. And you leased a house or apartment there, did you?

Mr. SHERMAN. Yes, an apartment.

Mr. MOSER. Leased an apartment?

Mr. SHERMAN. Yes.

Mr. MOSER. What was your business then?

Mr. SHERMAN. 1940?

Mr. MOSER. Yes. Did you have a job when you came back?

Mr. SHERMAN. I believe I started Phono-Vision around that time.

Mr. MOSER. Phono-Vision Co. of America?

Mr. SHERMAN. Yes.

Mr. MOSER. Is that correct, the name of it?

Mr. SHERMAN. Yes.

Mr. MOSER. And what was the address?

Mr. SHERMAN. 320 West Thirty-eighth Street.

Mr. MOSER. I have an address—

Mr. SHERMAN. West Forty-second Street.

Mr. MOSER. It was 330 West Forty-second Street; is that correct?

Mr. SHERMAN. That is right.

Mr. MOSER. Is that the firm that later changed its name to Phono-Films Distributing Co.?

Mr. SHERMAN. That is right.

Mr. MOSER. Was this a subsidiary of the company owned by Frank Orsatti?

Mr. SHERMAN. Part of it owned by Frank Orsatti.

Mr. MOSER. Part owned by him?

Mr. SHERMAN. Yes.

Mr. MOSER. Phono-Films Distributing Co. was a California company, wasn't it?

Mr. SHERMAN. Originally it was. I really wouldn't remember, Mr. Moser.

Mr. MOSER. There was a California company in which Frank Orsatti had an interest; isn't that true?

Mr. SHERMAN. That is right.

Mr. MOSER. And didn't that company own the stock of Phono-Films?

Mr. SHERMAN. Well, I just wouldn't remember the details, Mr. Moser.

Mr. MOSER. Frank Orsatti was the president of the California company, wasn't he?

Mr. SHERMAN. I believe he was.

Mr. MOSER. Who was Sam Fox?

Mr. SHERMAN. I didn't know Sam Fox.

Mr. MOSER. There was a man named Sam Fox who was treasurer of the California company. You didn't know him?

Mr. SHERMAN. No, no, no.

Mr. MOSER. Did James Roosevelt have any interest in that company?

Mr. SHERMAN. No.

Mr. MOSER. Are you sure?

Mr. SHERMAN. No. There was another company that James Roosevelt was interested in, of the kind.

Mr. MOSER. The same kind?

Mr. SHERMAN. The same sort of operation.

Mr. MOSER. A competitive company?

Mr. SHERMAN. A competitive company. I believe it was Mills Bros., or something, in Chicago.

Mr. MOSER. Mills Novelty?

Mr. SHERMAN. Mills Novelty.

Mr. MOSER. Mills Novelty Co. is the company that James Roosevelt was interested in?

Mr. SHERMAN. I think they manufactured these music boxes.

Mr. MOSER. Music boxes?

Mr. SHERMAN. He had something to do with it, but I don't know anything about the set-up and I don't know what his interests were or anything else.

Mr. MOSER. How did you know he had an interest in it?

Mr. SHERMAN. I say I don't know whether he had an interest in it. I know he was in some way connected with it. There has been a lot of talk about it in the industry.

Mr. MOSER. There has been talk in the music box industry about Mills—

Mr. SHERMAN. Phono-Vision business. You see at that particular time five or six companies popped up. I believe Senator Capewell was going to manufacture these machines, the same type of machine.

Mr. MOSER. Well, the Mills Novelty Co., you said there is talk in the industry that James Roosevelt had an interest in it; isn't that true?

Mr. SHERMAN. Well, there has been talk: yes.

Mr. MOSER. Yes. That is the largest slot-machine manufacturer in the United States. I believe; isn't that true?

Mr. SHERMAN. I don't know, Mr. Moser.

Mr. MOSER. Well, now, Frank Orsatti, I believe you told us, introduced you to Frank Costello; is that correct?

Mr. SHERMAN. Yes, sir.

Mr. MOSER. When did that occur?

Mr. SHERMAN. Well, it might have happened late in 1939 or early in 1940.

Mr. MOSER. Was that the time you were in California?

Mr. SHERMAN. No, no; it must have been at the time I was here because it was right here at the Sherry-Netherlands Hotel in New York. See—at that particular time there was a machine shipped in from California to New York.

Mr. MOSER. Machine. What kind of machine?

Mr. SHERMAN. Phono-Vision machine, for sample.

Mr. MOSER. Yes.

Mr. SHERMAN. And that is where they first brought the original machine to before they got offices in New York and before the deal was made with Phono-Vision. I couldn't tell you what the particular day or date when it happened.

Mr. MOSER. All right. Frank Orsatti then introduced you first to Bugsy Siegel when you were out in California?

Mr. SHERMAN. That is right.

Mr. MOSER. And then when you came back to New York and started in on this Phono-Vision deal he introduced you to Frank Costello?

Mr. SHERMAN. That is right.

Mr. MOSER. What was the purpose of his introducing you to Frank Costello?

Mr. SHERMAN. He brought Frank Costello in through the Phono-Vision Co. Now, Mr. Moser, I want you to know this: I knew Costello a couple of years before, seen him around the race track. I may have said, "Hello," to him.

Mr. MOSER. You say you never said "Hello" to him?

Mr. SHERMAN. I might have said "Hello."

Mr. MOSER. Just saw him at the race tracks?

Mr. SHERMAN. That is right; never associated in any way or anything at all.

Mr. MOSER. Orsatti got you together with him?

Mr. SHERMAN. When he came into this company, Orsatti told me this, and I just want to give you the list of the names that might know the same thing about it as I do—that he thought Costello was going to make an investment in the Phono-Films or in Phono-Vision, whichever the company was called at that particular time. Whether he ever put any money in or not, I don't know. He also was going to distribute—he and a man by the name of Phil Kastel was going to be distributors for the State of Louisiana. My job was to get the best in every State. I was general manager of the Phono-Films Co.

Mr. MOSER. You were general manager?

Mr. SHERMAN. Yes.

Mr. MOSER. Did you have any money in it, financial interest in it?

Mr. SHERMAN. No.

Mr. MOSER. Just going to be employed as manager?

Mr. SHERMAN. Yes. I was going to invest some money in it.

Mr. MOSER. You were?

Mr. SHERMAN. Yes.

Mr. MOSER. Did you ever?

Mr. SHERMAN. No.

Mr. MOSER. Why not?

Mr. SHERMAN. We got started with the thing late in 1941, when we started manufacturing these things on a full scale, and the war broke out, Mr. Moser, and these were all critical materials. We stopped manufacturing these machines. We couldn't get the metals and couldn't get the wood, and we gave it up, and I came down here to Washington for some time in the latter part of 1942.

Mr. MOSER. May I please interrupt, Mr. Sherman?

Mr. SHERMAN. Yes.

Mr. MOSER. We will come to that in a minute. I don't mean to rule it out.

Mr. SHERMAN. Yes.

Mr. MOSER. I just wanted to get a little more information about the organization of this Phono-Films.

Mr. SHERMAN. That is what I was coming to.

Mr. MOSER. All right, let's get back to that.

Mr. SHERMAN. He brought Costello in and he said, "Now, Irving, Frank So-and-so, a friend of mine. I want you to work with him. He is going to put some money into this business and I think he will be a good man for us in the State of Louisiana."

I said, "Well, that is agreeable with me." Of course, he was one of the bosses—Orsatti.

Mr. MOSER. Orsatti was one of the bosses?

Mr. SHERMAN. Oh, yes, he was one of the owners.

Mr. MOSER. Did you have some dealings with Costello in connection with that?

Mr. SHERMAN. Yes.

Mr. MOSER. What was the nature of those?

Mr. SHERMAN. Nothing, just as far as distributorship is concerned. He came to the office, oh, once or twice a week for quite some time. Then we started to make some fixtures for these machines over at Fox Studios, and he would come down to the studios and hang around and watch how the films were made.

Mr. MOSER. I would like to have you tell me the nature of the machine.

Mr. SHERMAN. I can describe it, I believe, if I can refer to this memorandum.

Mr. MOSER. Was it a machine in which the customer would deposit money?

Mr. SHERMAN. That is right.

Mr. MOSER. And look at a movie?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. I see.

Mr. SHERMAN. That is right.

Mr. MOSER. So they put the money in the slot?

Mr. SHERMAN. And you can select—

Mr. MOSER. They can select the movie they want?

Mr. SHERMAN. Yes. This was the only machine that had a selector.

Mr. MOSER. The only one with a selector?

Mr. SHERMAN. Yes.

Mr. MOSER. And that is what made it superior to its competitors?

Mr. SHERMAN. Well, yes, I believe it was superior.

Mr. MOSER. All right. You have mentioned Phil Kastel.

Mr. SHERMAN. Yes, sir.

Mr. MOSER. Who, as you know, is Frank Costello's brother-in-law. Do you know that?

Mr. SHERMAN. No, I didn't.

Mr. MOSER. Well, the previous testimony before this committee indicates that. It also indicates that Phil Kastel was Costello's distributor for slot machines in Louisiana.

I feel sure that you will deny this, and, of course, you may, but I just want to know why when you are distributing a machine that you put a nickel in the slot in—

Mr. SHERMAN. This was 10 cents, Mr. Moser.

Mr. MOSER. Ten cents for the Phono-Film, and it is going to be distributed in Louisiana by the same man who distributes Costello's

slot machines. Did you know about those slot machines at the time you negotiated with Kastel?

Mr. SHERMAN. No. I did hear it. I heard that they had slot machines or that the State of Louisiana had legalized slot machines, or something to that effect.

Mr. MOSER. Did you know that the slot machines were bought from the Mills Novelty Co.?

Mr. SHERMAN. No.

Mr. MOSER. But you did know that Kastel was interested in distributing slot machines?

Mr. SHERMAN. Yes—no, not distributing slot machines, interested in distributing Phono-Film machines.

Mr. MOSER. You said there had been some talk about distributing slot machines.

Mr. SHERMAN. Yes.

Mr. MOSER. So you had reason to think maybe your machines were going through the same distribution channels?

Mr. SHERMAN. I thought they would give as good distribution, and that was the reason I was interested in doing business with them.

Mr. MOSER. The fact they had slot machines in cabarets and restaurants and things like that caused you to think they would be a good outlet for your Phono-Film machine?

Mr. SHERMAN. Yes.

Mr. MOSER. Is that correct?

Mr. SHERMAN. Yes.

Mr. MOSER. As far as you know, did Costello actually put any money in Phono-Films?

Mr. SHERMAN. No, I don't.

Mr. MOSER. You never heard?

Mr. SHERMAN. No.

Mr. MOSER. When Costello testified before this committee he was asked whether he had ever had any business dealings with you and he indicated no. I think he said quite definitely that he did not. Is that correct?

Mr. SHERMAN. Well, the only business he had with me is up in this company. Of course, the business never got started, Mr. Moser.

Mr. MOSER. Yes.

Mr. SHERMAN. As I told you, when we started manufacturing these machines, we had the projectors made first with Bell & Howell and an outfit called Ampro, and before we even got the cabinets in to assemble these machines, the war broke out, so there was no business. There was only one machine shipped to New Orleans as a sample. I think there was one shipped to Boston and I think one shipped to Florida.

Mr. MOSER. All right. Then you said the war came along and you had to fold up the operation?

Mr. SHERMAN. That is right.

Mr. MOSER. Did you have a large inventory on hand?

Mr. SHERMAN. Yes.

Mr. MOSER. A lot of inventory on hand?

Mr. SHERMAN. Well, we had about, I would say, about 300 in round figures, 300 projectors.

Mr. MOSER. And had they been shipped to you from California?

Mr. SHERMAN. No, they had been shipped from Ampro and Bell & Howell. I believe Ampro is in Chicago and so is Bell & Howell.

Mr. MOSER. All right. Now the war was on, of course, in 1941.

Mr. SHERMAN. Yes.

Mr. MOSER. In October 1942 and from then on you spent a good deal of time in Washington, did you not?

Mr. SHERMAN. Yes, I did.

Mr. MOSER. The hotel records here in Washington indicate that between October 18, 1942, and March 29, 1945—that is about 2½ years—you and Mr. O'Dwyer, William O'Dwyer, stayed at the Mayflower Hotel simultaneously at least 15 times. Is that correct?

Mr. SHERMAN. No, it isn't.

Mr. MOSER. It is not?

Mr. SHERMAN. No, I don't think it was 15 times at all.

Mr. MOSER. It is a 2½-year period.

Mr. SHERMAN. You mean he stayed with me?

Mr. MOSER. No, he and you were registered at the hotel at the same time.

Mr. SHERMAN. That is very possible, Mr. Moser.

Mr. MOSER. I am not saying you occupied the same quarters.

Mr. SHERMAN. That is possible, very possible.

Mr. MOSER. But you were there 15 times at the same time according to these records.

Mr. SHERMAN. Yes.

Mr. MOSER. Were you there twice in October and November 1942 at the same time that he was there?

Mr. SHERMAN. That is possible.

Mr. MOSER. In 1943 there were six occasions when you were there at the same time.

Mr. SHERMAN. Uh-huh.

Mr. MOSER. Once each month—January, February, March, April, and August. Then in 1944 you were there once in May, and in 1945 between February 14 and March 29 you were both there at the same time every week for a 6-week period. Does that sound about right?

Mr. SHERMAN. I wouldn't know, Mr. Moser. It doesn't sound right to me but it is very possible.

Mr. MOSER. There once a week for 6 weeks, once each week for 6 weeks.

Mr. SHERMAN. Very possible. I just don't remember.

Mr. MOSER. I wanted to call this fact to your attention and see if you can explain whether it is a coincidence or whether there is a reason for it: namely once a week from February 14 to March 29.

Mr. SHERMAN. What year was that?

Mr. MOSER. 1945. Note that date. March 29, 1945, was the last of the six times. It was the same date on which Mr. O'Dwyer from the Mayflower Hotel in Washington announced his candidacy for mayor of New York.

Mr. SHERMAN. Well, Mr. Moser, to the best of my recollections, I don't remember announcing his candidacy from the Mayflower Hotel, and to the best of my recollection I believe that Mr. O'Dwyer stayed at the Hay-Adams most of the time. When I was over there for some reason in 1945, just the latter part of 1945, Mr. O'Dwyer did no longer want to come to the Mayflower Hotel.

Mr. MOSER. Why was that?

Mr. SHERMAN. I don't know. I believe he lived at the Hay-Adams at the time.

Mr. MOSER. This is in March 1945.

Mr. SHERMAN. I don't remember the month. I just don't know.

Mr. MOSER. I am just calling attention to the fact that you and he were registered simultaneously at the Mayflower on the 29th and that was the day on which he announced his candidacy.

Mr. SHERMAN. That is possible.

Mr. MOSER. What did you have to do with his decision to run for mayor?

Mr. SHERMAN. Nothing whatsoever, Mr. Moser.

Mr. MOSER. Nothing whatsoever?

Mr. SHERMAN. No.

Mr. MOSER. Will you tell us what your dealings were with Mayor O'Dwyer at the time he was here in Washington?

Mr. SHERMAN. Well, of course—every time he was here in Washington I met O'Dwyer. I believe it was the latter part of 1941 or early in 1942.

Mr. MOSER. Where did you meet him and in what connection?

Mr. SHERMAN. I met him, he and a fellow named James Moran at the same time. I believe it was in a restaurant somewhere on Broadway in the fifties. I was introduced to him by a man by the name of Jack Gorman, who at that time was a detective. He is dead now. And we got to talking about O'Dwyer and Jack Gorman telling me what a great fellow, what a real guy, and what a nice fellow O'Dwyer was. They had gotten a job together. They were policemen together. I think they went to school together. And he told me that O'Dwyer, there was nothing like him in world, the finest and greatest man he has ever known.

I knew Jack Gorman for a lot of years. Later on I started to come down to Washington here. It was about the time that I started coming down for the sale of these projectors, and I would get together with O'Dwyer quite a bit. We would go to restaurants together and sit around together and maybe have a drink together, and I got to like the fellow. I thought he was a real nice man. And as time went on he got to talking about politics. I thought, why, he was a cinch. I thought he was a real nice man and everything else, that he fitted for the job and everything else. And we would get together quite a bit, and I got to talking about it sometime, I believe, in 1944 or maybe early in 1945.

Mr. MOSER. Got to talking to him about running for mayor?

Mr. SHERMAN. No, we got to talking about different things in New York politics. And he said, "Well, I am going to give it another chance." He says, "I have"—I believe the conversation was, "I am at loggerheads with Kelly over in Brooklyn, but I am going to give it another try."

I said, "Well, that's fine. If you will, I will do everything that I possibly can to help you," and I did.

Mr. MOSER. You say that you saw him a good deal down here, meaning you ate meals with him?

Mr. SHERMAN. Yes, sir, yes.

Mr. MOSER. And visited each other's rooms at the hotel, and so forth?

Mr. SHERMAN. I don't think—I might have been in his room once at the Mayflower and I might have been in his room once or twice—of course, I don't know, but I don't think I have been in his room any too much. I wouldn't say more than a couple of times.

Mr. MOSER. Did you talk to him about any business matters?

Mr. SHERMAN. No.

Mr. MOSER. None whatever?

Mr. SHERMAN. No, no, no.

Mr. MOSER. Did you introduce him to Vito Marcantonio?

Mr. SHERMAN. Yes—no, I didn't introduce him. He knew him better than I did.

Mr. MOSER. They already knew each other?

Mr. SHERMAN. Yes.

Mr. MOSER. Did you ever talk to Vito Marcantonio about O'Dwyer running for mayor?

Mr. SHERMAN. Yes, I did.

Mr. MOSER. What was the conversation?

Mr. SHERMAN. We were in Harvey's Restaurant, and we got to talking about it, and I said to him, "Vito, this fellow is going to do so and so. Why don't you go along with him?" And things of that kind, see. And he at that time turned around and said, and used some language, and said, "Ain't a chance in a million. While the Little Flower lives, I will be for him and with him. And if at any time he decides"—because I believe O'Dwyer was telling him at the time he didn't think LaGuardia was going to run—he said, "If he don't, then you and I can get together."

While we were in there, Julius Lulley just bought a farm down in Bowie, Md., I believe. Lulley is the owner of Harvey's Restaurant that is right next to the Mayflower Hotel. He said he just bought a farm, and he invited Marcantonio, O'Dwyer, and myself down to the farm one particular day. I don't remember the day it was. We got down to the farm and Lulley had a bar, and we sat around the bar a bit, and then O'Dwyer and Marcantonio went out into the garden. I remember the time well because they took their shirts off because it was a warm night, and they even got to singing together. What the talk was about, I don't know. I was sitting there with Lulley, and they went on. It was very little conversation when they got back. We stayed around. I think it was around midnight before they left the farm.

Mr. MOSER. Why did they go off and talk by themselves? Why didn't they talk while you were present?

Mr. SHERMAN. I don't know. I couldn't answer that.

Mr. MOSER. But they did talk a long time?

Mr. SHERMAN. Well, they were together for quite a bit; yes.

Mr. MOSER. Was that shortly before O'Dwyer announced his candidacy?

Mr. SHERMAN. I don't remember the days.

Mr. MOSER. You don't know whether they talked about the candidacy?

Mr. SHERMAN. I don't know. I don't know what they talked about.

Mr. MOSER. Going down to the farm in the car and coming back, didn't you talk about politics?

Mr. SHERMAN. No, no. Mr. Lulley had his chauffeur drive us back and forth from the farm. In fact, I sat up in front with the chauffeur and O'Dwyer and Marcantonio were sitting in back.

Mr. MOSER. A few minutes ago you said that Marcantonio had said, "If LaGuardia doesn't run, you and I can get together." By that he meant he would then talk to you?

Mr. SHERMAN. No; meaning O'Dwyer and he, not he and I.

Mr. MOSER. I see.

Mr. SHERMAN. Meaning O'Dwyer and he.

Mr. MOSER. Now while you were in Washington during those occasions, what were you doing? What was your reason for being here?

Mr. SHERMAN. Well, Mr. Moser, I stayed around here for about 11 or 12 months, I believe, before I finally made a sale on these projectors. I sold them to the Signal Corps.

Mr. MOSER. Sold them to the Signal Corps?

Mr. SHERMAN. Yes; the United States Army.

Mr. MOSER. Did you sell all 300 of them to the Signal Corps?

Mr. SHERMAN. All 300. In fact, they had me go out and buy individual machines; they wanted to get all they could put their hands on at the time.

Mr. MOSER. Is that the only business you were down here for?

Mr. SHERMAN. At that particular time.

Mr. MOSER. You spent about 8 months working on 300 machines?

Mr. SHERMAN. Spent a lot of time. Come back and forth here and been to every agency in Washington.

Mr. MOSER. And that was in 1942, was it?

Mr. SHERMAN. Well, it's 1942 and part of 1943.

Mr. MOSER. I see. And the only business you had here was for that Phono-Films?

Mr. SHERMAN. At the particular time; yes.

Mr. MOSER. All right. In February 1942 when you registered at the Mayflower you gave as your address the Gluckin Corp., 36 West Fourteenth Street, New York City.

Mr. SHERMAN. That is right, sir.

Mr. MOSER. Were you doing business for them?

Mr. SHERMAN. I was trying to. In fact, not only them. I tried for several, but I never succeeded.

Mr. MOSER. In the next month, in March, you registered and gave as your address 135 Madison Avenue, New York City, which is the address of Stephen—

Mr. SHERMAN. Rug Mills.

Mr. MOSER. Rug Mills, Inc. Is that correct?

Mr. SHERMAN. That is very possible, Mr. Moser, and I would like to explain that. Mr. Nat Herzfeld, who is the owner of the Stephen Rug Mills, and I would come down. He probably would register for both of us, which would be a matter of record, and he would put both names down and put his address down, which was 135 Madison Avenue.

Mr. MOSER. That happened also in July, according to our records.

Mr. SHERMAN. Yes; it is possible; sure.

Mr. MOSER. In March you made another trip on which you registered, gave your address as Phono-Films Corp.

Mr. SHERMAN. Yes.

Mr. MOSER. So, on that occasion, you were doing business for that outfit?

Mr. SHERMAN. Yes.

Mr. MOSER. In August you gave as your address "in care of Freezer, 200 Fifth Avenue, New York City." That was in August 1943. I have gone over a year. Does that sound correct?

Mr. SHERMAN. Well, yes; I could have done that very easily. I may have wanted my mail and my bills sent to Freezer's office, 200 Fifth Avenue. Is that the address you have?

Mr. MOSER. Yes.

Mr. SHERMAN. Yes.

Mr. MOSER. In January 1943, you stayed at the Mayflower Hotel in room 538, and when you moved out your account was frozen. Do you know why that was?

Mr. SHERMAN. I never knew of it to be frozen.

Mr. MOSER. You didn't know it was frozen?

Mr. SHERMAN. No.

Mr. MOSER. It was frozen, and the account was later paid by a check of somebody else. Did you know about that?

Mr. SHERMAN. I don't remember it. It's very possible.

Mr. MOSER. You never heard of that. Why would that be possible?

Mr. SHERMAN. I don't know. I wouldn't know. When you tell—

Mr. MOSER. Why would your account at the Mayflower Hotel be paid by somebody else?

Mr. SHERMAN. That I wouldn't know. I just don't remember it.

Mr. MOSER. That was in January 1943.

Mr. SHERMAN. I don't remember it, Mr. Moser.

Mr. MOSER. Your account was paid by Congressman Arthur Klein. What is the significance of that?

Mr. SHERMAN. Well, it is possible that I asked him to pay it. I just don't remember, but that is very possible. If I checked out in leaving, or something, and asked him to pay it, that is very possible.

Mr. MOSER. Well, why would they freeze your account?

Mr. SHERMAN. I don't know. I never heard of it before.

Mr. MOSER. Why would he pay your bill? Why would Congressman Klein pay your bill?

Mr. SHERMAN. I don't know, but I might have asked him to do it. I just don't remember.

Mr. MOSER. You don't remember reimbursing him for it?

Mr. SHERMAN. I just don't remember the thing.

Mr. MOSER. All right. On August 24 you registered at the Mayflower and occupied suites 1032 and 1034 with a man named Frank Breheny. Do you know him?

Mr. SHERMAN. Yes.

Mr. MOSER. Spelled B-r-e-h-e-n-y.

Mr. SHERMAN. Yes, sir.

Mr. MOSER. How do you know him?

Mr. SHERMAN. He was one of the distributors for Phono-Vision.

Mr. MOSER. Distributor for Phono-Vision?

Mr. SHERMAN. Yes.

Mr. MOSER. What territory was he supposed to have?

Mr. SHERMAN. Right now he has music boxes.

Mr. MOSER. Yes. Where?

Mr. SHERMAN. Well, all over New York City.

Mr. MOSER. Wasn't he closely associated with Jimmie Hines?

Mr. SHERMAN. I don't know.

Mr. MOSER. I believe in the Hines trial he was shown to be the man that collected for Hines.

Mr. SHERMAN. No; I never heard of it before.

Mr. MOSER. Never heard of that?

Mr. SHERMAN. No.

Mr. MOSER. What was the nature of your dealings with Congressman Klein when you were here?

Mr. SHERMAN. Nothing. We would go to dinner quite often together, often go to—nothing.

Mr. MOSER. You mean just social?

Mr. SHERMAN. Social. I have known Congressman Klein for a long, long time.

Mr. MOSER. You had no dealings with him except social?

Mr. SHERMAN. No; purely and strictly social.

Mr. MOSER. Did you know him when you were a boy?

Mr. SHERMAN. Yes.

Mr. MOSER. You grew up with him?

Mr. SHERMAN. Well, no; I didn't grow up with him. I knew him when he was quite a young man.

Mr. MOSER. I asked you if the only business you did in Washington was in connection with the Phono-Films, and yet you registered giving the Gluckin Corp. and Stephen Rug Mills and Freezer as your addresses.

Mr. SHERMAN. The only business—

Mr. MOSER. Then you said the Gluckin Corp.; you tried to do some business for them.

Mr. SHERMAN. That is right.

Mr. MOSER. So, while you were here, you were trying to do business for them and other people as well. Who were those other people?

Mr. SHERMAN. No. Just—I believe Gluckin Corp. was one, and later on I think Federal Aircraft.

Mr. MOSER. Federal Aircraft?

Mr. SHERMAN. Yes.

Mr. MOSER. What kind of business were you trying to do for those organizations?

Mr. SHERMAN. To get Government work for them, Mr. Moser.

Mr. MOSER. Did you try to get work for Crest Clothes, too?

Mr. SHERMAN. No; it was my own business and never did any Government work.

Mr. MOSER. I see. So, while you were trying to sell these projectors to the Signal Corps for Phono-Films, you were also trying to get business for other people?

Mr. SHERMAN. Yes.

Mr. MOSER. Did you succeed in getting any?

Mr. SHERMAN. None whatsoever.

Mr. MOSER. Where did you try?

Mr. SHERMAN. All over these agencies. I wouldn't remember where they were. Some were on H Street, some down—

Mr. MOSER. I don't mean the addresses of them. I mean what organizations—WPB?

Mr. SHERMAN. No; procurement offices.

Mr. MOSER. Procurement offices?

Mr. SHERMAN. Yes.

Mr. MOSER. What were your dealings with Frank Connolly while you were here?

Mr. SHERMAN. Nothing.

Mr. MOSER. None whatever?

Mr. SHERMAN. None whatever.

Mr. MOSER. Did you ever talk to him about priorities or anything like that?

Mr. SHERMAN. No.

Mr. MOSER. You seem uncertain. Are you sure about that?

Mr. SHERMAN. The reason I say that, Mr. Moser: In my business during the war, particularly, we were unable to get materials and unable to get linings, and everybody—probably 90 percent or 80 percent of the industry—would come down here to get some linings, piece goods, and different things. I have never gotten 5 yards through Connolly or anybody else. As for the priorities, I might have got a lot of conversation, but never did any good.

Mr. MOSER. Did you ever approach Connolly for the purpose of getting help?

Mr. SHERMAN. I don't know. It is possible I asked him. I know I never got anything.

Mr. MOSER. When you went to look for work for various people did you ever talk to Mr. O'Dwyer, who was in the Air Force?

Mr. SHERMAN. About work?

Mr. MOSER. About getting business.

Mr. SHERMAN. Never did.

Mr. MOSER. Never did?

Mr. SHERMAN. No.

Mr. MOSER. Wasn't he in the Air Force Procurement?

Mr. SHERMAN. Yes; he was. No—he was in the Air Force Procurement but he was in the Investigations Division. He had nothing to do with procurement.

Mr. MOSER. He was in Investigations. When you saw him, did you ever talk to him about the possibility of getting Air Force contracts for your clients?

Mr. SHERMAN. No.

Mr. MOSER. You did not?

Mr. SHERMAN. No.

Mr. MOSER. It would be a natural thing to do; would it not?

Mr. SHERMAN. I am glad I didn't. It might have been a natural thing to do, but I didn't do it.

Mr. MOSER. You did know Frank Connolly; did you not?

Mr. SHERMAN. Yes.

Mr. MOSER. That is Frank V. Connolly?

Mr. SHERMAN. Yes.

Mr. MOSER. He was chief of the Special Rating Division of the WPB; is that right?

Mr. SHERMAN. Well, I don't know what his title was; that is where he was.

Mr. MOSER. How did you happen to know him?

Mr. SHERMAN. I met him around here. I don't know how.

Mr. MOSER. Just met him?

Mr. SHERMAN. I couldn't explain that. I met so many people.

Mr. MOSER. Just met him socially?

Mr. SHERMAN. Yes.

Mr. MOSER. Now, Freezer, the address you gave in August 1943, was that Herbert J. Freezer?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. Shirt manufacturer?

Mr. SHERMAN. That is right.

Mr. MOSER. A close friend of yours; was he not?

Mr. SHERMAN. Yes; pretty good friend of mine.

Mr. MOSER. And he had large contracts with the Government did he not?

Mr. SHERMAN. Long before the war. He has been working for the Government, I would say, 20 years.

Mr. MOSER. When you came down here with him, didn't you do anything with him in connection with his priorities or Government contracts?

Mr. SHERMAN. No. He has been working for the Government, Mr. Moser. He was one of the largest manufacturers for the Army and the Navy, and he couldn't—they asked him to build new factories. He could get all the work he ever wanted. Nobody had to go to do anything for him.

Mr. MOSER. What percentage of the shirts manufactured by him were sold to the Government; do you know?

Mr. SHERMAN. All. He worked strictly for the Government.

Mr. MOSER. You mean all of his production went to the Government?

Mr. SHERMAN. I believe so. He had factories around Pennsylvania and around Virginia, but I believe all his work went to the Government.

Mr. MOSER. And what percentage of the purchases of shirts by the Government came from his outfit?

Mr. SHERMAN. Oh, a good percentage. I don't know what.

Mr. MOSER. Very high percentage?

Mr. SHERMAN. Yes.

Mr. MOSER. Now, you knew Congressman Klein quite well, you said?

Mr. SHERMAN. Yes; I did.

Mr. MOSER. And did you introduce Klein to Frank Costello?

Mr. SHERMAN. Possible. I wouldn't—

Mr. MOSER. Isn't it true that at Costello's apartment, on New Year's Day in 1943, you introduced Klein and Freezer both to Costello?

Mr. SHERMAN. No; that can't be true.

Mr. MOSER. That is not true?

Mr. SHERMAN. I don't think Freezer has ever been anywhere near Costello. I don't know.

Mr. MOSER. What did you say?

Mr. SHERMAN. I don't think Freezer has ever been near Costello at Costello's house.

Mr. MOSER. Has Klein?

Mr. SHERMAN. I don't think so. Never with me, anyway.

Mr. MOSER. Has Klein?

Mr. SHERMAN. At Costello's house?

Mr. MOSER. Yes.

Mr. SHERMAN. I don't remember the incident.

Mr. MOSER. We interviewed Klein, and he told us that you had introduced him to Costello at Costello's apartment on New Year's Day in 1943. Do you say that Klein is wrong on that?

Mr. SHERMAN. I wouldn't say he is wrong, but I certainly don't remember it.

Mr. MOSER. I see.

Mr. SHERMAN. I certainly don't remember it. And I am sure he is wrong when he says that Freezer was there. I am sure about that.

Mr. MOSER. You are sure Freezer was not there?

Mr. SHERMAN. Yes.

Mr. MOSER. You are not sure about the others?

Mr. SHERMAN. No; I don't remember Klein. I don't remember being there with Klein.

Mr. MOSER. Was Herzfeld there?

Mr. SHERMAN. No; I don't even remember the incident. I don't know if Herzfeld was ever to Costello's house.

Mr. MOSER. Do you mean to say Klein was wrong when he told us that?

Mr. SHERMAN. In my opinion, he is, if he says Freezer was there.

Mr. MOSER. Let's leave out Freezer, let's just talk about Klein and yourself and Costello.

Mr. SHERMAN. I don't remember.

Mr. MOSER. You don't remember any such incident?

Mr. SHERMAN. No.

Mr. MOSER. And you say you have no recollection of Freezer or Herzfeld being there, either; is that correct?

Mr. SHERMAN. That is right.

Mr. MOSER. Did you know about any dealings between Meyer Lansky and Klein?

Mr. SHERMAN. No.

Mr. MOSER. None whatever?

Mr. SHERMAN. None whatever, Mr. Moser.

Mr. MOSER. You don't know that Congressman Klein recommended Meyer Lansky's son for West Point?

Mr. SHERMAN. No.

Mr. MOSER. You haven't heard that?

Mr. SHERMAN. No.

Mr. MOSER. Now I would like to ask you some things about your selective service status.

Mr. SHERMAN. Yes, sir.

Mr. MOSER. At the beginning of the war, of course, irrespective of your age, if you were not more than 45, everybody had to register for selective service.

Mr. SHERMAN. Yes.

Mr. MOSER. And anyone who wanted to get deferment had to file special application, classification application. You recall that, do you not?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. You filed what is called an occupational questionnaire with the Selective Service dated May 4, 1942, and you stated that you were working for Phono-Films as sales manager.

Mr. SHERMAN. That is right.

Mr. MOSER. That is correct, is it not?

Mr. SHERMAN. Yes.

Mr. MOSER. You said that you had been working for them since 1927. Was that just a typographical error? It was 1937?

Mr. SHERMAN. Must have been, Mr. Moser.

Mr. MOSER. It was 1937?

Mr. SHERMAN. No; it couldn't have been 1937, it was later than 1937.

Mr. MOSER. I assume you meant 1937 when you said 1927.

Mr. SHERMAN. No; that's an error.

Mr. MOSER. It was later than that, was it?

Mr. SHERMAN. Oh, yes.

Mr. MOSER. In that questionnaire which was filed on July 17, 1942—

Mr. SHERMAN. Yes.

Mr. MOSER. You said that you had been working for Phono-Films since 1941.

Mr. SHERMAN. That would be right.

Mr. MOSER. You stated that between 1937 and 1938 you worked for Schwab Bros.; is that right?

Mr. SHERMAN. Yes; a very short time.

Mr. MOSER. Schwab Bros. and Baer Cigar people?

Mr. SHERMAN. That is right.

Mr. MOSER. At 168 Fifth Avenue?

Mr. SHERMAN. That is where the place was.

Mr. MOSER. That must have been just when you came back from California, was it?

Mr. SHERMAN. Yes; and just for a little while.

Mr. MOSER. Just for a few months?

Mr. SHERMAN. I don't think it was a month.

Mr. MOSER. You also stated in your questionnaire that you worked for Phono-Films from 1938 to 1941. Is that erroneous?

Mr. SHERMAN. Thirty-eight. Can't be. I don't know, I don't remember.

Mr. MOSER. Well, the questionnaire says that.

Mr. SHERMAN. It is possible, it is possible.

Mr. MOSER. But you couldn't have worked for them from 1938 on?

Mr. SHERMAN. It was Phono-Vision at the time. I told you Orsatti had this proposition before they brought it on to New York.

Mr. MOSER. I see.

Mr. SHERMAN. I helped him along with it.

Mr. MOSER. You worked for them in California?

Mr. SHERMAN. I wouldn't say it was work, but I was connected with it.

Mr. MOSER. Now what was your connection with it?

Mr. SHERMAN. At that time they were in the process of just getting these things together. They were making a thing called an endless projector—a picture onto the film, and through the projector it was turned on this endless. They worked on that for quite some time before they got it completed and got this machine. Knowing I was going to be connected with the outfit, I helped a lot.

Mr. MOSER. That was in California?

Mr. SHERMAN. Yes.

Mr. MOSER. You also stated you were director in charge of sales for Federal Aircraft Products at 304 East Forty-fifth Street, New York.

Mr. SHERMAN. That is right, sir.

Mr. MOSER. Now that's in the Selective Service questionnaire dated July 17, 1942. You stated in that that you had been employed by that outfit for 1 year, that is at least from July 1941.

Mr. SHERMAN. I don't remember.

Mr. MOSER. Your questionnaire states that you had been employed by Federal Aircraft Products Corp. during that period.

Mr. SHERMAN. I have been employed there. I don't know the length of time.

Mr. MOSER. This says for at least 1 year prior to July 17, 1942. So from July 1941 to July 1942, you must have been employed by Federal Aircraft; is that right?

Mr. SHERMAN. I don't know. I wouldn't know the date, Mr. Moser.

Mr. MOSER. You don't know?

Mr. SHERMAN. No.

Mr. MOSER. Your questionnaire says that.

Mr. SHERMAN. I told you before I was down here on Phono-Vision thing and I also tried to get work for Federal Aircraft.

Mr. MOSER. I see. Your questionnaire states you were employed by Federal Aircraft and you were not employed elsewhere. But you were, were you not?

Mr. SHERMAN. Well, I don't remember. I don't remember that.

Mr. MOSER. Wasn't this questionnaire correct?

Mr. SHERMAN. I am pretty sure it was, but I just don't remember. It is quite a bit back.

Mr. MOSER. If I should show you the questionnaire, would it help refresh your recollection?

Mr. SHERMAN. Yes, sure.

Mr. MOSER. I am trying to identify the period during which you worked for Federal Aircraft. You state in your questionnaire that you had worked for them for 1 year prior to July 1942 and I want to pin that down.

I am showing you a photostatic copy of questionnaire filed with Selective Service, dated July 17, 1942 (handing document to Mr. Sherman), and up in the right-hand corner of that page—

Mr. WALDMAN. Page 3.

Mr. MOSER. Page 3. It states that you were employed by the Federal Aircraft Products for 1 year? Is that correct?

Mr. SHERMAN. (Shakes head.)

The CHAIRMAN. Will you answer the question for the record?

Mr. SHERMAN. Yes, it is correct.

Mr. MOSER. And it states, does it not, that you were not otherwise employed during that period?

Mr. WALDMAN. The answer contained there is "None."

Mr. MOSER. Other employment, none?

Mr. SHERMAN. That is correct.

Mr. MOSER. Is that correct?

Mr. SHERMAN. Yes, sir.

Mr. MOSER. And that is the period when you were coming to Washington, was it not, or was that before that?

Mr. SHERMAN. Well, I don't know, I don't remember.

Mr. MOSER. You were registered at the Mayflower Hotel many times during that period.

Mr. SHERMAN. Mr. Moser, I don't remember the dates at all.

Mr. MOSER. In July 1942, the same month in which you filed a questionnaire, you registered at the Mayflower Hotel, giving the name of Stephen Rug Mills.

Mr. SHERMAN. I told you that is liable to happen, that is possible.

Mr. MOSER. But you say if it says so there, it is true that you worked for no one else during that period.

Mr. SHERMAN. I am sure that was right at the time.

Mr. MOSER. And that is the period during which you said you were in Washington working for Phono-Films, was it not?

Mr. SHERMAN. That is very possible.

Mr. MOSER. How can you say in your questionnaire you are working exclusively for Federal Aircraft when you have already testified that you were spending practically all of your time on Phono-Films trying to sell those projectors in Washington?

Mr. SHERMAN. I didn't say I was devoting all of my time, at all.

Mr. MOSER. You said you were working to get Government contracts for other people, too.

Mr. SHERMAN. That is right.

Mr. MOSER. There you say you were not working for anybody except Federal Aircraft. How do you reconcile that?

Mr. WALDMAN. May the record show, Mr. Chairman, at page 4 under another question it is stated this witness worked for Phono-Films Co. in 1941 to 1942. I respectfully submit both answers to both questions should be taken together and at the same time.

The CHAIRMAN. Yes. In other words, the entire photostat is available for reference purposes, and anything it contains will, of course, be relevant.

Mr. WALDMAN. The information there given is quite reconcilable, perhaps not to the day, but certain to the year.

Mr. MOSER. All right. Now I call your attention to the fact you state there you were up to July 17, 1942, working exclusively for Federal Aircraft. The payroll records of Federal Aircraft indicate that you were not carried on those payrolls until October 29, the week of October 29, 1942, which is several months after this questionnaire was filed. How do you account for the fact that you state that you were working for them exclusively and you were not on their payroll.

Mr. SHERMAN. I can't account how they keep their books, Mr. Moser.

Mr. MOSER. Did they pay you during that period?

Mr. SHERMAN. I am sure they did. Here is what the deal was. I worked on a percentage basis, and I think at that particular time I was advanced a hundred dollars a week. Now how they put it, whether they put it down in the form of a salary or in the form of expenses, something like that, I don't know.

Mr. MOSER. They indicate no compensation payment to you during that period. How do you account for it?

The CHAIRMAN. Mr. Sherman, do you understand the question?

Mr. SHERMAN. No, I don't.

The CHAIRMAN. Mr. Moser, will you kindly repeat the question or rephrase it?

Mr. MOSER. I am asking you how you account for the fact you were not carried on the payroll of the Federal Aircraft at a time when your questionnaire indicates you were working exclusively for them.

Mr. SHERMAN. That I don't know. That I couldn't answer. I don't know anything about their books.

Mr. MOSER. You were classified as IV-A?

Mr. SHERMAN. Yes.

Mr. MOSER. Which is an essential classification?

Mr. SHERMAN. Yes.

Mr. MOSER. Is that not correct, it is an essential classification, that is, a deferment classification?

Mr. SHERMAN. Yes.

The CHAIRMAN. We will not hold you to stating that is a fact. You just accept counsel's statement if he makes that.

Mr. SHERMAN. Thank you.

Mr. MOSER. The records of the Federal Aircraft also show that you stopped receiving a salary from that company during the payroll period of October 8, 1943; so that you stopped being on their payroll then, and that was 3 weeks after your IV-A classification was granted. Why did you go off the payroll so soon after the granting of this deferment?

Mr. SHERMAN. I don't know. I don't remember, and I don't know whether I was on or off so far as the books are concerned. Whatever is stated in that questionnaire was the fact at the time.

Mr. MOSER. In other words, if their books differ from the facts in that questionnaire your position is that their books are wrong; is that correct?

Mr. SHERMAN. Well, I know that I was right in my questionnaire. Whether their books are wrong or not—

The CHAIRMAN. Mr. Sherman, I would like to ask you a few questions in respect to the outcome or the result of your visit to the apartment of Frank Costello.

Mr. SHERMAN. Yes.

The CHAIRMAN. You recall that occasion, do you not, when you had been to Costello's apartment?

Mr. SHERMAN. I have been there a number of times, Senator.

The CHAIRMAN. Do you recall an occasion when you were there at the same time that Ambassador O'Dwyer was there?

Mr. SHERMAN. Yes, I do.

The CHAIRMAN. Now we will come back to the details of the visit a little later, but my immediate question is, Did the fact that you had been there in company with or at the same time that Ambassador O'Dwyer was there cause you to leave New York?

Mr. SHERMAN. At that particular time?

The CHAIRMAN. Later.

Mr. SHERMAN. Senator, I really don't understand the question.

The CHAIRMAN. Well, were you ever asked to leave New York or to absent yourself from New York?

Mr. SHERMAN. Yes.

The CHAIRMAN. When were you?

Mr. SHERMAN. I believe it was 4 or 5 weeks before the 1945 election.

The CHAIRMAN. Before the 1945 election?

Mr. SHERMAN. Yes.

The CHAIRMAN. Now the point that I did not quite make myself clear on was whether or not your leaving New York, the request to you to leave New York had any connection with your visit to the Costello apartment.

Mr. SHERMAN. No.

The CHAIRMAN. What did it have reference to?

Mr. SHERMAN. Well, I was given information at the time I was at an affair at the Commodore Hotel.

The CHAIRMAN. Talk a little louder, please.

Mr. SHERMAN. I was at a dinner given by the 3-G Clothing Manufacturers who have this annual dinner. I was there with Mrs. Sherman, Asellow, Jack Gorman, I think, oh, several others. When sitting at a table a man came in and motioned to Jack Gorman to come over. Jack Gorman went and talked with him, got finished after a little bit, and Gorman took me aside and started talking with me. He said, "The general just sent word he would like you to leave town and he would like you to leave immediately."

The CHAIRMAN. Who was the general?

Mr. SHERMAN. He called O'Dwyer the general at the time.

The CHAIRMAN. Are we to understand then, Mr. Sherman, that you were in attendance at the banquet?

Mr. SHERMAN. Yes.

The CHAIRMAN. And this party entered?

Mr. SHERMAN. Yes.

The CHAIRMAN. Do you know who he was?

Mr. SHERMAN. No, no I didn't.

The CHAIRMAN. Have you ever seen him since?

Mr. SHERMAN. I have never seen him since.

The CHAIRMAN. But you did observe him to summon Mr. Gorman?

Mr. SHERMAN. Yes, sir.

The CHAIRMAN. And you noticed that they were in conversation?

Mr. SHERMAN. Oh, yes.

The CHAIRMAN. And then Mr. Gorman came to you?

Mr. SHERMAN. Yes.

The CHAIRMAN. And told you that the general wanted you to leave New York?

Mr. SHERMAN. Yes.

The CHAIRMAN. And to leave——

Mr. SHERMAN. Immediately.

The CHAIRMAN. Well, now, what reason was assigned for the request that you leave New York?

Mr. SHERMAN. The only thing he told me, that this man gave him a message that there was going to be a terrible blast in the newspapers, and that the general at that time didn't want them to get ahold of me to have a chance to talk with me. Well, we argued a little bit about it, and I said there was no reason for it.

Mr. WALDMAN. Who is "them"?

The CHAIRMAN. I was going back to that. You say "them." Who do you mean?

Mr. SHERMAN. I would like—would you repeat that?

The CHAIRMAN. Read the answer, Mr. Reporter.

(The reporter read as follows:)

The only thing he told me, that this man gave him a message that there was going to be a terrible blast in the newspapers, and that the general at that time didn't want them——

Mr. SHERMAN. "Them" meaning the newspapers.

The CHAIRMAN. So that it was desired that you get away?

Mr. SHERMAN. Yes.

The CHAIRMAN. And hide, would that be right?

Mr. SHERMAN. Get away.

The CHAIRMAN. Be out of reach?

Mr. SHERMAN. Be out of reach.

The CHAIRMAN. Now what was your information as to the blast, what the blast was going to be about, what the blast was going to be?

Mr. SHERMAN. Well, I don't think he talked about that, but I read about it later on.

The CHAIRMAN. What was that?

Mr. SHERMAN. At that time Jonah Goldstein was O'Dwyer's opponent, and the blast was Frank Costello and Irving Sherman, Louie the Hip, or whatever it might have been, all working for O'Dwyer, and a lot of things to that effect. I don't know, just can't remember what it was, but it was a bad thing.

The CHAIRMAN. So the charge was made in the campaign that there was a connection between—

Mr. SHERMAN. That is right.

The CHAIRMAN. Between Mayor O'Dwyer as the candidate and Frank Costello?

Mr. SHERMAN. Yes, sir.

The CHAIRMAN. Yourself?

Mr. SHERMAN. Yes.

The CHAIRMAN. And others?

Mr. SHERMAN. Yes.

The CHAIRMAN. Now, upon receiving that request from Gorman that night did you comply?

Mr. SHERMAN. I left the following Monday, Senator.

The CHAIRMAN. And why?

Mr. SHERMAN. Well, because the man asked me to, and I thought enough of him to do it.

The CHAIRMAN. So the fact is that your immediate departure was the direct result of the request that was made of you?

Mr. SHERMAN. That is right, sir.

The CHAIRMAN. Had you previously intended to leave or had you made any plans at all to leave?

Mr. SHERMAN. No, none at all.

The CHAIRMAN. And with whom did you leave?

Mr. SHERMAN. My wife and daughter.

The CHAIRMAN. And where did you go?

Mr. SHERMAN. We went down to, I believe, we stayed at a little spot down in Salisbury, Md., for a while.

The CHAIRMAN. Came there to hide?

Mr. SHERMAN. Yes.

Senator WILEY. Was that a safe place?

Mr. SHERMAN. Then we stopped at a hotel at Ocean City, Md., drove down to Daytona Beach then.

The CHAIRMAN. Florida?

Mr. SHERMAN. Yes.

The CHAIRMAN. On your trip down did you make any effort to either hide your identity or keep out of sight?

Mr. SHERMAN. No. Well, I kept out of sight because we just kept traveling.

The CHAIRMAN. And was that done purposely, that you didn't want anybody to know where you were?

Mr. SHERMAN. That is right. He asked me to do that and I did; I complied with his request.

The CHAIRMAN. How long did you stay away?

Mr. SHERMAN. I believe until a day or two after election.

The CHAIRMAN. And then, of course, I assume the smoke was clearing up and you thought you were safe then in coming back?

Mr. SHERMAN. Yes.

The CHAIRMAN. Did you return then?

Mr. SHERMAN. Yes.

The CHAIRMAN. Straight to New York, I mean?

Mr. SHERMAN. Yes, sure.

The CHAIRMAN. Well, now, when Mr. Gorman on the night you were at the banquet told you what the message was, was there anything else mentioned as to what knowledge you had that might be at all embarrassing if it were made known during the campaign?

Mr. SHERMAN. None whatsoever, Senator.

The CHAIRMAN. Costello's name was mentioned, though?

Mr. SHERMAN. Oh, yes.

The CHAIRMAN. Was there any reference to any particular incidents or any particular occasions on which Costello and Mr. O'Dwyer and yourself were together or in company?

Mr. SHERMAN. At 1942, the particular time you are talking about.

The CHAIRMAN. Yes.

Mr. SHERMAN. The only time.

The CHAIRMAN. Was that an unusual request? Had you received anything similar to that?

Mr. SHERMAN. Never.

The CHAIRMAN. Before?

Mr. SHERMAN. Never, no.

The CHAIRMAN. Did you take exception to it at all and object to having to leave the city at once?

Mr. SHERMAN. Well, I really didn't, Senator.

The CHAIRMAN. My point is, Mr. Sherman, what particular contacts or meetings had there been with Frank Costello which would have proved embarrassing if they had been revealed?

Mr. SHERMAN. I am sorry but I didn't get the question.

The CHAIRMAN. What information did you have that they didn't want you to give out if you were questioned by the newspapers?

Mr. SHERMAN. I don't know. I didn't have any.

The CHAIRMAN. Nothing more than you have told us about?

Mr. SHERMAN. Nothing more than I am telling here.

The CHAIRMAN. You said, of course, that there was a prediction that a blast would come.

Mr. SHERMAN. Yes.

The CHAIRMAN. And the blast did come?

Mr. SHERMAN. Yes.

The CHAIRMAN. I suppose you kept in touch by getting the newspapers?

Mr. SHERMAN. Oh, yes.

The CHAIRMAN. Was your name mentioned?

Mr. SHERMAN. Yes.

The CHAIRMAN. You didn't upon seeing your name in the papers get in touch with anyone to correct or to refute?

Mr. SHERMAN. No, I did not.

The CHAIRMAN. Or to clear up anything?

Mr. SHERMAN. No.

The CHAIRMAN. Of course, you were expected to keep out of sight and not to have anything to say; is that correct?

Mr. SHERMAN. That is right.

The CHAIRMAN. And you did?

Mr. SHERMAN. Yes, I did.

The CHAIRMAN. Acceded to the request and did as you were asked?

Mr. SHERMAN. That is right, sir.

The CHAIRMAN. Now upon returning to New York shortly after election, did you take any steps to find out why you had been asked to leave so suddenly?

Mr. SHERMAN. Well, I was told why, and the thing happened because of the blast in the newspaper, but I tried to reach O'Dwyer after I got back.

The CHAIRMAN. That is what I am coming to.

Mr. SHERMAN. I think I succeeded about, I would say, in about a year.

The CHAIRMAN. Yes. So you were unsuccessful for a year?

Mr. SHERMAN. For about a year.

The CHAIRMAN. Then finally—

Mr. SHERMAN. Finally through James Moran, who was with the fire department, after going to him about three or four hundred times—when I say three or four hundred—

The CHAIRMAN. A great number of times?

Mr. SHERMAN. A great number. I finally got to see him one time. Sometime in 1946, I believe.

The CHAIRMAN. Why had you tried repeatedly to get in touch with him?

Mr. SHERMAN. Well, we were very friendly prior to his being mayor. I mean prior to my going away. I have introduced him to lots of people in the industry, people that were very, very helpful to him.

Mr. MOSER. When you say "industry," you mean the garment industry?

Mr. SHERMAN. I mean the garment industry. And I guess one man in particular, whose name is Moe Sherman—he is dead—got sick running around for him. Well, everybody was disappointed in the way he did things, very unappreciative, if that is what you would call it.

The CHAIRMAN. Mr. Sherman, on finally reaching him after these numerous attempts and after about a year, was any reference made to the occasion when you had left town so suddenly at the request communicated through Mr. Gorman?

Mr. SHERMAN. Not even talked about.

The CHAIRMAN. Didn't refer to that at all?

Mr. SHERMAN. I never referred to it. I had about 11 minutes of his time.

The CHAIRMAN. That question didn't come up?

Mr. SHERMAN. That was out.

The CHAIRMAN. That is all I wanted to ask you about.

Senator WILEY. What was the gist of the blast?

Mr. SHERMAN. Senator, I don't remember. About Costello and Sherman and several names mentioned, racketeers with O'Dwyer, and all along those lines. Just what the article was—

Senator WILEY. Did it specify any particular activity that you had engaged in upon his behalf?

Mr. SHERMAN. No. At the particular time it was the thing Mr. Moser brought out about me being connected with Lepke and Gurrah.

Senator WILEY. You were never told to leave town afterwards?

Mr. SHERMAN. No.

Senator WILEY. Are you friendly toward O'Dwyer now, or how do you feel?

Mr. SHERMAN. I am not, Senator.

Senator WILEY. What?

Mr. SHERMAN. I say we are not friendly.

Senator WILEY. Why?

Mr. SHERMAN. Just not friendly, I don't think. If I was a man's friend I wouldn't be running away from him, and that is the way I think he did to me.

Senator WILEY. Well, did you render him yeoman service of some kind in the election?

Mr. SHERMAN. I helped him. I asked a lot of people to vote for him.

Senator WILEY. Where was your influence particularly potent?

Mr. SHERMAN. In the garment industry.

Senator WILEY. How?

Mr. SHERMAN. Well, I know a lot of people in the industry, Senator.

Senator WILEY. What did you do about it?

Mr. SHERMAN. I asked them to do everything they can, to vote for him, to help him.

Senator WILEY. Did you distribute any funds?

Mr. SHERMAN. I got a little money for him, too, from certain individuals.

Senator WILEY. Who did you turn it over to?

Mr. SHERMAN. I turned it over to Moran.

Senator WILEY. How much?

Mr. SHERMAN. I don't know the amount, but the biggest amount of money that was gotten, and some money that I have gotten was turned over to Moe Sherman, who, in turn, turned it over to O'Dwyer, I guess—I think.

Senator WILEY. Who did you get it from?

Mr. SHERMAN. Where did he get it?

Senator WILEY. Who did you get it from?

Mr. SHERMAN. Oh, I had money from a fellow like this Herbert Freezer we talked about, got some from Nat Herzfeld, got some from Joe Henshal.

Senator WILEY. Did you keep records of how much you got?

Mr. SHERMAN. No, Senator; I did not.

Senator WILEY. Can you give us an approximation?

Mr. SHERMAN. I would say between four, five, maybe six thousand dollars at different intervals.

Senator WILEY. And you turned that in to someone?

Mr. SHERMAN. Most of it I turned over to Moran, and part of it I am sure I give to Moe Sherman.

Senator WILEY. Do you know what they did with it?

Mr. SHERMAN. I do not, Senator.

Senator WILEY. What other activities did you engage in in his behalf?

Mr. SHERMAN. What other activities?

Senator WILEY. Yes.

Mr. SHERMAN. None.

Mr. MOSER. Didn't you go around trying to get votes for him?

Mr. SHERMAN. I did in our industry. I didn't go around. As I met people I asked them to.

The CHAIRMAN. Mr. Sherman, in reply to a question of Senator Wiley you stated, if I understood you correctly, that some of the contributions that you received you gave directly to Moran.

Mr. SHERMAN. That is right.

The CHAIRMAN. And some to Moe Sherman.

Mr. SHERMAN. That is right, sir.

The CHAIRMAN. Well I think you did mention Mr. O'Dwyer's name, if I heard you correctly, that you guessed he got them.

Mr. SHERMAN. Yes.

The CHAIRMAN. Did you say "guess"?

Mr. SHERMAN. Yes.

The CHAIRMAN. Actually, do you know?

Mr. SHERMAN. No.

The CHAIRMAN. I wanted to clear that up.

Mr. MOSER. In the New York Times—excuse me, Senator Wiley.

Senator WILEY. Go ahead.

Mr. MOSER. In the New York Times on October 28, 1948, Jonah Goldstein referred to you as a front man for Costello and Siegel. Was that the kind of accusation that was made in connection with this campaign?

Mr. SHERMAN. Something like that.

Mr. MOSER. You don't consider yourself a front for either one, I suppose?

Mr. SHERMAN. Why definitely not, Mr. Moser.

Mr. MOSER. But you know them both?

Mr. SHERMAN. Oh, yes.

Senator WILEY. Who was really the power in Tammany at that time?

Mr. SHERMAN. I don't know who the—

Senator WILEY. Do you have anything to say about it?

(Mr. Sherman confers with his attorney.)

Mr. SHERMAN. I think it was George McLaughlin.

Senator WILEY. Do you know whether at that time Frank Costello was playing with them?

Mr. SHERMAN. I couldn't—I don't know, Senator.

Senator WILEY. How about yourself?

Mr. SHERMAN. I don't even know George McLaughlin.

Senator WILEY. That is all.

Senator KEFAUVER. Mr. Chairman.

The CHAIRMAN. Senator Kefauver.

Senator KEFAUVER. Mr. Chairman, before you leave the subject matter we have been talking about—after you left New York, which I guess was in the fall of 1945 and took the trip through Maryland and on down to Daytona Beach—

Mr. SHERMAN. That is right.

Senator KEFAUVER. Did you keep in touch with anybody in New York during that time when you were away?

Mr. SHERMAN. No, Senator; no; I didn't.

Senator KEFAUVER. You didn't call up to see how things were doing, what was going on?

Mr. SHERMAN. No.

Senator KEFAUVER. Did you pay your own way or were your expenses paid on that trip?

Mr. SHERMAN. Oh, I paid my own.

Senator KEFAUVER. No one contributed to your expenses?

Mr. SHERMAN. No.

Senator KEFAUVER. This Siegel you referred to, where it was alleged you were the front for Costello and Siegel, is that Bugsy Siegel?

Mr. SHERMAN. I don't know who they meant.

Senator KEFAUVER. Did you know him?

Mr. SHERMAN. Yes.

Senator KEFAUVER. You knew Bugsy Siegel?

Mr. SHERMAN. Yes.

Senator KEFAUVER. While still living in New York?

Mr. SHERMAN. No; I never knew him in New York. I met him in California. I never knew him in New York.

Senator KEFAUVER. About when did you know him?

Mr. SHERMAN. I think it was around 1937.

Senator KEFAUVER. How did you happen to know him out there?

Mr. SHERMAN. I met him through a man by the name of Frank Opsatti.

Senator KEFAUVER. Did you have business transactions with him or just personal?

Mr. SHERMAN. No business whatsoever.

Senator KEFAUVER. Mr. Moser, I have been out. Has he been asked about Mr. Klein's telephone calls?

Mr. MOSER. We have not come to that yet.

The CHAIRMAN. No; he has not. Do you want to?

Senator KEFAUVER. Mr. Moser is going to.

Mr. MOSER. One thing I would like to ask in connection with this strange request that you leave town is what could possibly be accomplished as far as O'Dwyer's campaign is concerned by having you leave town?

It did not change the situation any. Why would he want you to leave town?

Mr. SHERMAN. I don't know what he had in mind, Mr. Moser; I really don't. I don't know what he had in mind and wasn't in a position to question him. A message was sent. Of course, I balked at it at first, but in talking with Gorman he says, "Well, do it. That is what he would like." And so on and so forth.

Mr. MOSER. Let me come back to your associations with Arthur G. Klein.

Mr. SHERMAN. Yes.

Mr. MOSER. Whom you said you had known since you were quite young.

Mr. SHERMAN. Yes.

Mr. MOSER. In our interview with him he told us you had come to Washington mainly to help O'Dwyer. Do you say that is wrong?

Mr. SHERMAN. Well, it couldn't possibly be. There was nobody here I could help with, and if there is nothing here to help him, that couldn't possibly be. I am sure the Congressman is mistaken.

Mr. MOSER. All right. You did help O'Dwyer, didn't you, while you were here?

Mr. SHERMAN. Yes; I did, Mr. Moser.

Mr. MOSER. But you didn't originally come for that purpose?

Mr. SHERMAN. Down to Washington here?

Mr. MOSER. Yes.

Mr. SHERMAN. No.

Mr. MOSER. But you did help him while you were here. You helped him in the investigation of the Air Force contracts at Wright Field.

Mr. SHERMAN. Mr. Moser, that happened in Dayton, Ohio.

Mr. MOSER. Yes.

Mr. SHERMAN. And if you want me to I will give you the story on that.

Mr. MOSER. Yes; please do.

Mr. SHERMAN. In meeting O'Dwyer, he was very much disturbed and disgusted with his job as an investigator for Procurement. He said he didn't know anything about procurement and that he just didn't want any part of it, and he was going to resign.

That happened at a time when Mr. Freezer was with me in Washington. He wasn't with me at the time of this particular conversation, but he was in Washington, and I got ahold of Freezer and told him just how Bill O'Dwyer felt about this procurement problem. "Well," he says, "let me have a talk with him. I would be glad to help him. I have been in procurement with Government for a long time."

I talked to O'Dwyer and he was leaving for Dayton, Ohio, at the time, and he said, "I will tell you what I will do. I am going to go to Dayton"—of course, this isn't the exact conversation. I mean along these lines: "I am going to Dayton and find out what it is all about and I will call you."

The same man, Gorman, came to me and said: "Just heard from the general. He would like you and Freezer to come to Dayton," and we did. We got on a plane and registered at the Van Cleve Hotel. We got there at night and we went to sleep that particular night. Freezer and O'Dwyer left in the morning. I stayed at the hotel. They went over to the procurement, over to the base, and Freezer got back—Freezer and O'Dwyer both got back it must have been 3 or 4 o'clock in the afternoon, and O'Dwyer was very happy about the things that Freezer was able to point out to him.

As a result of Freezer's showing him the workings of the thing, I think he said that he went to Kansas City and prosecuted three or four people that were connected with Procurement in Dayton, Ohio, and convicted them.

Mr. MOSER. So that Freezer was really helping O'Dwyer with that investigation?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. When you were in Washington you saw Jerry Orbach, did you not?

Mr. SHERMAN. Who?

Mr. MOSER. Jerry Orbach.

Mr. SHERMAN. Yes.

Mr. MOSER. And was his father O'Dwyer's campaign treasurer?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. What were your dealings with him?

Mr. SHERMAN. None.

Mr. MOSER. Purely personal, you mean?

Mr. SHERMAN. None. I don't even know Nat. I met Jerry down here while in uniform.

Mr. MOSER. Did you see him frequently while he was here?

Mr. SHERMAN. I haven't seen Mr. Orbach I don't believe since about the time I seen Mayor O'Dwyer.

Mr. MOSER. Did you see John Murtagh?

Mr. SHERMAN. No.

Mr. MOSER. Wasn't he here at the time?

Mr. SHERMAN. Never seen him and never talked to him.

Mr. MOSER. Never saw him?

Mr. SHERMAN. Never talked to him, Mr. Moser, never in my life.

Mr. MOSER. Now what was your reason for having so many dealings with Congressman Klein while you were here?

Mr. SHERMAN. Mr. Moser, every time I would come here I would call Klein or Klein would call me and go to dinner.

Mr. MOSER. Purely personal.

Mr. SHERMAN. Go to see a picture show, and things like that.

Mr. MOSER. We have records of a large number of telephone calls to him from you, calls made to him at the Statler, for example. Is that where he was staying?

Mr. SHERMAN. Sure, I called him many times.

Mr. MOSER. We have records of calls made to Long Branch, N. J.

Mr. SHERMAN. Yes; I think he lives there.

Mr. MOSER. I see. That was his summer place?

Mr. SHERMAN. Yes; I believe so.

Mr. MOSER. Now didn't you introduce Klein to Frank Connolly?

Mr. SHERMAN. I wouldn't remember that. It is possible but I don't remember if I did.

Mr. MOSER. What would be the occasion for introducing him to Frank Connolly? What would be the reason for it?

Mr. SHERMAN. There would be no reason, Mr. Moser. I have been up against a bar at the Mayflower Hotel and probably had a drink with five or six people I never knew and was introduced to them.

Mr. MOSER. You said you knew Mr. Kastel because you were considering using him as a distributor for these machines in New Orleans?

Mr. SHERMAN. That is right.

Mr. MOSER. We have a record of a telephone call on May 20, 1943, made to him in New Orleans. He was staying at the Roosevelt Hotel. Another one made on June 8, another one July 10, another on July 11.

Mr. SHERMAN. Was this in 1943, Mr. Moser?

Mr. MOSER. 1943, yes.

Mr. SHERMAN. New Orleans was one of the spots I had a Phono-Vision machine. It was down there in the Roosevelt Hotel as a sample and I kept calling Kastel to send the machine back any amount of times.

Mr. MOSER. You made all these calls for just one machine?

Mr. SHERMAN. Just one machine; yes, sir.

Mr. MOSER. Why were these in 1943?

Mr. SHERMAN. Well now, we didn't deliver—I don't know I can get you the date. All the projectors was delivered late in 1943.

Mr. MOSER. I had the understanding from your previous testimony that you succeeded in selling them all to the Signal Corps by the end of 1942.

Mr. SHERMAN. I said, Mr Moser—I don't remember the date.

Mr. MOSER. You don't recall the date?

Mr. SHERMAN. I don't recall, but I am sure it had to be 1943.

Mr. WALDMAN. I think it is dated 1943, the latter part of 1943.

Mr. MOSER. The testimony will show.

In any case those calls were solely to get that one machine back?

Mr. SHERMAN. Yes.

Mr. MOSER. No discussion of slot machines?

Mr. SHERMAN. Never, no, sir.

Mr. MOSER. You know Frank Quail, do you not?

Mr. SHERMAN. Yes, I do.

Mr. MOSER. Former fire commissioner in New York?

Mr. SHERMAN. Yes, I do.

Mr. MOSER. What were your dealings with him?

Mr. SHERMAN. Nothing outside of having dinner with him.

Mr. MOSER. You know him quite intimately?

Mr. SHERMAN. I met him—I met Frank Quail around 19—some-time in 1946, I believe.

Mr. MOSER. That is the first time you knew him?

Mr. SHERMAN. Yes, yes, sir.

Mr. MOSER. Did you see a good deal of him in 1946?

Mr. SHERMAN. No. I would see him, I would occasionally run into him at a restaurant quite often.

Mr. MOSER. The reason I am asking you these questions is because we have an informant who told us that you were on very intimate terms with him. I mean you can tell us the facts.

Mr. SHERMAN. Well, I would go to have dinner with the man, and I would say I am on intimate terms.

Mr. MOSER. Now Nat Herzfeld was president of the Federal Aircraft Products Corp.?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. That is the one we found in your draft-deferment application?

Mr. SHERMAN. Yes.

Mr. MOSER. Did you have dealings with him down here?

Mr. SHERMAN. Yes. We have tried together on these ventures to get business. He has helped me out with the sale of Phono-Vision machines. He went around with me. In fact, we checked in together a lot. That is how you got the address 135 Madison Avenue. But we never succeeded in getting any contracts at all outside of selling the television machine.

Mr. MOSER. Phono-Vision.

Mr. SHERMAN. I mean Phono-Vision.

Mr. MOSER. Now the Arizona Bar and Grill is something that you had an interest in, is it not?

Mr. SHERMAN. I did not have an interest.

Mr. MOSER. You did not?

Mr. SHERMAN. I did not have an interest.

Mr. MOSER. That belonged to Harry Rose?

Mr. SHERMAN. That is right.

Mr. MOSER. Did it not?

Mr. SHERMAN. That is right.

Mr. MOSER. Did Herzfeld have an interest in it?

Mr. SHERMAN. Herzfeld loaned some money to Harry Rose.

Mr. MOSER. To be used by Harry Rose in connection with the grill?

Mr. SHERMAN. Yes.

Mr. MOSER. We have information which you may want to admit or deny, to the effect that you and Herzfeld together had an interest in it and operated it until its license was revoked by the State liquor authority for fraudulent concealment of ownership in late 1943. Do you know about that incident?

Mr. SHERMAN. We were to become partners.

Mr. MOSER. You were to become partners?

Mr. SHERMAN. Going to. The deal was never consummated. We never were interested.

Mr. MOSER. When you say "we"—

Mr. SHERMAN. Meaning Nat Herzfeld and myself. I stayed there just to get the money that we had loaned to Harry Rose.

Mr. MOSER. You had loaned some money to Harry Rose, too?

Mr. SHERMAN. Nat Herzfeld did. Nat Herzfeld. Well, if he was going to make the deal, I was going to have part of the deal.

Mr. MOSER. Didn't Rose go to jail for perjury?

Mr. SHERMAN. Yes, he did.

Mr. MOSER. When he went to jail for perjury he would have lost his license, wouldn't he?

Mr. SHERMAN. I don't know whose name the license was on, because he had a partner, I think. I forgot what his name was. I just can't think of his name.

Mr. MOSER. Well now, didn't the State liquor authority have an investigation of that?

Mr. SHERMAN. Yes; and I appeared there, too.

Mr. MOSER. You appeared in court?

Mr. SHERMAN. Yes.

Mr. MOSER. And didn't you testify in that hearing that you had an interest in it to help?

Mr. SHERMAN. Oh, definitely not.

Mr. MOSER. Didn't you say you had an interest to help Rose keep the place open while he was in jail?

Mr. SHERMAN. Oh, God, no. I made no such statement.

Mr. MOSER. Did it close when Rose went to jail?

Mr. SHERMAN. I don't remember when it closed.

Mr. MOSER. Well, it must have stayed open then, and the ownership must have transferred if it was going to stay on; isn't that true?

Mr. SHERMAN. I wouldn't know, Mr. Moser. I just don't remember the details.

Mr. MOSER. Wasn't Nat Herzfeld's name used as owner in order to keep it open?

Mr. SHERMAN. I don't think so.

Mr. MOSER. You don't think so?

Mr. SHERMAN. No; I do not.

Mr. MOSER. What was the basis for this accusation by the State liquor authority of fraudulent concealment of ownership?

Mr. SHERMAN. I can't answer that.

Mr. MOSER. Who did they say owned it?

Mr. SHERMAN. They said Frank Costello owned it.

Mr. MOSER. Said Frank Costello owned it?

Mr. SHERMAN. Yes. That is what they told me when I went up to the liquor authority.

Mr. MOSER. What was the basis for that accusation?

Mr. SHERMAN. I don't know, Mr. Moser.

Mr. MOSER. Did they ask you if you owned it?

Mr. SHERMAN. Sure they did.

Mr. MOSER. And didn't they claim you and Costello owned it together?

Mr. SHERMAN. No. I don't know what they claimed. They were wrong.

Mr. MOSER. They were trying to find out if you had an interest in it?

Mr. SHERMAN. That is right.

Mr. MOSER. And you said you had none?

Mr. SHERMAN. That is right, sir.

Mr. MOSER. Now, didn't you at one time or wasn't Herzfeld at one time proposed as treasurer of Tammany Hall?

Mr. SHERMAN. I believe he was.

Mr. MOSER. Did you have anything to do with his being put up?

Mr. SHERMAN. Nothing whatsoever; nothing.

Mr. MOSER. Didn't O'Dwyer put his name up?

Mr. SHERMAN. I wouldn't know, Mr. Moser. I wouldn't know who put his name up.

Mr. MOSER. Isn't it true that O'Dwyer put his name up and District Attorney Hogan opposed it?

Mr. SHERMAN. Mr. Moser, at the particular time I hadn't talked or seen O'Dwyer for a long, long time.

Mr. MOSER. You didn't know about that.

What is the Algam Corp.?

Mr. SHERMAN. Algam!

Mr. MOSER. A-l-g-a-m. Never heard of it?

Mr. SHERMAN. No, sir.

Mr. MOSER. Herzfeld is vice president and general manager of it and it runs a race track. Does that help you?

Mr. SHERMAN. I know the race track.

Mr. MOSER. In Yonkers.

Mr. SHERMAN. That is right.

Mr. MOSER. Well, Herzfeld has an interest in that race track, doesn't he?

Mr. SHERMAN. I don't know. I know he is up there.

Mr. MOSER. He is an officer of the corporation.

Mr. SHERMAN. Well, that is possible.

Mr. MOSER. The Stephen Rug Mills——

Mr. SHERMAN. Owner.

Mr. MOSER. President of that, isn't he?

Mr. SHERMAN. Yes.

Mr. MOSER. Did you have any business connections with that organization?

Mr. SHERMAN. No, sir; none at all.

Mr. MOSER. I would like to ask you about this incident that was referred to in previous testimony to the effect that you had been driven from the airport.

The CHAIRMAN. I think this will be an appropriate time for recess. We will recess now until 2 o'clock.

(Whereupon, at 12:15 p. m., a recess was taken until 2 o'clock of this same day.)

AFTERNOON SESSION

The CHAIRMAN. The hearing will please come to order.
Mr. Sherman.

**FURTHER TESTIMONY OF IRVING SHERMAN, ACCOMPANIED BY
LOUIS WALDMAN, ATTORNEY**

The CHAIRMAN. Mr. Sherman and Mr. Waldman, I should explain the reason for our haste in taking the recess that time in the midst of a question. The vote was called and there were two votes since then on the Senate floor.

I think a question was asked. Possibly the easiest way would be to have counsel repeat it.

Mr. Moser, if you will take it up again, please.

Mr. MOSER. Mr. Sherman, in 1942 you will recall there was a meeting between Mayor O'Dwyer and Costello in connection with the matter at Wright Field and a man named Baker. Do you remember that?

Mr. SHERMAN. I remember the meeting. I don't know what the meeting was about.

Mr. MOSER. You don't remember it?

Mr. SHERMAN. I wasn't at the meeting. I will explain that. That same afternoon that this meeting took place, Moran came to my place. At that time it was at 38 East Nineteenth Street. He asked me if I wouldn't join in a meeting at Costello's house that evening. I do not remember the hour. I got there at 8:30, maybe a little later. There were six, seven, or eight men in session. There was O'Dwyer, Costello, Mike Kennedy, I believe Bert Stand, and several others.

The CHAIRMAN. This is in Costello's.

Mr. SHERMAN. In Costello's house.

The CHAIRMAN. House.

Mr. SHERMAN. Apartment.

As I walked in, these men were in session. I do not know what they were talking about. On the side of the room, there was a little room with a bar. Mrs. Costello and some man I met before were up there.

Mr. MOSER. Do you remember his name?

Mr. SHERMAN. I do not know. I do not remember his name.

Mr. MOSER. Well, go ahead, who else was there? I believe you told us who was there. You told us who was there. Tell us more about the meeting and what happened.

Mr. SHERMAN. I never walked into the room where they had the meeting. I don't know what they were discussing.

Mr. MOSER. Didn't you wonder why you were there?

Mr. SHERMAN. I do not know why I was asked to be there since I was not called in. That is what happened.

Mr. MOSER. You didn't make an attempt to see them?

Mr. SHERMAN. No.

Mr. MOSER. Didn't you speak to all the people there?

Mr. SHERMAN. All I did was wave hello and walk into the bar room. There was an open door. I never heard any of the discussion.

Mr. MOSER. You were asked by Moran to go there, but you never found out why you were there?

Mr. SHERMAN. I was told that he went there to find out about a fellow by the name of Joe Baker who was supposed to be taking contracts in Wright Field.

The CHAIRMAN. When were you asked to attend the meeting or to be present? Did Mr. Moran tell you who desired your presence?

Mr. SHERMAN. No. He said to me, "O'Dwyer and myself are going up to Frank Costello's house tonight. Would you join us?" I don't know whether O'Dwyer asked him to ask me that question, but he asked me to join him at that house.

Mr. MOSER. O'Dwyer testified before this committee that he had asked you to arrange the meeting.

Mr. SHERMAN. I do not remember such a thing.

Mr. MOSER. Is that true? Is that not true?

Mr. SHERMAN. Not as far as I know.

Mr. MOSER. You did not arrange the meeting?

Mr. SHERMAN. No.

Mr. MOSER. When O'Dwyer said he asked you to arrange the meeting, he was incorrect?

Mr. SHERMAN. As far as I am concerned.

The CHAIRMAN. I note—this may be a question of phraseology—in your prepared statement, on page 20, the last couple of lines—there you say:

A few days later, Jim Moran came to my office at Crest Clothes and told me that a meeting had been arranged at Frank Costello's apartment and that O'Dwyer would like to have me come to Costello's that evening.

Mr. SHERMAN. That is very possible.

The CHAIRMAN. This is your own statement.

Mr. SHERMAN. If I had had that, I would have read that. I am sure I never made the arrangements for the appointment.

Mr. MOSER. This is the statement you were going to read today, is it not?

Mr. SHERMAN. Yes.

Mr. MOSER. That is a correct statement?

Mr. SHERMAN. Yes.

I believe you have seen that statement.

Mr. MOSER. O'Dwyer testified he had asked you to arrange the meeting because of your friendliness with all the parties involved. What do you say to that?

Mr. SHERMAN. I say it is untrue.

Mr. MOSER. You had nothing to do with the arrangements of the meeting and you came only because you were invited to come by Moran?

Mr. SHERMAN. That is right.

Mr. MOSER. You don't know why the meeting was held, except it had something to do with Baker and Wright Field?

Mr. SHERMAN. I didn't find out about that until after the meeting was over.

Mr. MOSER. You were not told in advance?

Mr. SHERMAN. No.

Mr. MOSER. We want to ask you some questions with regard to the efforts you made to help O'Dwyer get elected.

The CHAIRMAN. There is another matter I want to ask you about the meeting in Costello's. When you arrived, Mr. Sherman, I take it

and understand from your previous testimony, that you went on immediately to the other part of the apartment or a part that was a little away from the place where the huddle was in progress.

Mr. SHERMAN. That is right, sir.

The CHAIRMAN. Did you get the impression that was done on purpose, or it was merely by accident?

Mr. SHERMAN. They did not call me in, Senator. I knew I wasn't wanted there. They knew I was there.

The CHAIRMAN. Did it just happen that you walked out there or did you sense the fact that something was going on that you weren't in on or was there anything particularly significant to the fact that you went and joined the other parties and stayed with them, apparently while the huddle, so to speak, was in progress?

Mr. SHERMAN. As I walked in, Senator, I just waved hello. Then I went in to say hello to Mrs. Costello, alongside of their living room, where they have a little bit of a bar, which is another room. I walked in there and had a drink with Mrs. Costello and this gentleman who was there. I stayed there 10 or 15 minutes thinking I might be called in. But I wasn't called in. I didn't listen to any of the conversation. I do not know what the huddle was all about. I was told later on it was in reference to a matter about Joe Baker at Wright Field.

The CHAIRMAN. You learned that at a subsequent occasion?

Mr. SHERMAN. That is right.

The CHAIRMAN. Did it strike you as odd you were asked to go to the apartment, told in advance that Mr. O'Dwyer would be there and after you got there you were not taken into the conference?

Mr. SHERMAN. I guess it was decided I should not be at the meeting, or whatever it might be.

The CHAIRMAN. You rather concluded that yourself?

Mr. SHERMAN. That would be my own opinion.

The CHAIRMAN. You didn't force your way into the conference?

Mr. SHERMAN. That is right.

The CHAIRMAN. What was the nature of the conference? Was it apparently in a serious vein?

Mr. SHERMAN. I couldn't answer that.

The CHAIRMAN. I know you weren't hearing what was said.

Mr. SHERMAN. I guess it was, if you are asking my opinion.

The CHAIRMAN. When you later learned that it did relate to a transaction at Wright Field, were you told what the outcome was?

Mr. SHERMAN. No; I was not. This is the story I got from Mr. Moran: That Joe Baker's telephones were tapped and they were watching him, and so forth.

The CHAIRMAN. Whose telephone wires were tapped?

Mr. SHERMAN. Joe Baker's.

Mr. MOSER. Moran told you that Joe Baker's phone was tapped. Did he give you a reason why they were being tapped?

Mr. SHERMAN. Something about some procurement in Dayton, Ohio.

Mr. MOSER. Do you know Joe Baker?

Mr. SHERMAN. Yes.

Mr. MOSER. How long have you known him?

Mr. SHERMAN. I don't know. I don't know him, but I have seen him around and said hello to him. I don't know a thing about him.

Mr. MOSER. Do you know he lives at the Madison Hotel?

Mr. SHERMAN. I knew that because that was where I was told his phone was being tapped.

Mr. MOSER. Have you ever been to his apartment at the hotel?

Mr. SHERMAN. No, sir.

Mr. MOSER. Do you know that hotel at all?

Mr. SHERMAN. Yes; I know the hotel.

Mr. MOSER. It is a very expensive hotel, isn't it?

Mr. SHERMAN. I would say it is pretty high priced; yes.

Mr. MOSER. The reason I am asking about it is because Joe Baker's income-tax return indicates his income was \$3,500 a year and we wondered if anybody could tell us how he was able to stay at the Hotel Madison.

Mr. SHERMAN. I don't know.

Mr. MOSER. I would like to ask you more questions about the money you collected for O'Dwyer's campaign. You told us you went around to the members of the garment industry who you knew.

Mr. SHERMAN. That is right, sir.

Mr. MOSER. I want you to try to recollect. You had some difficulty this morning recollecting how much was involved, from whom. Would you name some of the people from who you collected?

Mr. SHERMAN. Joe Henshal, Nat Hertzfeld.

Mr. MOSER. Freezer?

Mr. SHERMAN. Freezer.

Mr. MOSER. Moe and Sam Sherman?

Mr. SHERMAN. I do not think I got money from them because they did things directly, but there were several others, maybe lots of others.

Mr. MOSER. Did you collect any from Costello?

Mr. SHERMAN. Not a quarter, nothing.

Mr. MOSER. How much did you get from Freezer?

Mr. SHERMAN. I wouldn't remember.

Mr. MOSER. Was it \$10 or \$2,000?

Mr. SHERMAN. Several hundred dollars.

Mr. MOSER. Several hundred dollars?

Mr. SHERMAN. Yes.

Mr. MOSER. How about Hertzfeld?

Mr. SHERMAN. I would say about the same thing.

Mr. MOSER. Just several hundred dollars?

Mr. SHERMAN. Yes.

Mr. MOSER. Were these collected in cash?

Mr. SHERMAN. Some in cash, some by check.

Mr. MOSER. Were the checks payable to you?

Mr. SHERMAN. No. None were made out to me.

Mr. MOSER. How about Lipsky?

Mr. SHERMAN. I never got 5 cents from Lipsky.

Mr. MOSER. What was the total amount, would you say, that you collected for this campaign?

Mr. SHERMAN. Mr. Moser, to the best of my recollection, I would say it was between \$5,000 and \$6,000.

Mr. MOSER. That is the direct amount that you collected yourself?

Mr. SHERMAN. That is right.

Mr. MOSER. Although you think your efforts with people like Moe and Sam Sherman resulted in their contributing directly?

Mr. SHERMAN. I believe so. Maybe these people that I mentioned also.

Mr. MOSER. You gave your money to Moran?

Mr. SHERMAN. Part of it and part of it to Moe Sherman.

Mr. MOSER. You were telling us this morning about your contact with O'Dwyer and how you had broken up. There is a story that I would like to have you either confirm or deny to the effect that at the time Dennie Mahoney died—you remember a mass was held for him at St. Patrick's?

Mr. SHERMAN. Yes.

Mr. MOSER. Did you go to that mass?

Mr. SHERMAN. Yes, I did.

Mr. MOSER. You met O'Dwyer there, did you not?

Mr. SHERMAN. Yes, I did.

Mr. MOSER. What else happened?

Mr. SHERMAN. What do you mean by that?

Mr. MOSER. You shook hands with O'Dwyer, did you not?

Mr. SHERMAN. That is right.

Mr. MOSER. Didn't a detective come up to you and say something about your having shaken hands with O'Dwyer?

Mr. SHERMAN. I met so many people there that morning.

Mr. MOSER. We have the story that a detective came up to you and asked you why you were being so friendly with a man who was having your phone tapped. Did that happen?

Mr. SHERMAN. I don't know that it happened there. I heard it so many times that it is possible.

Mr. MOSER. You heard O'Dwyer was having your phone tapped?

Mr. SHERMAN. That is right.

Mr. MOSER. We understand this particular detective said you did not believe it had been done, but he told you that he had himself been instructed to do that.

Mr. SHERMAN. I don't know.

Mr. MOSER. Why would O'Dwyer want your phone tapped?

Mr. SHERMAN. I don't know.

Mr. MOSER. Did O'Dwyer ever thank you for the money you raised for his campaign?

Mr. SHERMAN. Never.

Mr. MOSER. Did he ever complain because you did not raise more?

Mr. SHERMAN. No.

Mr. MOSER. Did he ever reward you in any way for your efforts?

Mr. SHERMAN. Kept me out of his home, if that is what you mean.

Mr. MOSER. Is that a reward? You have a relative named Laurence Austin?

Mr. SHERMAN. Who?

Mr. MOSER. A relative named Laurence Austin.

Mr. SHERMAN. Yes.

Mr. MOSER. What is his relation to you?

Mr. SHERMAN. He is married to a third cousin of mine.

Mr. MOSER. That is fairly remote. O'Dwyer appointed him to a job.

Mr. SHERMAN. Yes; I read it in the papers.

Mr. MOSER. You didn't know it otherwise?

Mr. SHERMAN. I didn't know anything about it. That is not something I would ask anybody to do.

Mr. MOSER. That couldn't be construed as a reward to you for your efforts?

Mr. SHERMAN. No.

Mr. MOSER. I would like to ask you about previous testimony given to this committee to the effect that you were called Dr. Cooper on the occasions you went to see Mr. Moran after the election. Will you explain why it is a fact that you were called Dr. Cooper?

Mr. SHERMAN. Yes; it is.

Mr. MOSER. Please explain it.

Mr. SHERMAN. I walked into Moran's office one morning and before getting into Moran's office there is a receptionist. Before I got to ask for Moran, he walked in and said, "Hello, Doctor." He turned around to this old man—I think Boyle or some name like that—and said, "Meet Dr. Cooper." From then on my name became Dr. Cooper, and every time I came to the office he said, "Dr. Cooper is calling."

Several times I told the old gentleman my name, but he would still say, "Dr. Cooper is calling."

Mr. MOSER. You mean this old man receptionist?

Mr. SHERMAN. That is right.

Mr. MOSER. Were there any other receptionists there?

Mr. SHERMAN. There was a relief man there. He worked there all the time, but he had relief during lunchtime.

Mr. MOSER. Did you ever have the relief man introduce you?

Mr. SHERMAN. Oh, yes.

Mr. MOSER. How.

Mr. SHERMAN. The same way I got to be known there as Dr. Cooper.

Mr. MOSER. There must have been some other explanation other than the one you gave.

Mr. SHERMAN. There was no other reason whatsoever unless Moran had something in mind, and I certainly do not know what he had in mind when he did it.

Mr. MOSER. Why didn't you make them stop calling you Dr. Cooper?

Mr. Sherman, I think it is rather peculiar that a man you had dealings with before and who always referred to you as Dr. Cooper when he knew your name was Sherman, and you say the receptionist knew your name was Sherman——

Mr. SHERMAN. That is right.

Mr. MOSER. Didn't one of the receptionists testify it wasn't until later on that he learned your name was Sherman?

Mr. SHERMAN. I don't know. He might have. Originally I was introduced as Dr. Cooper.

Mr. MOSER. Do you say that every time you went there you said, "I am Mr. Sherman"?

Mr. SHERMAN. I didn't have to say that, because he knew me. I would see him mark a slip to bring into Moran's office marked "Dr. Cooper."

Mr. MOSER. Is there any possibility that they were calling you Dr. Cooper because O'Dwyer was afraid of his associations with you, as evidenced by his sending you out of the State?

Mr. SHERMAN. That is very possible.

Mr. MOSER. He sent you away just before the election, and you came to the office and they used a fictitious name.

Mr. SHERMAN. It is possible. I don't know. I don't know what the reason was or why he did it.

The CHAIRMAN. There has been testimony previously given here that you were transported from LaGuardia Field by police officials.

Mr. SHERMAN. That is right.

The CHAIRMAN. Of the New York Police Department?

Mr. SHERMAN. That is right.

The CHAIRMAN. You say that is right?

Mr. SHERMAN. That is right.

The CHAIRMAN. Tell us just under what circumstances you were so transported. First of all, let me ask you this: Was there any standing arrangement by which you were to be transported by police officials from LaGuardia?

Mr. SHERMAN. No arrangements at all, sir.

The CHAIRMAN. Did it happen on many occasions?

Mr. SHERMAN. Several occasions, two or three times.

The CHAIRMAN. Under what circumstances did it occur?

Mr. SHERMAN. I do not know. Several times when I left Washington here and went to New York—maybe two or three times—I wouldn't be sure about the amount of times, and I wouldn't be sure whether Connolly made arrangements for Goldman to meet us or I did.

The CHAIRMAN. Who is Goldman?

Mr. SHERMAN. Goldman is the inspector; this high police official you speak of. He has been friendly with O'Dwyer long before I knew either one of them.

The CHAIRMAN. He was a particular friend of the then Mayor O'Dwyer?

Mr. SHERMAN. Oh, yes.

The CHAIRMAN. How did you come to meet him; through whom?

Mr. SHERMAN. I met him around Madison Square Garden. I met him around several fraternal organizations.

The CHAIRMAN. His full name is—

Mr. SHERMAN. Abraham Goldman, deputy chief inspector.

The CHAIRMAN. Go ahead.

Mr. SHERMAN. I do not know whether the arrangement was made by O'Dwyer or the arrangement was made by Connolly. It may have even been made by me. But I do know he was one of O'Dwyer's favorites at that time. Of course, O'Dwyer at that time was district attorney on leave. I believe they would want to be nice to the district attorney. O'Dwyer might have asked him to drive, because Connolly became very friendly with O'Dwyer. He was going to give him a job, I heard, at one time. I do not know whether anything happened. They got very friendly. I do not know who made the call. I don't remember.

The CHAIRMAN. In any event, regardless of who actually made the arrangement, when you arrived at the airfield the car would be there waiting for you?

Mr. SHERMAN. That is right.

The CHAIRMAN. Driven by the deputy police inspector?

Mr. SHERMAN. By a chauffeur.

The CHAIRMAN. He was in charge of the car?

Mr. SHERMAN. Yes.

The CHAIRMAN. You were then transported from LaGuardia into town?

Mr. SHERMAN. Yes.

The CHAIRMAN. To the best of your knowledge, because we wouldn't hold you to the exact number, approximately how many times would you say that occurred.

Mr. SHERMAN. At that particular airport?

The CHAIRMAN. Any of the airports.

Mr. SHERMAN. Any of the airports? I would say around three times.

Mr. MOSER. Did that car transport you and Mr. Connolly on any other occasions?

Mr. SHERMAN. I rode in his car any number of times in the city.

Mr. MOSER. Was the car generally available to you?

Mr. SHERMAN. No.

The CHAIRMAN. The times you drove around in the city, did the police inspector accompany you?

Mr. SHERMAN. Senator O'Connor, Inspector Goldman has picked me and my wife up at my house. We would go to dinner together in his car. We would go to Moore's or Gallagher's or one of those spots in his car.

Mr. MOSER. You mean the city's car driven by a detective?

Mr. SHERMAN. I don't know. Lots of times it might have been the detective's car.

The CHAIRMAN. On the occasions when he transported you from LaGuardia Field, was he on duty?

Mr. SHERMAN. I wouldn't think so.

Mr. MOSER. Goldman told us that he drove Connolly and, I believe, you to police headquarters for a big reception one time.

Mr. SHERMAN. He never drove me to police headquarters.

Mr. MOSER. He didn't?

Mr. SHERMAN. No.

Mr. MOSER. Another question on which we would like to ask you something is the relations with James F. McLaughlin, the wire-tap man, who according to previous testimony was hired to check various telephone wires for taps. Did you make arrangements for him to check taps on your wires?

Mr. SHERMAN. Yes; I did.

Mr. MOSER. And also on Nat Hertzfeld's.

Mr. SHERMAN. That is right, sir.

Mr. MOSER. Who did you think was tapping your wires?

Mr. SHERMAN. I was told the police department at that time. If you went up to a bookmaker's place around New York and they got your name, they would tap your wires and your place of business to find out if you were making bets and who the bookmakers were.

Mr. MOSER. If you were ever seen with a bookmaker, you were a suspect?

Mr. SHERMAN. That is right.

Mr. MOSER. You were seen with bookmakers?

Mr. SHERMAN. With many.

Mr. MOSER. You place your bets with bookmakers when you are not at the track?

Mr. SHERMAN. Yes. I do it at the tracks, mutuels.

Mr. MOSER. Did you also arrange to have Nat Hertzfeld's wires checked?

Mr. SHERMAN. I did, sir.

Mr. MOSER. Was that because he had been seen with bookmakers, too?

Mr. SHERMAN. Possibly he was seen with bookmakers.

Mr. MOSER. You think that is the only reason he thought his wires were being tapped?

Mr. SHERMAN. I am sure that was the reason.

Mr. MOSER. Did you also introduce McLaughlin to Frank Costello?

Mr. SHERMAN. No, sir.

Mr. MOSER. You did not?

Mr. SHERMAN. No, sir.

Mr. MOSER. He testified that you did.

Mr. SHERMAN. Well, he is mistaken, Mr. Moser.

Mr. MOSER. He also testified that Costello paid him \$100 for his services in front of the barber shop in the Waldorf-Astoria when you were present.

Mr. SHERMAN. That is a lie.

Mr. MOSER. That is not true?

Mr. SHERMAN. Not true.

Mr. MOSER. Are you sure about that?

Mr. SHERMAN. I am positive about that.

Mr. MOSER. Because McLaughlin has no motive for not telling the truth.

Mr. SHERMAN. I have no motive to lie to you. I was never at the Waldorf-Astoria with McLaughlin.

Mr. MOSER. Did you know that McLaughlin was checking Costello's wires?

Mr. SHERMAN. No; I did not.

Mr. MOSER. As far as you knew, he was not?

Mr. SHERMAN. I did not know.

Mr. MOSER. There is a corporation known as the Sherman-Selly Corp.

Mr. SHERMAN. What about it.

Mr. MOSER. Do you know anything about it?

Mr. SHERMAN. No.

Mr. MOSER. Ever heard of it?

Mr. SHERMAN. No.

Mr. MOSER. Let me come back to the wire tap of Frank Costello. You did not know that his wires were being tapped and that \$100 was paid in your presence by Frank Costello?

Mr. SHERMAN. That is right.

Mr. MOSER. In front of the barber shop? At any other place? Did you see Frank Costello pay any money to McLaughlin at any other place at any other time?

Mr. SHERMAN. No. You said McLaughlin said I was at the Waldorf-Astoria when Costello paid him \$100. I have never seen McLaughlin at the Waldorf-Astoria.

Mr. MOSER. At any other time or place?

Mr. SHERMAN. I never saw McLaughlin and Costello.

Mr. MOSER. The Sherman-Selly Corp. is located at 9111 One Hundred and Fifty-eighth Street, Howard Beach, Queens. Did you ever hear of it?

Mr. SHERMAN. No, sir.

Mr. MOSER. Our information is that the president of the corporation is Irving Sherman. That doesn't indicate it is you? That couldn't be you?

Mr. SHERMAN. I know it isn't me.

Mr. MOSER. The vice president is a man named George Moskowitz.

Mr. SHERMAN. No.

Mr. MOSER. Another vice president is Mrs. Juliet Sherman.

Mr. SHERMAN. Never heard of her.

The CHAIRMAN. Mr. Sherman, going back to Mr. McLaughlin, did you ever introduce Phil Kastel to him?

Mr. SHERMAN. I may have.

The CHAIRMAN. The reason I ask you is this: In connection with the testimony to which Mr. Moser just referred, in the series of questions that were asked about the meeting in front of the restaurant concerning the wire taps, he stated that you had introduced Phil Kastel to him and then he was asked the question: "Were you introduced to O'Dwyer?"

Mr. McLaughlin said, "I wasn't."

Mr. Halley asked him, "You just saw him there?"

Then Mr. McLaughlin answered:

I saw him there.

Mr. HALLEY. But you saw him with Sherman?

Mr. McLAUGHLIN. That is right.

Mr. SHERMAN. Saw who with Sherman?

The CHAIRMAN. O'Dwyer.

Mr. SHERMAN. That is possible.

Mr. MOSER. So that you and O'Dwyer may have been together at the time McLaughlin was present; is that right?

Mr. SHERMAN. That is possible.

Mr. MOSER. Did O'Dwyer know that McLaughlin's job was to check taps?

Mr. SHERMAN. No, I do not think so.

Mr. MOSER. Whom do you think he thought McLaughlin was?

Mr. SHERMAN. He met so many people, he didn't ask me who McLaughlin was, and I didn't think I ever told him.

Mr. MOSER. I would like to ask you a little bit about your income-tax returns, which we find had additional assessments made against you for the years 1944, 1945, 1946, and 1947. In those 4 years your income-tax returns were examined and additional assessments made. Can you tell us the circumstances under which those assessments were made?

Mr. SHERMAN. No, I might have asked for some allowances which they did not allow and I was assessed the different amounts of money. I paid it.

Mr. MOSER. In one of the years they not only assessed additional taxes, but they imposed a 50-percent civil penalty for fraud. Why was that?

Mr. SHERMAN. I don't know. I cannot recollect. Whatever it was, I paid it.

Mr. MOSER. I am sure you paid it. Why would they assess a 50-percent fraud penalty?

Mr. SHERMAN. I don't remember.

Mr. MOSER. They disallowed expenses for contributions and traveling expenses.

Mr. SHERMAN. It is possible. I do not know what those things are.

Mr. MOSER. Do you know Abner Zwillman?

Mr. SHERMAN. No.

Mr. MOSER. Never met him?

Mr. SHERMAN. I might have met him, but I do not know the man.

Mr. MOSER. Where might you have met him?

Mr. SHERMAN. I don't know. Around the restaurant or racetrack.

Mr. MOSER. What restaurant?

Mr. SHERMAN. I wouldn't know.

Mr. WALDMAN. He means to use the word "saw" him, instead of "met."

Mr. MOSER. You don't know him personally?

Mr. SHERMAN. No.

Mr. MOSER. Never talked to him?

Mr. SHERMAN. No.

Mr. MOSER. Jerry Catena?

Mr. SHERMAN. No.

Mr. MOSER. Joe Stacher?

Mr. SHERMAN. I know him.

Mr. MOSER. How do you know him?

Mr. SHERMAN. The same way, meeting him at the track.

Mr. MOSER. Meeting him at the track?

Mr. SHERMAN. Around the racetrack.

Mr. MOSER. Had dealings with him?

Mr. SHERMAN. Never.

Mr. MOSER. Ever had dinner with him?

Mr. SHERMAN. I don't know.

Mr. MOSER. Might have?

Mr. SHERMAN. Yes, I might have.

Mr. MOSER. How about Rutkin, Niggy Rutkin?

Mr. SHERMAN. I have seen him around the racetrack many a time.

Mr. MOSER. You have?

Mr. SHERMAN. Yes.

Mr. MOSER. Have you ever eaten with him, eaten a meal with him?

Mr. SHERMAN. I don't know.

Mr. MOSER. Ever had any business dealings with him?

Mr. SHERMAN. No.

Mr. MOSER. Willie Moretti?

Mr. SHERMAN. I don't know him.

Mr. MOSER. Joe Adonis?

Mr. SHERMAN. Yes.

Mr. MOSER. You do know him?

Mr. SHERMAN. Yes.

Mr. MOSER. Where did you see him?

Mr. SHERMAN. Met him around bars.

Mr. MOSER. Ever seen him at any gambling place?

Mr. SHERMAN. No.

Mr. MOSER. Never have?

Mr. SHERMAN. I have seen him at the racetrack.

Mr. MOSER. That is not a gambling place?

Mr. SHERMAN. It is.

Mr. MOSER. Do you know the Garment Fashion Center on Broadway?

Mr. SHERMAN. A restaurant?

Mr. MOSER. It is a restaurant, do you remember that?

Mr. SHERMAN. Yes.

Mr. MOSER. What connection do you have with that?

Mr. SHERMAN. None whatsoever.

Mr. MOSER. Did you hire McLaughlin to put a buzzer system in there?

Mr. SHERMAN. I might have asked him to do it for the proprietor.

Mr. MOSER. You mean you might have recommended him?

Mr. SHERMAN. I might have recommended him. I recommended McLaughlin to a lot of people, Mr. Moser. I wouldn't remember their names.

Mr. MOSER. Have you ever seen O'Dwyer at the fashion center, at the Garment Fashion Center?

Mr. SHERMAN. I don't remember.

Mr. MOSER. You don't recall?

Mr. SHERMAN. It is possible, but I do not recall.

The CHAIRMAN. Counsel, that concludes the interrogation. We, of course, would be very glad to afford you or Mr. Sherman any opportunity to add anything that you feel ought to be added in fairness to the witness or to touch upon any phase of the matter that hasn't been inquired about, although we have attempted to cover everything.

Mr. WALDMAN. May I say on behalf of my client and myself that we are both grateful to you and the committee for a most courteous hearing and for permitting us to present the facts in this orderly and direct fashion. We think it is a credit both to the Senate and to the committee the way this hearing was conducted.

The CHAIRMAN. That is very, very fine.

Mr. Waldman, we would also be glad to have the statement made a part of the record by reference, so that it would be available in the way that Mr. Sherman wished to present the evidence on his part.

Mr. WALDMAN. We will be happy to have that done, but I should like to have that statement for Mr. Sherman to go over finally. He had some mental corrections he was going to make before he read them. I would like him to make them.

The CHAIRMAN. You may feel free to have it modified in any way you wish. If you leave it with us, we will have it for reference in the event anything comes up.

Thank you very much.

Mr. SHERMAN. Thank you very much.

Mr. WALDMAN. Thank you.

The CHAIRMAN. We would like to make a formal call for Abner "Longie" Zwillman. Is Mr. Zwillman present?

Having no response to that, we assume he is not present.

Next we will call Jerry Catena.

There was no response to that.

Joseph "Doc" Stacher, alias Doc Rosen, alias Doc Harris. Is the witness present?

There is no response to that, let it be noted in the record. We will now take up another phase of the inquiry. We would like to ask Mr. M. L. Harney to come forward.

Mr. Harney, in the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. HARNEY. I do.

TESTIMONY OF M. L. HARNEY, ASSISTANT TO THE COMMISSIONER, BUREAU OF NARCOTICS, UNITED STATES TREASURY DEPARTMENT

The CHAIRMAN. Your full name, please?

Mr. HARNEY. Malachi L. Harney.

The CHAIRMAN. Your position?

Mr. HARNEY. I am assistant to the Commissioner in the United States Bureau of Narcotics, Treasury Department.

The CHAIRMAN. For what length of time have you been connected with the Bureau?

Mr. HARNEY. Since 1926.

The CHAIRMAN. Prior to that?

Mr. HARNEY. I was in Treasury law enforcement since 1920.

The CHAIRMAN. All together you have been connected with the Government for the past 31 years?

Mr. HARNEY. Right.

The CHAIRMAN. Mr. Perkins, will you proceed, please?

Mr. PERKINS. Mr. Harney, I take it in your position as assistant to the Commissioner, with your experience in the Federal Bureau of Narcotics, you are fully acquainted with the forces of drugs and the efforts toward international control?

Mr. HARNEY. Yes, sir.

Mr. PERKINS. Could you give us an estimate of the amount of opium that is produced annually in the whole world?

Mr. HARNEY. It is about 2,000 tons.

Mr. PERKINS. 2,000 tons?

Mr. HARNEY. Yes, sir.

Mr. PERKINS. Could you now give us an estimate of how much of this 2,000 tons is necessary for the medicinal requirements of the world?

Mr. HARNEY. About 500 tons.

Mr. PERKINS. In other words, the ratio of 4 to 1, you would say?

Mr. HARNEY. Right.

Mr. PERKINS. The actual output of the world is four times that of the medicinal requirements of the world?

Mr. HARNEY. Yes, sir.

Mr. PERKINS. Would you now tell us what the principal sources of opium in the illicit traffic are?

Mr. HARNEY. The principal sources of illicit traffic in the world are Turkey, Iran, Communist China, India, and Mexico.

Mr. PERKINS. Have any of these countries actually taken steps to prohibit production of opium?

Mr. HARNEY. The production of opium in Mexico is prohibited. That country has made superb efforts to destroy clandestine poppy cultivation by surveying the growing regions with airplanes and destroying the crop, using troops wherever necessary.

The production of opium in China has always been prohibited, and it is hoped that in a country where it constitutes a great social danger, there will be no legalization of the traffic.

Mr. PERKINS. Could other traffic in addition to Mexico and China be said to have outlawed the production of opium, or have they taken any steps?

MR. HARNEY. Most of the opium used in the world for medicinal purposes comes from Turkey, Iran, and India. For the past 40 years or more these countries have enjoyed a rich opium trade, but have shown no disposition to cooperate to the extent of limiting their opium production to the medical needs of the world. Regardless of any world plan to limit production, it is the considered opinion of Commissioner Anslinger, United States representative on the United Nations Narcotic Commission, that it would be utterly impossible for these countries to compel the licensed farmers to deliver their total crop, total opium crop, to the Government monopoly.

MR. PERKINS. To make this clearer, we have been discussing the growing countries, those countries that grow opium. I understand the conclusions of the Bureau of Narcotics to be that the growing of opium cannot be completely and effectively controlled; is that correct?

MR. HARNEY. That is right, because there is a vast leakage in Turkey from the growing farmer to illicit sources. There is a vast leakage in Iran, which has a tremendous local opium-smoking problem. The situation in countries of that type is such that a leakage from legitimate to illicit traffic cannot be prevented.

MR. PERKINS. Turning now to those countries that manufacture the derivatives of opium, could you tell us what those countries are?

MR. HARNEY. The principal manufacturing countries are the United States, the United Kingdom, France, Switzerland, a little in Italy. Before the war, Germany and Japan were of considerable consequence.

MR. MOSER. Mr. Harney, by manufacturing you mean they are the countries that convert opium into medicinal products like morphine?

MR. HARNEY. That is correct.

MR. PERKINS. Of the manufacturing countries that you have named, have any of them been able to control the illicit manufacture of drugs?

MR. HARNEY. The manufacturing countries have demonstrated that they are able to control illicit traffic and no substantial diversion to the illicit traffic has been discovered in 20 years with the exception of a heroin diversion in Italy which is being brought under control now.

MR. PERKINS. Do we conclude from that that it is easier to control the manufacture of drugs than it is the growing, and that control efforts can be best placed at the manufacturing level; is that correct?

MR. HARNEY. That is correct.

MR. PERKINS. Do you know at the present time of any illicit manufacture of synthetic drugs?

MR. HARNEY. There is none.

MR. PERKINS. There is no illicit manufacture of synthetics?

MR. HARNEY. That is correct.

MR. MOSER. These drugs that were brought in from Italy lately, do you consider that a temporary situation?

MR. HARNEY. Absolutely.

MR. MOSER. The ones that some of the witnesses have indicated have come through the Luciano gang, you think is a temporary thing that can be stopped?

MR. HARNEY. The Italian Government can control that and undoubtedly will when the machinery is perfected.

MR. MOSER. Is the Italian Government working now on controlling it?

MR. HARNEY. They are.

The CHAIRMAN. Mr. Harney, do you agree with the testimony that has previously been given to the committee that much of the diversion in Italy is traceable to Luciano or a substantial portion of it? I do not, of course, undertake to say the percentage, but some percentage of it.

Mr. HARNEY. The indications are, in my judgment, that that situation is attributable in part at least to Luciano.

The CHAIRMAN. In other words, the investigations that the Bureau has made and the work both in this country and abroad—because it has been shown that your department has been vigilant in sending people there—convince you that Luciano is in part responsible for the importation into this country of heroin?

Mr. HARNEY. That is correct.

Mr. MOSER. Mr. Harney, you also said that one of the producing countries where opium is grown is Communist China.

Mr. HARNEY. That is right.

Mr. MOSER. Has there been any indication of a substantial amount of opium coming from there since the Communists took the country over?

Mr. HARNEY. Yes, there are indications that there is some coming from there and there are indications that there is a great amount of drugs available.

Mr. MOSER. More so than before they took over?

Mr. HARNEY. Right.

Mr. MOSER. So there has been an increase as a result of their occupation?

Mr. HARNEY. That is right.

The CHAIRMAN. We are obliged to you for your cooperation.

Dr. Henry K. Beecher.

Dr. Beecher, in the presence of Almighty God, do you swear the testimony you give will be the truth, the whole truth, and nothing but the truth?

Dr. BEECHER. I do.

TESTIMONY OF DR. HENRY K. BEECHER, PROFESSOR, HARVARD UNIVERSITY

The CHAIRMAN. Your full name.

Dr. BEECHER. Henry K. Beecher.

The CHAIRMAN. Your present position is?

Dr. BEECHER. I am a professor at Harvard University.

The CHAIRMAN. And have you previously been connected with any of the hospitals nearby?

Dr. BEECHER. Yes, the Massachusetts General, for many years.

The CHAIRMAN. Doctor, will you be good enough to speak up, so we all may hear?

Mr. Perkins, will you proceed?

Mr. PERKINS. Dr. Beecher, do you have special experience in the field of medicinal drugs?

Dr. BEECHER. Yes, I have for 15 years.

Mr. PERKINS. Will you tell us briefly what drugs are commonly used by doctors, those that are necessary for medicinal purposes?

Dr. BEECHER. I assume you mean morphinelike drugs—drugs for the relief of pain?

Mr. PERKINS. Yes.

Dr. BEECHER. There are two that are commonest—morphine and codeine.

Mr. PERKINS. Those are the primary ones that we must consider when we consider the medicinal uses of drugs; is that correct?

Dr. BEECHER. For the relief of pain, yes. Codeine for the relief of coughs.

Mr. PERKINS. Those are narcotic drugs, are they not?

Dr. BEECHER. Yes, they are.

Mr. PERKINS. Would you tell us briefly where these drugs are derived from?

Dr. BEECHER. These drugs both come from opium and opium is a natural product coming from poppies.

Mr. PERKINS. Is there any way that these drugs can be produced by synthetic processes?

Dr. BEECHER. No; these drugs cannot be produced synthetically.

Mr. PERKINS. Is there any substitute that can be produced?

Dr. BEECHER. Yes, there are some good substitutes for morphine that have fairly recently been developed and tried, particularly in the last 3 years.

Mr. PERKINS. Would you tell us whether, in your opinion, these substitutes for morphine are satisfactory and describe them a little more fully?

Dr. BEECHER. Yes. There are two agents, both from the same family. One is called methadone and one is called levo-isomethadone. It is a related compound which is milligram for milligram the exact equivalent of morphine as far as pain-relieving power is concerned and is the same as morphine insofar as side actions are concerned.

Mr. PERKINS. What do you refer to?

Dr. BEECHER. Depression of respiration, production of nausea and vomiting.

Mr. PERKINS. How about codeine? Is there a synthetic for that?

Dr. BEECHER. That is not so well worked out. There are some that are coming along, but we are not sure about the codeine. That is a minor problem compared with the problem of morphine substitutes.

Mr. PERKINS. In other words, the primary drug doctors must use in their work is morphine and there is a satisfactory substitute for that?

Dr. BEECHER. Yes, we are sure of that now.

Mr. PERKINS. Is that being produced in any quantities today, in any considerable quantities?

Dr. BEECHER. Methadone?

Mr. PERKINS. Yes.

Dr. BEECHER. I cannot answer how extensively it is being produced. It is being produced as much as desired. It is easy to produce. It can be produced from cheap and common chemicals.

Mr. PERKINS. Realizing your special experience is that of a doctor and not a manufacturer of chemicals, do you know any barriers to the production of methadone on a large scale?

Dr. BEECHER. No, I do not.

Mr. PERKINS. In other words, in your opinion, methadone would be a satisfactory substitute for Nation-wide and world-wide use instead of morphine; is that correct?

Dr. BEECHER. I am as sure as one can be after 3 years of use. Sometimes these things take a long time to show up. The levo-iso-methadone form is better than the morphine. It is better as far as nausea is concerned, not insofar as pain relief is concerned. There is much less nausea than with morphine itself.

Mr. MOSER. Are these products patented or can they be manufactured by anybody?

Dr. BEECHER. That is out of my field of competence to answer. I do not know.

Mr. MOSER. You have used them in your hospital work?

Dr. BEECHER. Widely.

Mr. MOSER. You are in charge of anesthetics.

Dr. BEECHER. We construe that rather broadly. My job is a research professorship. We do a great deal of basic and applied research. This is one of our fields of interest.

Mr. MOSER. The investigation of the use of synthetic substitutes for morphine; is that correct?

Dr. BEECHER. That is correct. It has been for a number of years.

Mr. MOSER. Have you used this methadone and the other equivalent product, the levo-iso-methadone, extensively in your experiments?

Dr. BEECHER. Yes, we have used them for a wide variety of clinical uses for civilians and used them on the Hunghan beachhead during the evacuation there—both of them.

Mr. MOSER. As far as you are concerned, would you prefer this to morphine?

Dr. BEECHER. I would prefer the levo-iso form because there is less nausea and it is equally as good as morphine in the relief of pain.

Mr. MOSER. That one is superior?

Dr. BEECHER. Yes.

Mr. MOSER. You would say if there was no morphine, you could get along with levo-iso-methadone, if you could get enough of it?

Dr. BEECHER. I shouldn't be worried at all if there were no morphine. That would solve a good many problems, if there weren't any.

Mr. PERKINS. Do you think the medical profession would support world-wide prohibition of opium if we could get enough synthetic production?

Dr. BEECHER. I am sure we could get enough synthetics because they could be made from the nitriles. They are easy to make and cheap. We could easily supply the needs synthetically, but how quickly doctors would acquiesce to this, I do not know. Doctors are great believers in tradition. It takes a long time to get them to adopt new ways and new methods when they haven't had personal experience with these things. There are good reasons why doctors are slow to accept these things. But I know that these agents are adequate substitutes and even better than morphine in one case.

Mr. MOSER. You believe with education doctors would accept it as a substitute, as they get to know it better?

Dr. BEECHER. They might be reluctant to become educated if morphine were not cut off; however, if morphine were cut off, they would

quickly adopt methadone and be satisfied with it. I am sure they couldn't distinguish between methadone and morphine. They are identical. If they were to deal with them as unknowns, they couldn't distinguish between methadone and morphine.

The CHAIRMAN. Dr. Beecher, we have an inquiry we would like to make and have the benefit of your judgment about it, respecting as we do your views. That has to do with the possible prohibition of opium production, because it has been noted that the drug manufacture apparently can be kept under international control. Our committee feels that it might be timely to have the Government move into the orbit of urging the prohibition of opium production, declare it outlawed and to stamp it as a menace to the welfare and the health of the world.

Would you give us the benefit of your views in regard to that?

Dr. BEECHER. I think there is one problem that comes up here. That is the fact that I refer back to the statement I made a minute ago that these agents can be made from cheap and common chemicals. Unfortunately, they can be made by third-rate chemists in their cellars. I do not understand how one can be positive at this time why that wouldn't be a considerable problem. Obviously, it is a problem and can be a problem. You cannot possibly control the nitriles. They are used everywhere in commerce. One can jump from them to the synthetic narcotics quite simply.

Mr. MOSER. Mr. Harney indicated that their experience over the world throughout the years has indicated that the growing of opium cannot be controlled, whereas the manufacture of it, which is done in less places, can be controlled and that, if you could limit it to the manufacturing, they would have a much easier time controlling it.

Dr. BEECHER. Experience does not extend over a period of years with these easily made synthetic agents.

Mr. MOSER. In any case, you would agree that if the growing of opium were abolished throughout the world, that would not be cause for any curtailment of the medical treatment from this point of view?

Dr. BEECHER. There is, to my mind, a lesser problem of the production of codeine. We are not sure we have substitutes for codeine that are equally as good as codeine for the suppression of cough. We have studies under way. Codeine comes from opium, too. We just cannot quite answer that. I think it is a minor problem compared with the major problems you have just discussed here today.

Mr. MOSER. The answer to my question, I suppose, then is simply: Yes; it would not interfere with the medical profession if opium growing were abolished and if the production of the synthetics were built up.

Dr. BEECHER. Let's be precise. It would not interfere with the treatment of severe pain, which is the only legitimate use almost for morphine. Doctors use morphine for many things that are not wise, in my judgment. The really important use for morphine is in the treatment of severe pain. The synthetics can handle that.

Mr. MOSER. It seems to me that it is very simple. If morphine is not needed medically because these new products can take its place, then there is no reason why, except for the small exception of codeine, the world-wide production of opium should not be abolished.

Dr. BEECHER. That is right, but doctors would disagree as to how small the problem of codeine was. In my judgment, it is much less of a problem than morphine.

Mr. Moser. You say it is a minor problem.

Dr. Beecher. In my judgment it is minor compared with the morphine problem.

Senator Kefauver. What is demerol?

Dr. Beecher. It is an agent for relieving pain with which I have had very little experience.

Senator Kefauver. What is its basis? Is it a heroin or morphine base or what?

Dr. Beecher. I prefer not to comment at all. My experience has been too limited.

Senator Kefauver. Is there much of these substitutes manufactured in the United States at the present time?

Dr. Beecher. Yes. They are being manufactured by several companies.

Senator Kefauver. All under license, of course, all that you know of?

Dr. Beecher. I know nothing about the licensing, Senator.

Senator Kefauver. They are available on the market for physicians?

Dr. Beecher. The first one I mentioned is available. I believe the levo-iso is not available, but will be shortly. Several companies are getting into production with it.

Senator Kefauver. Who is the chief producer of the methadone?

Dr. Beecher. I believe the Mallinckrodt Co. They are in St. Louis. They have been interested in it.

Senator Kefauver. That is all.

The Chairman. That is all, Doctor. Thank you very much.

Joseph Casablanca.

Will you raise your right hand?

In the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. Casablanca. I do.

The Chairman. John Cusack.

Will you be sworn, please?

Mr. Cusack, in the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. Cusack. I do.

TESTIMONY OF JOSEPH CASABLANCA, NEW YORK, N. Y., AND JOHN T. CUSACK, FEDERAL NARCOTICS AGENT

The Chairman. We will ask that no pictures be taken of the witness, Mr. Cusack.

Your name?

Mr. Casablanca. Joseph Casablanca.

The Chairman. And what is your residence?

Mr. Casablanca. 217 East One Hundred and Seventh Street, New York City.

The Chairman. What is your occupation?

Mr. Casablanca. Plasterer's helper, laborer.

The Chairman. For how long have you worked in that occupation?

Mr. Casablanca. Five years, on and off.

The CHAIRMAN. You have a family?

Mr. CASABLANCA. Yes.

The CHAIRMAN. Married?

Mr. CASABLANCA. That is right.

The CHAIRMAN. How many children?

Mr. CASABLANCA. Two.

The CHAIRMAN. Mr. Perkins, will you proceed, please.

Mr. PERKINS. Have you been known by another name? Do you have an alias?

Mr. CASABLANCA. Yes.

Mr. PERKINS. What is that?

Mr. CASABLANCA. Joe Googs.

Mr. PERKINS. Joe, have you ever been in the narcotics racket?

Mr. CASABLANCA. Yes.

Mr. PERKINS. When were you first convicted on a narcotics charge?

Mr. CASABLANCA. 1937 or 1938, I don't remember.

Mr. PERKINS. I believe 1937 is correct.

Mr. CASABLANCA. That is right.

Mr. PERKINS. Do you know what court that was in?

Mr. CASABLANCA. New York.

Mr. PERKINS. In the southern district of New York?

Mr. CASABLANCA. Yes.

Mr. PERKINS. What was the nature of the charge?

Mr. CASABLANCA. Narcotics.

The CHAIRMAN. Were you convicted of peddling or of using it?

Mr. CASABLANCA. Peddling it.

Mr. PERKINS. That was for three separate sales of heroin, was it not?

Mr. CASABLANCA. I don't remember.

Mr. PERKINS. The records indicate three sales on March 29, April 1, and April 3, of 1937. That was the charge you pleaded guilty to; is that correct?

Mr. CASABLANCA. That is correct.

Mr. PERKINS. Did you have a partner at that time?

Mr. CASABLANCA. Yes.

Mr. PERKINS. What was his name?

Mr. CASABLANCA. Leonard Salemi.

Mr. PERKINS. What was the sentence you got?

Mr. CASABLANCA. Fifteen months.

Mr. PERKINS. For three separate sales of heroin?

Mr. CASABLANCA. That is right.

Mr. PERKINS. How long did you actually serve?

Mr. CASABLANCA. A year and a day.

Mr. PERKINS. Were you just a small operator then or were you a big operator?

Mr. CASABLANCA. I believe I was small.

Mr. PERKINS. You were small, you say? Where did you get your heroin at that time?

Mr. CASABLANCA. From Joseph Gagliano.

Mr. PERKINS. Is he also known as "Pip" Gagliano?

Mr. CASABLANCA. That is right.

Mr. PERKINS. And "Pip the Blind"?

Mr. CASABLANCA. That is right.

Mr. PERKINS. Is he one of the most notorious narcotics racketeers, do you know?

Mr. CASABLANCA. I don't know.

Mr. PERKINS. Would you have answered who was your source of supply if "Pip the Blind" was living?

Mr. CASABLANCA. No; I do not think so.

Mr. PERKINS. Why not?

Mr. CASABLANCA. Because I do not feel like answering the questions.

Mr. PERKINS. You wouldn't disclose your source of supply if "Pip the Blind" had not committed suicide in jail 2 years ago; is that correct?

The CHAIRMAN. Is that right?

Mr. PERKINS. When you came out of Leavenworth, did you go right back into the narcotics racket?

Mr. CASABLANCA. No.

Mr. PERKINS. You were convicted again, were you not?

Mr. CASABLANCA. That is right.

Mr. PERKINS. When were you convicted?

Mr. CASABLANCA. I don't remember the year.

The CHAIRMAN. How long after you came out of Leavenworth was it that you were again involved in this?

Mr. CASABLANCA. It might have been a couple of years later. I do not remember.

The CHAIRMAN. Counsel, can you give us the exact date?

Mr. PERKINS. He pleaded guilty on January 13, 1942, to charges of conspiracy for the sale of narcotics.

The CHAIRMAN. Did that have to do with peddling or addiction?

Mr. CASABLANCA. A Government agent and a woman came right in my home and this girl asked me for goods. So I said I wasn't doing anything. She begged me for goods. I said I couldn't help her. I told her I was not doing anything any more. Finally, she stood there close to a half hour or an hour and she got on her knees. The only way I could help her was to send her to someone I had met, someone I had met previous to that. I wanted to buy a scratch sheet. As I was buying a scratch sheet, I met a fellow buying a scratch sheet also. He told me if I was doing anything, and I said that I was not. He said, "If you have any customers, send them my way."

I said, "I am not fooling around."

He said, "Keep me in mind."

Sure enough this girl kept begging me and I sent her there. Four months later I was arrested for that.

The CHAIRMAN. You pleaded guilty?

Mr. CASABLANCA. Yes.

Mr. PERKINS. The charge was that you arranged for the sale of narcotics.

Mr. CASABLANCA. I don't know what you said.

Mr. PERKINS. The charge was conspiracy for the sale of narcotics.

Mr. CASABLANCA. I don't know if it was conspiracy.

Mr. PERKINS. Going back to "Pip the Blind"—

The CHAIRMAN. What was the outcome of the case? What happened to you?

Mr. CASABLANCA. I got 18 months and 2 years probation.

Mr. PERKINS. That was an 18 months' sentence, even though you had a previous conviction?

Mr. CASABLANCA. That is right.

Mr. PERKINS. Where did you meet this "Pip the Blind"?

Mr. CASABLANCA. In One Hundred and Seventh Street.

Mr. PERKINS. Whereabouts is One Hundred and Seventh Street?

Mr. CASABLANCA. Second and Third Avenue.

Mr. PERKINS. One Hundred and Seventh Street, Second and Third Avenue. Is that what they call the heart of the One Hundred and Seventh Street mob?

Mr. CASABLANCA. I don't know if they call it that. I live there.

Mr. PERKINS. Do you know if that is a great center of narcotic traffic?

Mr. CASABLANCA. From what I read in the papers, it is.

Mr. PERKINS. You met this "Pip the Blind" at One Hundred and Seventh Street, between Second and Third Avenue. Did he approach you to make sales on his behalf?

Mr. CASABLANCA. He asked me if I was in business, if I could buy from him.

Mr. PERKINS. What did you say?

Mr. CASABLANCA. I said "Yes."

Mr. PERKINS. You asked him for heroin?

Mr. CASABLANCA. That is right.

Mr. PERKINS. He supplied you immediately?

Mr. CASABLANCA. Yes.

Mr. PERKINS. You wanted heroin and whenever you did so, you would call him up and make an appointment, or how would you arrange it?

Mr. CASABLANCA. I waited until he came into the neighborhood.

Mr. PERKINS. Where would he make the transfer?

Mr. CASABLANCA. What do you mean by "transfer"?

Mr. PERKINS. Where would he pass the dope to you? On a street corner?

Mr. CASABLANCA. On a street corner or in a hallway.

Mr. PERKINS. How much would he give you at one time?

Mr. CASABLANCA. If I remember correctly, the most I ever picked up was 8 ounces.

Mr. PERKINS. How much did you pay for the 8 ounces?

Mr. CASABLANCA. \$48.

Mr. PERKINS. How much did he sell it for?

Mr. CASABLANCA. \$11 apiece.

Mr. PERKINS. So you made almost a hundred percent profit; is that correct?

Mr. CASABLANCA. No; I bought it for \$67. I made \$4 apiece.

Mr. PERKINS. How many customers did you have?

Mr. CASABLANCA. Well, I can't remember. I think it was three or four.

Mr. PERKINS. Do you know whether the price you bought at is much lower than the price today?

Mr. CASABLANCA. I don't understand you.

Mr. PERKINS. Was dope cheaper then when you were buying it?

Mr. CASABLANCA. From what I read in the papers, it was cheaper.

Mr. PERKINS. It is more expensive today?

Mr. CASABLANCA. Yes.

Mr. PERKINS. It is more expensive today. I believe you told the Senator you are a building plasterer. Are you working now?

Mr. CASABLANCA. No.

Mr. PERKINS. Are you looking for a job?

Mr. CASABLANCA. Yes; I expect to go back to work soon.

Mr. PERKINS. It is the height of the building season right now, isn't it?

Mr. CASABLANCA. That is right.

Mr. PERKINS. And you support a wife and two children?

Mr. CASABLANCA. I do a little gambling. I manage to support my wife. I borrow.

Mr. PERKINS. Your wife and family, where are they?

Mr. CASABLANCA. Long Branch, N. J.

Mr. PERKINS. Is that a summer resort?

Mr. CASABLANCA. They call it a summer resort.

Mr. PERKINS. It is a summer resort.

How do you manage this? You say you do a little gambling. Where is the gambling carried on?

Mr. CASABLANCA. Gambling?

Mr. PERKINS. Yes.

Mr. CASABLANCA. Street gambling, street games, crap games.

Mr. PERKINS. Is that near the Georgetown Bar, by any chance?

Mr. CASABLANCA. No. It is a street game. You go from block to block.

Mr. PERKINS. You do hang out near the Georgetown Bar?

Mr. CASABLANCA. That is right.

Mr. PERKINS. What kind of bets do you take?

Mr. CASABLANCA. I book a little baseball, small bets.

Mr. PERKINS. Mostly baseball bets. How much do you make as a bookie?

Mr. CASABLANCA. I wouldn't call myself a bookie. It is a wager between two fellows.

Mr. PERKINS. Could you describe the distinction? What is the difference between that and a bookie?

Mr. CASABLANCA. Everybody bets in to a bookie. A wager is between two fellows.

Mr. PERKINS. And your job is what?

Mr. CASABLANCA. Either I book the game or he books the game. That is all it is.

Mr. PERKINS. How do you carry this openly? Do you manage to buy the cops off?

Mr. CASABLANCA. No.

Mr. PERKINS. Have you ever given cops money not to arrest you?

Mr. CASABLANCA. In the course of a crap game, if I got arrested, right there I will tell him to take a \$5 bill.

Mr. PERKINS. You did this just last week, didn't you?

Mr. CASABLANCA. That is right.

Mr. PERKINS. You told me, I believe, that you gave a "bull" five bucks last week and he let you go.

Mr. CASABLANCA. That is right.

Mr. PERKINS. I am interested in knowing whether this can happen in the narcotics racket. Is there any police protection for narcotics?

Mr. CASABLANCA. I don't believe there is.

Mr. PERKINS. You don't think dope pushers can buy off the cops?

Mr. CASABLANCA. I don't believe so.

Mr. PERKINS. Do you think pushers are getting out of the dope business today?

Mr. CASABLANCA. I believe they are.

Mr. PERKINS. Why? Do you know why?

Mr. CASABLANCA. Because the sentences are stiffer now.

Mr. PERKINS. You think that stiffer sentences tend to keep dope pushers out of the business?

Mr. CASABLANCA. That is my personal belief.

Mr. PERKINS. You have been in the business yourself?

Mr. CASABLANCA. That is right.

Mr. PERKINS. Most dope pushers are a pretty wealthy bunch. Do they seem to have lots of dough?

Mr. CASABLANCA. I don't know.

Mr. PERKINS. You do not know.

I would now like to ask you about your activities in 1946. You were arrested on dope charges in 1946, were you not?

Mr. CASABLANCA. When was that? 1946?

Mr. PERKINS. In 1946. July 31. Were you arrested?

Mr. CASABLANCA. That is right.

Mr. PERKINS. Where were you arrested?

Mr. CASABLANCA. The city of Chicago.

Mr. PERKINS. The city of Chicago. Had you just arrived there?

Mr. CASABLANCA. Yes, sir.

Mr. PERKINS. By airplane?

Mr. CASABLANCA. Yes, sir.

Mr. PERKINS. From New York?

Mr. CASABLANCA. Yes, sir.

The CHAIRMAN. On what charge?

Mr. CASABLANCA. They picked me up off the plane.

The CHAIRMAN. Did they hold you?

Mr. CASABLANCA. Yes; they held me for 15 days.

The CHAIRMAN. Did they prefer any charges against you?

Mr. CASABLANCA. No. After that I went back to New York. I wasn't indicted.

Mr. PERKINS. Your brother John had just been arrested, had he not?

Mr. CASABLANCA. When was that?

Mr. PERKINS. That same night.

Mr. CASABLANCA. That is right.

Mr. PERKINS. Your brother, John Casablanca. Where had he been arrested?

Mr. CASABLANCA. LaGuardia Airport.

Mr. PERKINS. LaGuardia Airport?

Mr. CASABLANCA. That is right.

Mr. PERKINS. In New York?

Mr. CASABLANCA. Yes.

Mr. PERKINS. Who was arrested with your brother, John Casablanca, at LaGuardia?

Mr. CASABLANCA. My brother-in-law.

Mr. PERKINS. Your brother-in-law. What is his name?

Mr. CASABLANCA. Thomas Toscano.

Mr. PERKINS. Thomas Toscano?

Mr. CASABLANCA. That is right.

Mr. PERKINS. That is, T-o-s-c-a-n-o?

Mr. CASABLANCA. Yes.

Mr. PERKINS. Now, did your brother, John Casablanca, and your brother-in-law have any dope on them when they were arrested?

Mr. CASABLANCA. From what I understood, they had dope.

Mr. PERKINS. They had dope. How much dope?

Mr. CASABLANCA. I don't know.

Mr. PERKINS. If I told you it was 3 ounces of heroin and 2,400 tablets of morphine sulfate, would that refresh your memory?

Mr. CASABLANCA. I don't know; I don't remember.

Mr. PERKINS. You had been with your brother John all that afternoon, had you not?

Mr. CASABLANCA. Yes, sir. We went to the ball game together.

Mr. PERKINS. You went to the ball game. Who else went to the ball game with you?

Mr. CASABLANCA. My brother-in-law.

Mr. PERKINS. Your brother-in-law, Thomas Toscano?

Mr. CASABLANCA. Yes.

Mr. PERKINS. And those were the two men who were arrested at LaGuardia Airport the same night with the 3 ounces of heroin and the 2,400 tables of morphine sulfate.

Now, when you were at the ball game, did you make any plans for the evening's activities?

Mr. CASABLANCA. No.

Mr. PERKINS. No. When did you leave for LaGuardia Airport that night?

Mr. CASABLANCA. I don't remember the time I left.

Mr. PERKINS. We have a signed statement here by you indicating that you had left for LaGuardia Airport at about 1:15 a.m. on July 31, in a taxicab. Does that sound correct to you today?

Mr. CASABLANCA. It might have been.

Mr. PERKINS. Did you know that your brother John and your brother-in-law, Thomas Toscano, left for LaGuardia?

Mr. CASABLANCA. No.

Mr. PERKINS. You did not know that?

Mr. CASABLANCA. No.

Mr. PERKINS. Agent Cusack, from the files of the Federal Bureau of Narcotics, does it appear that John Casablanca and Thomas Toscano left for LaGuardia Airport at 1:35 a. m. on July 31, 1946, under the observation of agents of the Federal Bureau of Narcotics?

Mr. CUSACK. Yes, sir; it does so appear that way.

Mr. PERKINS. And did they observe the traveling of those two men to LaGuardia Airport?

Mr. CUSACK. They were trailed to LaGuardia Airport and at an opportune moment were arrested, and those narcotics were found in their possession by agents of the Federal Bureau of Narcotics.

Mr. MOSER. Mr. Cusack, would you tell us just how the whole thing worked, rather than answering yes or no to the question? Just tell us what happened.

Mr. CUSACK. Toscano and John Casablanca were placed under the surveillance by agents of the Bureau and they were trailed from a point in New York City to LaGuardia Airport, at which time, before boarding an airplane, or before they transferred the drugs to anyone, they were arrested by the agents and were found in possession of the drugs. Meanwhile, Joseph Casablanca had departed on an airplane for Chicago.

Mr. PERKINS. Mr. Casablanca, were you going to carry those narcotics to Chicago?

Mr. CASABLANCA. I wasn't in no narcotics business.

Mr. PERKINS. You were not in the narcotic business?

Mr. CASABLANCA. No, sir.

Mr. PERKINS. Did you know that your brother John—

Mr. CASABLANCA. No; I was not even on talking terms with my brother John.

Mr. PERKINS. You had been at the ball game with him all afternoon?

Mr. CASABLANCA. Yes. But there was a cold feeling between both of us.

Mr. PERKINS. A cold feeling?

Mr. CASABLANCA. That is right.

Mr. PERKINS. But you did attend ball games together?

Mr. CASABLANCA. Yes. But I didn't talk to him. I had nothing to do with him.

Mr. PERKINS. Did you know that your brother John had a reservation on the same plane to Chicago?

Mr. CASABLANCA. No.

Mr. PERKINS. If I showed you this airplane ticket, which was found on the person of your brother John, which is a reservation on the same plane you took to Chicago, would that refresh your memory as to the arrangements you made with your brother John?

Mr. CASABLANCA. I don't know what you mean.

Mr. PERKINS. This airplane ticket indicates that your brother John made a reservation for the same plane to Chicago as you took, and he used the pseudonym J. Castro. That ticket was found in his possession.

Mr. CASABLANCA. I don't know what he did.

Mr. PERKINS. You did not know that he had made that reservation?

Mr. CASABLANCA. No, I never knew it.

Mr. PERKINS. Is it not quite a coincidence that you and Thomas Toscano and your brother John had been together all afternoon and that you did not know of each other's plans to take the same plane to Chicago on the same night at a most unlikely hour of the day, 2 or 3 a. m.? Do you regard that as a coincidence.

Mr. CASABLANCA. It is possible.

Mr. PERKINS. Just a possible coincidence. Did you know that the narcotics seized from your brother and your brother-in-law were definitely ascertained to be part of a \$500,000 shipment of drugs stolen from the Eli Lilly Co.?

Mr. CASABLANCA. No.

Mr. PERKINS. In the previous year?

Mr. CASABLANCA. No.

Mr. PERKINS. You did not know that?

Mr. CASABLANCA. No.

Mr. PERKINS. That is all I have.

The CHAIRMAN. That is all.

Senator KEFAUVER. May I ask him a question?

The CHAIRMAN. Senator Kefauver. I beg your pardon.

Senator KEFAUVER. You have been peddling dope off and on for 15 or 16 years; is that right?

Mr. CASABLANCA. No.

Senator KEFAUVER. You began back in 1935?

Mr. CASABLANCA. No.

Senator KEFAUVER. Weren't you first convicted in 1935?

Mr. CASABLANCA. No.

Mr. PERKINS. 1937?

Senator KEFAUVER. 1937. You were first convicted in 1937. Do most of the peddlers use dope themselves?

Mr. CASABLANCA. No.

Senator KEFAUVER. You do not, yourself?

Mr. CASABLANCA. No.

Senator KEFAUVER. If you sell it, why do you not use it yourself?

Mr. CASABLANCA. I don't sell it. I am not selling it.

Senator KEFAUVER. I mean, when you did sell it.

Mr. CASABLANCA. (No response.)

Senator KEFAUVER. Is it a part of the trade of dope sellers that they never become addicts themselves?

Mr. CASABLANCA. That I wouldn't know.

Senator KEFAUVER. Do you know any sellers who are addicts themselves?

Mr. CASABLANCA. No, I don't know.

Senator KEFAUVER. But you do know a lot of people who do sell, or have sold in the past, do you not?

Mr. CASABLANCA. No, I don't.

Senator KEFAUVER. What is that?

Mr. CASABLANCA. I said I don't know nobody.

Senator KEFAUVER. You do not know any people who are in the same trade that you were in?

Mr. CASABLANCA. Yes.

Senator KEFAUVER. You know some?

Mr. CASABLANCA. Yes.

Senator KEFAUVER. Do you know any of them who were addicts themselves?

Mr. CASABLANCA. No.

Senator KEFAUVER. If you sell it to other people, why would you not use it yourself?

Mr. CASABLANCA. I don't know. I can't answer that question.

Senator KEFAUVER. When you were selling it, were you looking for new customers? Did you try to find new customers to sell it to?

Mr. CASABLANCA. No.

Senator KEFAUVER. You just had your regular five or six customers, or four or five?

Mr. CASABLANCA. That is right.

Senator KEFAUVER. How would you get your customers? Did somebody assign them to you?

Mr. CASABLANCA. I was looking for new customers when I first got arrested. I asked him if he had some customers, and he brought a Federal agent around.

Senator KEFAUVER. Who was it that brought the Federal agent around?

Mr. CASABLANCA. One of my customers.

Senator KEFAUVER. So you did not want to enlarge your business because you might run into another Federal agent; is that correct?

Mr. CASABLANCA. No. I am talking about the first arrest.

Senator KEFAUVER. How many people were you selling when you first got arrested?

Mr. CASABLANCA. Three or four people.

Senator KEFAUVER. Then you looked for more customers and got the Federal agent?

Mr. CASABLANCA. That is right.

Senator KEFAUVER. How much would be your profit a month out of dope-selling, back when you were operating?

Mr. CASABLANCA. After 4 months——

Senator KEFAUVER. What is that?

Mr. CASABLANCA. I was in business 4 months and I was arrested.

Senator KEFAUVER. How much did you make in those 4 months?

Mr. CASABLANCA. I bought an average of maybe eight pieces a week.

Senator KEFAUVER. And how much profit would you make on eight pieces a week?

Mr. CASABLANCA. You make about \$4 apiece.

Senator KEFAUVER. You mean, just \$32 a week was all you made?

Mr. CASABLANCA. That is all.

Senator KEFAUVER. That was not enough to support you, was it?

Mr. CASABLANCA. No.

Senator KEFAUVER. And you did some gambling on the side?

Mr. CASABLANCA. That is right.

Senator KEFAUVER. Where would you find customers when you were looking for them? Would you look around gambling places and places of that kind?

Mr. CASABLANCA. No. You would ask one of your own customers if he knew anyone.

Senator KEFAUVER. Do you know where the dope came from that you sold; who brought it into the country?

Mr. CASABLANCA. No.

Senator KEFAUVER. How do you carry it around when you are selling it, or transporting it?

Mr. CASABLANCA. In your pocket.

Senator KEFAUVER. You just carry it in your pocket?

Mr. CASABLANCA. That is right.

Senator KEFAUVER. What was it you were selling? Do you know?

Mr. CASABLANCA. No; I don't remember.

Senator KEFAUVER. Heroin or morphine?

Mr. CASABLANCA. I don't remember.

Senator KEFAUVER. All right.

The CHAIRMAN. That is all.

Arthur Leo.

TESTIMONY OF ARTHUR LEO, NEW YORK, N. Y.

The CHAIRMAN. Will you raise your right hand? In the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. LEO. I do.

They aren't going to take these pictures here? Is there a "must" to pictures?

The CHAIRMAN. You do not want them?

Mr. LEO. No.

The CHAIRMAN. What is your full name?

Mr. LEO. Arthur Leo.

The CHAIRMAN. Arthur Leo. And what is your address?

Mr. LEO. 339 East One Hundred and Fifth Street.

The CHAIRMAN. 339 East One Hundred and Fifth Street?

Mr. LEO. That is right.

The CHAIRMAN. One Hundred and Fifth Street?

Mr. LEO. That is correct.

The CHAIRMAN. In New York City?

Mr. LEO. Yes.

The CHAIRMAN. It is permissible to take pictures before the testimony is begun.

Mr. LEO. Why should I be embarrassed that way? After all, it is unnecessary.

The CHAIRMAN. The committee permits the taking of pictures before the testimony is begun, but not to interrupt the witness during the giving of his testimony.

Mr. LEO. After all, I paid the penalty for what I did. Why should I revive it all over again by taking pictures and all that?

The CHAIRMAN. We cannot make one rule for one and another rule for another. We have a uniform rule here that permits the taking of pictures before the testimony is begun.

You are asked to keep your voice up and answer the questions that are propounded to you.

All right, Mr. Perkins. Proceed.

Mr. PERKINS. Mr. Campbell.

The CHAIRMAN. Mr. Campbell, please.

Mr. CAMPBELL. Mr. Leo, do you have any aliases? Are you known by any other names?

Mr. LEO. Yes. Tommy.

Mr. CAMPBELL. Have you ever been called Chink?

Mr. LEO. That is correct.

Mr. CAMPBELL. You are referred to as Chink Leo?

Mr. LEO. That is correct.

Mr. CAMPBELL. Have you ever been arrested?

Mr. LEO. I have.

Mr. CAMPBELL. For what crimes?

Mr. LEO. Several crimes.

Mr. CAMPBELL. Have you ever been arrested on a narcotics charge?

Mr. LEO. That is right.

Mr. CAMPBELL. Do you recall the date of that arrest?

Mr. LEO. Not the exact date.

Mr. CAMPBELL. Was it in 1946?

Mr. LEO. It could have been 1946 or 1945; 1945 or 1946.

Mr. CAMPBELL. If I give you the date of June 23, 1946, does it refresh your recollection?

Mr. LEO. Yes, sir.

Mr. CAMPBELL. What was the result of that arrest?

Mr. LEO. I received 4 months and a year's probation.

Mr. CAMPBELL. Did you plead guilty?

Mr. LEO. I pleaded guilty.

Mr. CAMPBELL. Where did you serve your 4 months?

Mr. LEO. In Danbury, Conn.

Mr. CAMPBELL. Do you remember the name of the judge sentencing you?

Mr. LEO. Mandelbaum.

Mr. CAMPBELL. Judge Mandelbaum. For any other crimes?

Mr. LEO. I don't remember. I imagine I did.

Mr. CAMPBELL. Were you ever convicted for a policy?

Mr. LEO. Yes.

Mr. CAMPBELL. On one or more occasions?

Mr. LEO. Several times.

Mr. CAMPBELL. One or two or three times?

Mr. LEO. Yes.

Mr. CAMPBELL. Were you ever arrested for rape?

Mr. LEO. Yes.

Mr. CAMPBELL. But you were acquitted on that charge; is that correct?

Mr. LEO. That is correct.

Mr. CAMPBELL. Or was the indictment dropped?

Mr. LEO. Dismissed.

Mr. CAMPBELL. Dismissed. Do you recall the congressional election in the Nineteenth District in 1946?

Mr. LEO. Yes.

Mr. CAMPBELL. Do you recall the murder of the Republican captain, Scottorigio?

Mr. LEO. That is correct.

Mr. CAMPBELL. Were you interrogated in regard to that murder?

Mr. LEO. Yes, I was.

Mr. CAMPBELL. Were you ever a member of the LaGuardia Political Club?

Mr. LEO. No.

Mr. CAMPBELL. Whom did you support in that election in 1946?

Mr. LEO. I did not vote at all in that year.

Mr. CAMPBELL. You did not vote?

Mr. LEO. No, I did not vote.

Mr. CAMPBELL. Since the date of your interrogation on the Scottorigio murder, have you received any further information on that crime?

Mr. LEO. No.

Mr. CAMPBELL. Have you ever been in Sonny's Bar on One Hundred and Fourth Street and First Avenue?

Mr. LEO. Occasionally.

Mr. CAMPBELL. Would you say occasionally or frequently?

Mr. LEO. Occasionally.

Mr. CAMPBELL. Have you ever been in the Hotel Harmony?

Mr. LEO. That is right.

Mr. CAMPBELL. That is at One Hundred and Tenth and Broadway?

Mr. LEO. That is correct.

Mr. CAMPBELL. What is your business?

Mr. LEO. At the present time?

Mr. CAMPBELL. Yes.

Mr. LEO. Fish market.

Mr. CAMPBELL. You have a fish business?

Mr. LEO. That is right.

Mr. CAMPBELL. Have you ever been in the horse business? Have you ever operated a horse room?

Mr. LEO. No. I have just been in the horse business—no horse room—just like that.

Mr. CAMPBELL. Have you ever told a Federal agent that you operated a horse room?

Mr. LEO. It was just more of a conversation that didn't mean anything.

Mr. CAMPBELL. Did you say that you operated a horse room in New Jersey?

Mr. LEO. No, I didn't.

Mr. CAMPBELL. On this matter of your narcotics conviction, where did you get the dope that you sold?

Mr. LEO. Right offhand, I don't remember. It was 6 years ago. At the time when they did ask me, I gave them a name, and that was the end of it.

Mr. CAMPBELL. That was for the sale of morphine sulfate?

Mr. LEO. That is correct.

Mr. CAMPBELL. And you got the morphine sulfate from somebody, but you do not remember whom?

Mr. LEO. That is correct.

Mr. CAMPBELL. Can you describe him in any way?

Mr. LEO. At the time I did describe the person, but now it is tough to describe him.

Mr. CAMPBELL. You do not recall his name?

Mr. LEO. His name or a description of him. Of course, it was 6 years ago.

Mr. CAMPBELL. Did you file an income tax return for 1950?

Mr. LEO. No.

Mr. CAMPBELL. Have you ever filed an income tax return?

Mr. LEO. No, not yet.

Mr. CAMPBELL. What was your estimated income in 1950?

Mr. LEO. Well, I had no income at that time.

Mr. CAMPBELL. You had no income during 1950?

Mr. LEO. That is correct.

Mr. CAMPBELL. Do you own an automobile?

Mr. LEO. No.

Mr. CAMPBELL. Have you ever owned an automobile?

Mr. LEO. No.

Mr. CAMPBELL. You never owned a Buick automobile?

Mr. LEO. No. It was a family car. It wasn't my car.

Mr. CAMPBELL. Who paid for it?

Mr. LEO. My brother-in-law and my father.

Mr. CAMPBELL. Did you use it?

Mr. LEO. Yes; occasionally.

Mr. CAMPBELL. Frequently?

Mr. LEO. Occasionally.

Mr. CAMPBELL. Would you say daily or weekly?

Mr. LEO. Daily.

Mr. CAMPBELL. You used the car daily?

Mr. LEO. When I had to use the car, I would ask for it and I would use it.

Mr. CAMPBELL. That would be almost every day?

Mr. LEO. No; sometimes maybe once a week and sometimes three times a week.

Mr. CAMPBELL. You say that your family bought that car. Do you recall the price?

Mr. LEO. Yes; I do.

Mr. CAMPBELL. What was the price?

Mr. LEO. \$1,800.

Mr. CAMPBELL. Did you sell the Buick?

Mr. LEO. Yes.

Mr. CAMPBELL. Do you remember the sale price?

Mr. LEO. No; I don't.

Mr. CAMPBELL. Did you receive the proceeds of the sale yourself?

Mr. LEO. No.

Mr. CAMPBELL. Your family did?

Mr. LEO. Yes.

Mr. CAMPBELL. Do you own an automobile now?

Mr. LEO. No.

Mr. CAMPBELL. Do you drive an automobile frequently?

Mr. LEO. Not now. No one in the family has a car.

Mr. CAMPBELL. Have you ever driven a Cadillac recently?

Mr. LEO. No. I would say about 9 months ago.

Mr. CAMPBELL. Whose Cadillac was that?

Mr. LEO. The family's car, too, the brother-in-law and the father.

Mr. CAMPBELL. In whose name was it registered?

Mr. LEO. My brother-in-law's name.

Mr. CAMPBELL. What is his name?

Mr. LEO. Valenti. Salvatore Valenti.

The CHAIRMAN. What does he do for a business?

Mr. LEO. He is in the fuel business. He installs oil burners.

The CHAIRMAN. What is your father's business?

Mr. LEO. He is not in business at the present time.

The CHAIRMAN. How long has he been out of business?

Mr. LEO. My father?

The CHAIRMAN. Yes.

Mr. LEO. I would say about a year.

Mr. CAMPBELL. Did you ever tell a Federal agent that you owned this Cadillac?

Mr. LEO. No. A Federal agent questioned me about it, and I denied it was my car. I said, "How could it be my car? It is my brother-in-law's car."

Mr. CAMPBELL. You used that car frequently, did you not?

Mr. LEO. Yes; occasionally.

Mr. CAMPBELL. Do you mean occasionally or frequently? Did you use it every day or every other day?

Mr. LEO. Not necessarily. When I had to go somewhere and the car was available, I would borrow it.

Mr. CAMPBELL. And this was the car, in the name of your brother-in-law?

Mr. LEO. That is right.

Mr. CAMPBELL. In regard to your fish business, how long have you owned that business?

Mr. LEO. Five months.

Mr. CAMPBELL. How much did you pay for it?

Mr. LEO. \$2,300.

Mr. CAMPBELL. Was that your own money?

Mr. LEO. No.

Mr. CAMPBELL. It was not your own money?

Mr. LEO. No.

Mr. CAMPBELL. Where did you get the amount?

Mr. LEO. From the family. My mother and my father gave to me.

Mr. CAMPBELL. Do you know anything about the fish business?

Mr. LEO. Now I do. At the beginning I didn't.

Mr. CAMPBELL. Did you at the time you bought it?

Mr. LEO. At the beginning I didn't know a thing. I had someone that knew the business, and he still works for me.

Mr. CAMPBELL. Do you hire an employee to run the business? How many hours a day do you put in there?

Mr. LEO. I put in about 6 hours a day.

Mr. CAMPBELL. Did you serve in the Army during the last war?

Mr. LEO. No.

Mr. CAMPBELL. During the Second World War?

Mr. LEO. No.

Mr. CAMPBELL. What was your classification?

Mr. LEO. IV-F.

Mr. CAMPBELL. Do you recall for what reason?

Mr. LEO. No; I don't remember, offhand.

Mr. CAMPBELL. Do you know Frank Pocaro?

Mr. LEO. Yes.

The CHAIRMAN. You mean that you got a classification other than I-A and you do not know about it?

Mr. LEO. I received some notice that I was in IV-F, and that is about all. I never inquired any more.

The CHAIRMAN. You certainly were interested enough to know whether you were going to be drafted or not?

Mr. LEO. Yes, sir.

The CHAIRMAN. Didn't you find out? You know enough to get around, and have sold dope, and gone into business for yourself. Do you want us to believe that you do not know the reason why you were deferred?

Mr. LEO. If he knows, he can refresh my mind.

The CHAIRMAN. I am asking you.

Mr. LEO. At the present time I don't know.

The CHAIRMAN. Didn't you know then?

Mr. LEO. No; I didn't.

The CHAIRMAN. Did you not take the trouble to find out?

Mr. LEO. I didn't, because I just received a IV-F card and I figured that was it.

Mr. CAMPBELL. Was it for physical reasons?

Mr. LEO. Physical? I don't know. I am in good health.

Mr. CAMPBELL. Could it have been a classification of IV-F for psychopathic reasons?

Mr. LEO. Possibly.

Mr. CAMPBELL. Do you recall that term?

Mr. LEO. It could be.

Mr. CAMPBELL. You said that you know Frank Pocaro?

Mr. LEO. Yes; I do.

Mr. CAMPBELL. Do you recall being arrested at a time when you were driving a Chevrolet owned by Frank Pocaro?

Mr. LEO. No.

Mr. CAMPBELL. You do not recall that?

Mr. LEO. No.

Mr. CAMPBELL. Did you ever drive a Chevrolet owned by Frank Pocaró?

Mr. LEO. Once or twice.

Mr. CAMPBELL. Do you recall the date of January 11, 1946?

Mr. LEO. No.

Mr. CAMPBELL. You do not recall that date, offhand?

Mr. LEO. No.

Mr. CAMPBELL. Do you recall an incident of this nature, when at Ninety-sixth Street and Broadway in New York, in the early evening, you picked up a passenger and drove him around the block, and in the time you were driving around the block, handed him a package of morphine?

Mr. LEO. No.

Mr. CAMPBELL. You do not recall any transaction of that kind?

Mr. LEO. Definitely.

Mr. CAMPBELL. Anywhere?

Mr. LEO. Anywhere.

Mr. CAMPBELL. Do you recall another occasion at Ninety-sixth Street and Lexington Avenue, around 7:30 in the evening, when you walked from the northeast corner to the southeast corner and then down Lexington Avenue meeting a person somewhere on Lexington Avenue in the block, and during the time you were walking, you passed him a package of morphine?

Mr. LEO. I don't recall it.

Mr. CAMPBELL. You do not recall any——

Mr. LEO. Incident.

Mr. CAMPBELL. Incident of that kind?

Mr. LEO. That is right.

Mr. CAMPBELL. You do not recall an incident of that kind at another address, say, on Madison Avenue?

Mr. LEO. No.

Mr. CAMPBELL. Or Park Avenue?

Mr. LEO. No.

Mr. CAMPBELL. That is all.

The CHAIRMAN. Senator Kefauver, have you any questions?

Senator KEFAUVER. I do not believe so.

The CHAIRMAN. That is all.

Dominick Dovico.

TESTIMONY OF DOMINICK DOVICO, NEW YORK, N. Y.

The CHAIRMAN. Will you raise your right hand? In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. DOVICO. I do.

The CHAIRMAN. What is your name?

Mr. DOVICO. Dominick Dovico.

The CHAIRMAN. Spelled D-o-v-i-c-o?

Mr. DOVICO. That is right.

The CHAIRMAN. And what is your address?

Mr. DOVICO. 2105 Second Avenue.

The CHAIRMAN. In New York City?

Mr. DOVICO. Yes.

The CHAIRMAN. What is your age?

Mr. DOVICO. Twenty-six.

The CHAIRMAN. Married?

Mr. DOVICO. Single.

The CHAIRMAN. Single. What is your occupation?

Mr. DOVICO. I am a laborer.

The CHAIRMAN. What sort of work?

Mr. DOVICO. You mean at the present?

The CHAIRMAN. Yes.

Mr. DOVICO. I am working at a gas station right now.

The CHAIRMAN. A gas station. How long have you worked as a gas-station attendant?

Mr. DOVICO. About a year now.

The CHAIRMAN. About a year. All right.

Now, I would like you to keep your voice up and talk distinctly while you are on the stand so that we can hear you.

Mr. PERKINS.

Mr. PERKINS. Mr. Dovico, you say you are 26?

Mr. DOVICO. That is right.

Mr. PERKINS. Were you in the last war?

Mr. DOVICO. I was.

Mr. PERKINS. Were you in the Army?

Mr. DOVICO. I was.

Mr. PERKINS. Whereabouts?

Mr. DOVICO. Right here in the States.

Mr. PERKINS. Did you get an honorable discharge?

Mr. DOVICO. No.

Mr. PERKINS. Why not?

Mr. DOVICO. Because I was convicted of desertion.

Mr. PERKINS. Of desertion?

Mr. DOVICO. Yes.

Mr. PERKINS. Did you once claim that you had just gone a. w. o. l.?

Mr. DOVICO. That is what I called it. But you corrected me.

Mr. PERKINS. You said you had been a. w. o. l. for 2 years, did you not?

Mr. DOVICO. That is what it was called, but they claimed it different.

Mr. PERKINS. And what kind of sentence did you get?

Mr. DOVICO. I got 10 years.

Mr. PERKINS. Ten years. Was it subsequently reduced?

Mr. DOVICO. To 5 years.

Mr. PERKINS. To 5 years. How long did you actually serve?

Mr. DOVICO. About 27 months.

Mr. PERKINS. And when you got out, what year was that?

Mr. DOVICO. That was in 1947.

Mr. PERKINS. And where did you go?

Mr. DOVICO. What do you mean, where I went?

Mr. PERKINS. Did you go home?

Mr. DOVICO. I went home.

Mr. PERKINS. You went home. To New York, to 2105 Second Avenue?

Mr. DOVICO. Yes.

Mr. PERKINS. And what street is that at?

Mr. DOVICO. That is between One Hundred and Eighth Street and One Hundred and Ninth Street, Second Avenue.

Mr. PERKINS. One Hundred and Eighth and One Hundred and Ninth.

Did you look for a job?

Mr. DOVICO. When I got out, I had a job already, because I was released on parole.

Mr. PERKINS. But the easiest job looked like the dope racket, did it not?

Mr. DOVICO. I had nothing to do with the dope racket then.

Mr. PERKINS. But you went into the dope racket?

Mr. DOVICO. A little later on.

Mr. PERKINS. When?

Mr. DOVICO. Toward the end of 1948.

Mr. PERKINS. And you were convicted in 1949?

Mr. DOVICO. That is right.

Mr. PERKINS. For what?

Mr. DOVICO. For the sale of narcotics.

Mr. PERKINS. The sale of heroin?

Mr. DOVICO. That is right.

Mr. PERKINS. Do you know how much was involved in those sales?

Mr. DOVICO. I understand it was a quarter of an ounce.

Mr. PERKINS. A quarter of an ounce.

Now, Mr. Dovico, what kind of sentence did you receive for this sale of a quarter of an ounce of heroin?

Mr. DOVICO. I was sentenced to 3 years' probation.

Mr. PERKINS. For 3 years or 2 years?

Mr. DOVICO. Three years' probation.

Mr. PERKINS. Three years' probation. Now, probation means that you did not go to jail at all?

Mr. DOVICO. That is correct.

Mr. PERKINS. Who was the judge?

Mr. DOVICO. I understand it was Judge Kaufman.

Mr. PERKINS. Judge Kaufman. Samuel Kaufman, is that?

Mr. DOVICO. I think so.

Mr. PERKINS. So you have never been in jail for narcotics selling, even though you were an active narcotics seller; is that correct?

Mr. DOVICO. I never went to jail, but I wasn't an active seller. I was in the racket—

Mr. PERKINS. But you pleaded guilty?

Mr. DOVICO. That is right.

The CHAIRMAN. How long were you in the racket?

Mr. DOVICO. A couple of months.

The CHAIRMAN. And how many customers, all together, did you have? How many different people bought from you?

Mr. DOVICO. One.

The CHAIRMAN. You only sold to one person?

Mr. DOVICO. Yes.

The CHAIRMAN. And he or she was the only person during the whole time?

Mr. DOVICO. That is all.

Mr. PERKINS. Who was your source of supply?

Mr. DOVICO. As I said before, I got it from a Spanish fellow.

Mr. PERKINS. A Spanish fellow. What was his name?

Mr. DOVICO. His name was Joe.

Mr. PERKINS. Do you know his last name?

Mr. DOVICO. No.

Mr. PERKINS. Where did you meet him?

Mr. DOVICO. I used to meet him in his vicinity.

Mr. PERKINS. Where did you first meet him?

Mr. DOVICO. For me to get in touch with him, I would have to call him up.

Mr. PERKINS. You would call him up and make an appointment to meet him somewhere?

Mr. DOVICO. That is right.

Mr. PERKINS. Usually a street corner?

Mr. DOVICO. Usually a street corner.

Mr. PERKINS. Now, was it that he arranged for your customer? You said you had only one customer. Where did you get that customer?

Mr. DOVICO. Well, they arranged for me to meet him.

Mr. PERKINS. In other words, he gave you your customer, and he was also your source of supply?

Mr. DOVICO. That is right.

Mr. PERKINS. And he made you a middleman in between himself and your customer?

Mr. DOVICO. If you call it that.

Mr. PERKINS. In other words, he reduced his own profit. Now, why did he do that; do you know?

Mr. DOVICO. I guess he figured he would be out of the picture altogether.

Mr. PERKINS. You think he wanted to restrict his list of customers to a few trusted individuals; is that it?

Mr. DOVICO. I think so.

Mr. PERKINS. And then he would have these few customers, such as yourself, sell to other persons throughout the city?

Mr. DOVICO. That is correct.

Mr. PERKINS. Did Joe appear to be a wealthy man?

Mr. DOVICO. I don't know if he was wealthy or not, but he was always dressed pretty good.

Mr. PERKINS. How much did you pay Joe for a quarter ounce of heroin?

Mr. DOVICO. At that time I was giving him \$35.

Mr. PERKINS. \$35. And what did you sell that quarter ounce for?

Mr. DOVICO. I would try to get the highest price possible. It would range from \$55 to \$70.

Mr. PERKINS. About twice what you paid for it?

Mr. DOVICO. That is right.

The CHAIRMAN. When you say you were trying to get the largest price possible, that would show us that you were dealing with different people.

Mr. DOVICO. No; just with this one man, because sometimes he would claim he was broke.

The CHAIRMAN. Yes. But you could not bargain at different prices with him, could you, if you were selling him alone?

Mr. DOVICO. In this business, I understand that they always lie. So you have to outsmart them.

Mr. PERKINS. Mr. Dovico, you made about \$20 to \$30 per sale, then; is that correct?

Mr. DOVICO. That is right.

Mr. PERKINS. That is pretty profitable, wouldn't you say?

Mr. DOVICO. It is, for a guy like me.

Mr. PERKINS. For a young guy like you?

Mr. DOVICO. Yes.

Mr. PERKINS. Now, were you surprised that you did not get any jail sentence when you were convicted?

Mr. DOVICO. I was. I intended to go away.

Mr. PERKINS. You intended to go away. You thought you probably would go away?

Mr. DOVICO. That is right.

Mr. PERKINS. Have you got a brother?

Mr. DOVICO. I've got a few brothers.

Mr. PERKINS. Is one of them in jail?

Mr. DOVICO. He is.

Mr. PERKINS. Whereabouts?

Mr. DOVICO. You mean, the present?

Mr. PERKINS. Yes.

Mr. DOVICO. He is in Sing Sing.

Mr. PERKINS. Sing Sing. What is he in Sing Sing for?

Mr. DOVICO. For possession of narcotics.

Mr. PERKINS. Possession of narcotics. Now, what kind of sentence did your brother get?

Mr. DOVICO. He got 4 to 8 years.

Mr. PERKINS. Four to eight years. Now, what would seem to be generally the top sentence that people were getting at the time you were convicted?

Mr. DOVICO. I would say about 2 years.

Mr. PERKINS. But your brother got 4 to 8 years. So sentences seem to be getting stiffer; is that right?

Mr. DOVICO. They are.

The CHAIRMAN. What was the quantity? How much dope did he have at the time for which he was convicted and given 4 to 8 years?

Mr. DOVICO. He had in his possession 1 ounce.

The CHAIRMAN. Had he been convicted before?

Mr. DOVICO. No; he never had.

Mr. PERKINS. Do you think your brother is likely to go back to the dope racket after serving his 4- to 8-year rap?

Mr. DOVICO. I don't believe so.

Mr. PERKINS. Why not?

Mr. DOVICO. I think he would have learned his lesson.

Mr. PERKINS. In other words, you think these stiffer sentences help in keeping fellows out of the dope racket?

Mr. DOVICO. That is right.

Mr. PERKINS. That is all.

The CHAIRMAN. That is all.

Stephen Pucó.

TESTIMONY OF STEPHEN PUCO, NEW YORK, N. Y.

The CHAIRMAN. Raise your right hand, please. In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. PUCO. I do.

The CHAIRMAN. Very well. What is your name?

Mr. PUCCO. Stephen Martin Pucco.

The CHAIRMAN. And the last name is spelled how?

Mr. PUCCO. P-u-c-o.

The CHAIRMAN. What is your address?

Mr. PUCCO. 323 Pleasant Avenue.

The CHAIRMAN. New York City?

Mr. PUCCO. New York City.

The CHAIRMAN. What is your age?

Mr. PUCCO. Thirty-three.

The CHAIRMAN. Married?

Mr. PUCCO. Married, with two children.

The CHAIRMAN. What business are you in?

Mr. PUCCO. I am in no business. I am just working.

The CHAIRMAN. What kind of work?

Mr. PUCCO. I am a floorman.

The CHAIRMAN. A floorman?

Mr. PUCCO. In a blouse factory.

The CHAIRMAN. How long have you been engaged in that work?

Mr. PUCCO. On and off, since my mother opened the place.

The CHAIRMAN. I see. All right. Now, would you keep your voice up while you are answering the question so that all can hear?

Mr. Campbell.

Mr. CAMPBELL. Have you ever been known as "Steve Bug"?

Mr. PUCCO. Not to my knowledge, they didn't call me that.

Mr. CAMPBELL. You never heard anybody call you that?

Mr. PUCCO. They wouldn't call me that. I never heard anybody call me that.

Mr. CAMPBELL. In regard to your work in the blouse factory, are you at work now?

Mr. PUCCO. I am at work now.

Mr. CAMPBELL. I mean, did you work in the past week?

Mr. PUCCO. Since I got the subpoena here, I was trying to find out what it was all about.

Mr. CAMPBELL. In fact, hasn't your business been closed for 2 months?

Mr. PUCCO. Yes; that is right.

Mr. CAMPBELL. And you have had no wages during the past 2 months?

Mr. PUCCO. I have wages.

Mr. CAMPBELL. From whom have you received the wages?

Mr. PUCCO. I check in in the morning, and I would see my mother do a few things there in the shop, the necessary things, and then I would go out.

Mr. CAMPBELL. What was the salary for that service?

Mr. PUCCO. About \$45 to \$50 a week.

Mr. CAMPBELL. For, say, a 15-minute workday?

Mr. PUCCO. Sometimes I worked 16 hours.

Mr. CAMPBELL. However, the business has been closed; is that correct?

Mr. PUCCO. Well, the business has been closed the last couple of months, but the reason is that my mother went on vacation.

Mr. CAMPBELL. All right.

Were you ever arrested?

Mr. PUCO. I was arrested.

Mr. CAMPBELL. Do you recall your first offense for which you were arrested?

Mr. PUCO. My first offense was for robbery.

Mr. CAMPBELL. Armed robbery?

Mr. PUCO. Armed robbery.

Mr. CAMPBELL. Do you remember the date?

Mr. PUCO. No.

Mr. CAMPBELL. 1937; does that refresh your memory?

Mr. PUCO. 1937? That is right.

Mr. CAMPBELL. Did you plead guilty to the charge?

Mr. PUCO. I pleaded guilty to the charge.

Mr. CAMPBELL. What was the sentence?

Mr. PUCO. An indefinite term in the Elmira Reformatory.

Mr. CAMPBELL. How much time served?

Mr. PUCO. Three years and four months.

Mr. CAMPBELL. Were you transferred that time to the Great Meadows prison?

Mr. PUCO. I was transferred to the Great Meadows prison.

Mr. CAMPBELL. Have you ever been arrested for a narcotics offense?

Mr. PUCO. I was arrested for a narcotics offense.

Mr. CAMPBELL. Once, twice, or three times?

Mr. PUCO. Twice.

Mr. CAMPBELL. Two arrests. What were the dates, roughly? 1947 was the first; is that correct?

Mr. PUCO. 1947 and 1949.

Mr. CAMPBELL. What was the sentence as a result of the first conviction?

Mr. PUCO. I had five indictments.

Mr. CAMPBELL. I know. What was the sentence?

Mr. PUCO. A year and a day, and 3 years' probation.

Mr. CAMPBELL. You were found guilty on five indictments, or five counts of the indictment, rather, and you received a year's sentence. Now, were they concurrent sentences of 1 year, 5 concurrent sentences, do you remember?

Mr. PUCO. Concurrent.

Mr. CAMPBELL. Yes. You have 5 sentences of 1 year to run concurrently. Where did you serve that year?

Mr. PUCO. Milan Federal prison.

Mr. CAMPBELL. Milan, Mich.?

Mr. PUCO. That is right.

Mr. CAMPBELL. On your second offense in 1949, did you plead guilty?

Mr. PUCO. I pleaded guilty.

Mr. CAMPBELL. Do you recall the sentence then?

Mr. PUCO. Eighteen months.

Mr. CAMPBELL. That was an 18 months' sentence after a previous narcotics conviction on 5 separate counts of an indictment?

Mr. PUCO. With a year's provision.

Mr. CAMPBELL. Do you recall the judge who sentenced you in the second offense?

Mr. PUCO. Bondy.

Mr. CAMPBELL. Judge Bondy. Do you know the "Fat Man"? A man named Salvatore Barbato?

(No response.)

Mr. CAMPBELL. You do not?

Mr. PUCO. Salvatore Barbato? I know him.

The CHAIRMAN. When the questions are asked, answer the question rather than shake your head, so that the stenographer can get your answer.

Mr. CAMPBELL. You do know Salvatore Barbato?

Mr. PUCO. I do know Salvatore Barbato; yes. He was locked up with me.

Mr. CAMPBELL. In 1937, for the armed robbery?

Mr. PUCO. Barbato was locked up with me in 1947.

Mr. CAMPBELL. 1947, narcotics?

Mr. PUCO. And 1949.

Mr. CAMPBELL. Now, I want to refresh your memory here. Do you recall the date of July 1 of 1947, your first narcotics conviction?

(No response.)

The CHAIRMAN. You do not recall that date, do you?

Mr. PUCO. No.

Mr. CAMPBELL. Do you recall being in a candy store at 335 Pleasant Avenue, next door to where you lived, when you delivered heroin tablets to a purchaser? Do you recall any sequence of events of that kind?

(No response.)

The CHAIRMAN. Yes or no?

Mr. PUCO. Senator, the case he is bringing up, I served time for that case. I don't know much about law, but Mr. Campbell put a paper in front of me the other day and told me to say in case I can't answer, or something like that, constitutional rights, or something—and I served time for that. I paid my penalty to society. I might say something offhand now that might be held against me. I mean, I don't know about the law. There is something about the law that determines that.

The CHAIRMAN. You are not represented here by counsel today, and we are not going to have any unfair advantage taken of you. Any question about the charge for which you were convicted and served time, you need have no fear about, because that is a closed matter. So you could not be tried twice for the same offense.

Now, if you are asked about any other criminal matter in which you might be involved and for which you have not been convicted, and if you fear that your answer would tend to incriminate you or to involve you, you can take advantage of your constitutional rights.

Mr. PUCO. So that means—

The CHAIRMAN. Now, the immediate question is as to your previous conviction. That is the only question that is involved now, as to the matter for which you already have been convicted and have paid the penalty, as you say.

What is the question, Mr. Campbell?

Mr. CAMPBELL. I asked the witness if he recalled a time in 1947 when he delivered heroin capsules in a candy store on Pleasant Avenue.

Mr. PERKINS. To a purchaser.

The CHAIRMAN. Now, is that the offense for which you were convicted?

Mr. PUCO. That is right.

The CHAIRMAN. Then you should answer that.

Mr. PUCO. I mean, there is nothing that I could say that would be held against me?

The CHAIRMAN. You were charged with that offense.

Mr. PUCO. And I served my sentence for that offense.

The CHAIRMAN. That is all you need to say. You were charged with it. And what sentence did you get?

Mr. PUCO. A year and a day, and 3 years' probation.

The CHAIRMAN. And you served it?

Mr. PUCO. And I served it.

The CHAIRMAN. That is the case to which Mr. Campbell refers. That is the case, is it?

Mr. PUCO. That is the one he is mentioning now.

The CHAIRMAN. All right.

Mr. CAMPBELL. Do you recall the amount of money you received for those heroin capsules? There were 50 capsules, on your plea in the indictment?

Mr. PUCO. That is right.

Mr. CAMPBELL. Do you remember the amount of money received for those capsules? Was it \$50?

Mr. PUCO. About that figure.

Mr. CAMPBELL. That is about it, in your recollection. Do you have any knowledge whether that would be the price of a capsule now? In other words, about a dollar a capsule?

Mr. PUCO. I have no knowledge now.

Mr. CAMPBELL. You have no knowledge?

Mr. PUCO. No. I just was released from Milan Prison only 2 months ago.

Mr. CAMPBELL. On that occasion, did you also offer the purchaser of these heroin tablets morphine tablets?

Mr. PUCO. I don't remember.

Mr. CAMPBELL. You do not recall?

Mr. PUCO. I don't recall, sir.

Mr. CAMPBELL. Now, in this transaction to which I referred, do you remember whether you kept the tablets in the store or whether you sent outside to get them?

Mr. PUCO. I didn't send no place for them.

Mr. CAMPBELL. You had them on your person or in the store?

Mr. PUCO. They weren't in the store.

Mr. CAMPBELL. You were in the store when you delivered them. Did you have them on your person or were they in the store, or did you go outside to get them, or did you send somebody else outside to get them?

Mr. PUCO. They weren't in the store.

Mr. CAMPBELL. They were not in the store?

Mr. PUCO. And I didn't send anybody to get them.

Mr. CAMPBELL. But they weren't on your person?

Mr. PUCO. They were in the street, in an empty pack of cigarettes.

Mr. CAMPBELL. You therefore have testified that you kept these heroin tablets in a package or in a bag somewhere on the street?

Mr. PUCO. They were.

Mr. CAMPBELL. Is that your testimony? Am I correct there? Is that what you just said?

Mr. PUCO. I don't know about my testimony. I ain't on trial.

Mr. CAMPBELL. I am just asking you where you kept these heroin tablets at the time of the offense which we have been discussing.

Mr. PUCO. I don't recall.

Mr. CAMPBELL. You do not recall. Let me refresh your memory. Do you recall sending a boy out of the candy store to get the tablets somewhere else, at another address?

Mr. PUCO. No.

Mr. CAMPBELL. You do not recall that?

Mr. PUCO. No.

Mr. CAMPBELL. Do you know Joseph Bruno?

Mr. PUCO. Joseph Bruno?

Mr. CAMPBELL. Do you know him?

Mr. PUCO. Yes; I know Joseph Bruno.

Mr. CAMPBELL. He lives at 433 East One Hundred and Twentieth Street?

Mr. PUCO. I don't know the address.

Mr. CAMPBELL. Did you use his house or his apartment as a place to store your heroin capsules?

Mr. PUCO. I never did.

Mr. CAMPBELL. You never did. Do you know Nicholas Tolentino?

Mr. PUCO. I know Nicholas Tolentino.

Mr. CAMPBELL. Was he in the heroin business?

Mr. PUCO. He never was.

Mr. CAMPBELL. Do you know whether he was ever in the heroin business?

Mr. PUCO. Not that I know of.

Mr. CAMPBELL. Was he a codefendant with you in 1937 in the assault case?

Mr. PUCO. He was a codefendant with me.

Mr. CAMPBELL. Did you ever purchase any narcotics from Pip Gagliano?

Mr. PUCO. I don't know the fellow.

Mr. CAMPBELL. You do not know him. You have never seen him.

Mr. PUCO. I don't know who you mean. Pip Galiano, I don't know who he is.

Mr. CAMPBELL. Do you know John Ormento?

Mr. PUCO. No.

Mr. CAMPBELL. You do not. Do you have any brothers?

Mr. PUCO. I have brothers; yes.

Mr. CAMPBELL. What are their names?

Mr. PUCO. Albert, Angelo, and Phillip.

Mr. CAMPBELL. Have any of your brothers been convicted of a narcotics offense?

Mr. PUCO. My brother was convicted with me on a narcotics offense the first time in 1947.

Mr. CAMPBELL. Do you have a brother in jail now?

Mr. PUCO. I have a brother in jail now.

Mr. CAMPBELL. Which brother is that?

Mr. PUCO. Albert.

Mr. CAMPBELL. Albert. Albert is in jail now. Is he at Milan?

Mr. PUCO. He is at the Milan Correctional Institution.

Mr. CAMPBELL. When was he convicted?

Mr. PUCO. Last year sometime.

Mr. CAMPBELL. Now, when you were in prison on your second offense, that is, 2 years ago, approximately, and succeeding times,

did you ever refer prisoners leaving the prison to go to your brother to get narcotics?

Mr. PUCO. I never did.

Mr. CAMPBELL. You never did that?

Mr. PUCO. I never did.

Mr. CAMPBELL. At present your brother is in Milan, your brother Albert—is that correct—is in Milan Prison? Has he referred any narcotics customers to you?

Mr. PUCO. He never did.

Mr. CAMPBELL. He has not. Do you know Rocco Mazzie?

Mr. PUCO. I know Rocco Mazzie.

Mr. CAMPBELL. Have you ever done any narcotics business with him?

Mr. PUCO. I never did.

Mr. CAMPBELL. You have not.

That is all.

The CHAIRMAN. Senator Kefauver?

Senator KEFAUVER. Do you use narcotics yourself?

Mr. PUCO. No, I don't.

Senator KEFAUVER. You never did?

Mr. PUCO. I never did.

Senator KEFAUVER. If you sell them to other people, why don't you use them yourself?

Mr. PUCO. I never sold it. I mean, that is what is written down in the indictment. So if I sold it to other people, Senator, what I am using myself—I don't know what you are talking about.

Senator KEFAUVER. I do not see why you would recommend something to other people which you would not use yourself.

Mr. PUCO. I never recommended anything to other people.

Senator KEFAUVER. I thought you got convicted of selling 50 heroin tablets. Is that not what you got convicted for?

Mr. PUCO. That is what I pleaded guilty to.

Senator KEFAUVER. Do stiff sentences by the courts keep you fellows out of the business when they give you stiff sentences?

Mr. PUCO. About myself, Senator, I am out of the business. A stiff sentence—I guess anybody who gets a stiff sentence, or sees a stiff sentence, he wouldn't do anything. He figures he was going to get in big trouble.

Senator KEFAUVER. If you had known you were going to get a stiff sentence if you had gotten caught, would you have gotten into the business in the first place?

Mr. PUCO. I didn't know much about the business at the time. I didn't know anything about it. Of course, I was working all along on my first time, and the second time, too. I don't know much about that business. Most naturally, I went downtown, and I seen I didn't have a chance. I had done time before. I had got a bad record. So I threw myself on the mercy of the court.

Senator KEFAUVER. What do you do now?

Mr. PUCO. I am working with my mother.

Senator KEFAUVER. What is that? What do you do with her?

Mr. PUCO. I am a floorman. I straighten out all the—you know, bring in the heavy stuff, like boxes of blouses and material, and go downtown and pick up goods, and everything like that.

SENATOR KEFAUVER. That is all, Mr. Chairman.

MR. CAMPBELL. I have one more question.

THE CHAIRMAN. Yes, Mr. Campbell.

MR. CAMPBELL. Mr. Pucó, did you engage in any narcotics transactions before your first arrest?

MR. PUCO. No.

MR. CAMPBELL. Therefore, it is your contention, I would think, that you were arrested the first time you attempted to sell narcotics; is that right?

MR. PUCO. When I got locked up there the first time, that is the only thing I know about the business.

MR. CAMPBELL. That is the first time you ever sold narcotics?

MR. PUCO. I didn't know nothing about the business when I got locked up that time. The first time I got locked up, I didn't know nothing about the business.

MR. CAMPBELL. On that offense, was it or was it not the first time you had ever sold narcotics?

MR. PUCO. I never sold narcotics.

MR. CAMPBELL. Before your first offense. You were convicted, let us say? You have just testified as to your first conviction for a narcotics offense. Now, you say you have never sold narcotics.

MR. PUCO. I never sold narcotics before.

MR. CAMPBELL. Before that time? In other words, that was the first time?

MR. PUCO. I don't know why you want me to say that is the first time, Mr. Campbell.

MR. CAMPBELL. Just say "Yes" or "No," or you do not have to answer if you feel it would incriminate you.

MR. PUCO. Incriminate me on what? I didn't sell it before. I told you before I didn't know anything about the business until that time.

MR. CAMPBELL. That is all.

THE CHAIRMAN. I think that you have answered.

That is all.

Joseph P. Ryan.

In deference to Mr. Ryan, I want to say we are going into another phase of the inquiry at this time.

TESTIMONY OF JOSEPH P. RYAN, PRESIDENT, INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

THE CHAIRMAN. Mr. Ryan, in the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

MR. RYAN. I do.

THE CHAIRMAN. Thank you, sir.

Now, your full name is Joseph P. Ryan?

MR. RYAN. Yes, sir.

THE CHAIRMAN. And, Mr. Ryan, you are the president—are you not—of the International Longshoremen's Association?

MR. RYAN. Yes, sir.

THE CHAIRMAN. I thought it was only fair to you to indicate that we were going into another phase of the matter at this time, because you have been very cooperative and helpful to the committee, and we

are anxious to get the benefit of your testimony on certain aspects of this whole situation.

Mr. RYAN, will you tell us, first of all, how long you have been connected with the ILA?

Mr. RYAN. I have held various offices since I was elected financial secretary of the local that I hold membership in, in 1913.

The CHAIRMAN. 1913?

Mr. RYAN. In 1918 I became president of the Atlantic coast district and in 1927, president of the international. I still hold that office.

The CHAIRMAN. So, for 38 years you have been connected with the association in one way or another, and then for the last—did you say 1927?

Mr. RYAN. Yes, sir.

The CHAIRMAN. And for the last 24 years you have been its president?

Mr. RYAN. Yes, sir.

The CHAIRMAN. Fine, sir.

Thank you very much, Mr. Ryan. Now, would you be good enough to speak out a little loudly so that we can all hear you?

Mr. Moser.

Mr. MOSER. Mr. Ryan, the reason that we have asked you to come here to help us is that evidence before this committee has indicated that narcotics, especially heroin, have been brought into this country along the water front. Some of it comes in apparently through individual seamen who carry it on their persons, and there is some indication that perhaps longshoremen may take it off the ships for the seamen. And we thought that, in view of the fact that you are head of the longshoremen's union, you might be able to give the committee some information that might be helpful in that regard.

Your union, the longshoremen's union, as I understand it, is in charge of all the people who work on the water front, all the men on the water front; is that correct?

Mr. RYAN. Yes, sir.

Mr. MOSER. What kind of workmen are they? What are their jobs, roughly?

Mr. RYAN. The charter for the American Federation of Labor covers the longshoremen and all affiliated crafts. The ILA, as our international is called, is a labor union founded in 1892, affiliated with the American Federation of Labor and the Trades and Labor Congress of Canada. It consists of over 500 affiliated local unions whose members are engaged in all the operations of loading and unloading the cargo of ships as well as all the work done on docks and piers in connection with the storing and assembling of cargo.

Mr. MOSER. Mr. Ryan, let me interrupt you a moment. Just briefly, the answer is that the loaders and the checkers and the truck drivers—

Mr. RYAN. Not the truck drivers.

Mr. MOSER. Not the truck drivers. But the loaders and the tugboatmen, and the tidewater boatmen and the dockmen and the gearmen, and tractor operators and cargo repairmen, general-maintenance men, checkers, and clerks along the water front—they are all members of this A. F. of L. union; is that correct?

Mr. RYAN. Yes, sir.

Mr. MOSER. Now, does your union have any rules with regard to the people who are caught violating the narcotics laws of the United States, any specific rules governing people who are caught doing that?

Mr. RYAN. Yes, sir. If they are convicted of that, they are immediately expelled from the organization.

Mr. MOSER. I see. A conviction for smuggling or carrying heroin would require that they be put out of the union?

Mr. RYAN. Absolutely.

Mr. MOSER. Now, what is the effect of their being put out of the union? Can they work?

Mr. RYAN. Well, I guess under the Taft-Hartley law they can work, but we have an agreement giving us the preference on all work, and we do our best to see that it is lived up to.

Mr. MOSER. In other words, what you do is to try to see that those men do not work?

Mr. RYAN. Absolutely.

Mr. MOSER. Is that right?

Mr. RYAN. Yes, sir.

Mr. MOSER. Is there any way in which you can keep a man from working because he has been caught for that?

Mr. RYAN. As I say, if the man is expelled from the union, with this preference clause that we have that only members of our organization will receive the preference in the hiring, the men that hire the men are members of our organization, and they make sure to hire men that are members of the organization, so that the fellow who is expelled is not a member and doesn't stand much chance of being hired.

Mr. MOSER. Are there any Government agencies that could help you keep those men from working?

Mr. RYAN. Of course, all the Government agents that operate on the water front, especially in a matter of this sort, where it is repulsive to every member of our organization to have anything to do with this narcotics trade—and at our recent convention we strengthened our constitution to handle cases of that sort.

Mr. MOSER. You mean, you have adopted amendments to your constitution?

Mr. RYAN. Yes, sir.

Mr. MOSER. Within the last 3 weeks?

Mr. RYAN. Yes, sir. We had a convention in the month of July in New York City, to strengthen our constitution to handle anybody that is caught violating it.

Mr. MOSER. The purpose of those amendments, then, is to strengthen the constitution and make it harder for people who are violating the narcotics laws; is that right?

Mr. RYAN. Yes, sir.

Mr. MOSER. And was that the basic reason for your making this change 3 weeks ago?

Mr. RYAN. Absolutely.

Mr. MOSER. And was that done because of all the attention that has been brought to the narcotics problem in recent months?

Mr. RYAN. I think this committee has drawn the attention of everybody to it.

Mr. MOSER. In other words, the activity of this committee, you think, has attracted so much attention that your union felt that you ought to do something about it?

Mr. RYAN. Absolutely.

Mr. MOSER. Now, if a man is bringing in heroin and is not caught by the narcotics agent and is not convicted, is there anything at that stage that you can do to help?

Mr. RYAN. Well——

Mr. MOSER. I do not suppose the men will tell on each other; will they?

Mr. RYAN. At our recent convention we incorporated in our constitution additional powers to discipline anyone who was found utilizing the opportunities afforded him while working on the docks to commit offenses against the law and society. Any narcotic trafficker found in our midst will be dealt with in the ILA swiftly and sternly and without mercy under our new constitution.

Mr. MOSER. In other words, even though he is not convicted, can you put him out of the union?

Mr. RYAN. If a man is not convicted of a crime, we feel that he is innocent of it.

Mr. MOSER. I see. So, just the fact that you know that he is trafficking would not be a ground for removing him?

Mr. RYAN. You mean to say if we know that he is trafficking?

Mr. MOSER. Yes.

Mr. RYAN. I think that 99 percent of our membership, except somebody that may get in to indulge in this sort of traffic, and I think he would be found, because they have to be vouched for—you say, if we know he is trafficking in it?

Mr. MOSER. Yes.

Mr. RYAN. Our membership would not work with anybody that they thought was trafficking in that.

Mr. MOSER. You mean, they would tell on him?

Mr. RYAN. Absolutely. They would tell him to get off the pier. They may not tell on him. They would tell him they didn't want to be associated with that kind of fellow.

Mr. MOSER. You mean, his associates working on the pier with him would throw him off, and would tell him to leave?

Mr. RYAN. Absolutely.

Mr. MOSER. But he could still come back on; could he not?

Mr. RYAN. I wouldn't want to be him and come back. I might say——

The CHAIRMAN. In other words, Mr. Ryan, I suppose they could make their wishes felt in other ways, too; could they not?

Mr. RYAN. Absolutely. We feel very strongly about this: that the evils of the drug system to the children of our country and everybody else are such that it is repulsive for anybody to be contacted with anybody of that sort. And, if anybody approached any of our men and asked him to take drugs off the pier, I think they would throw him in the river. If they know that one of their own was doing it, I think they would get rid of him the same way as if he were doing something else they did not agree to.

Mr. MOSER. Do you think that there is anything that should be done among the members of your union to impress on them the importance of keeping men from bringing in this stuff?

Mr. RYAN. I might read here that I recommend that three steps be taken to cope with the narcotic evil:

First, there should be vigorous action by law-enforcement agencies against the narcotics traffic.

Second, an education campaign should be waged by civil, religious, and trade-union organizations to make every citizen and every member of the community aware of the existence of this evil and to alert them to action.

Third, on our part, I pledge you the use of the facilities of the ILA to aid and assist our country's law-enforcement agencies in vigorously carrying out the antinarcotic laws.

Moreover, we should mobilize our own trade-union agencies, including our ILA newspaper, to make every dockman conscious that he is personally in the fight to stamp out the traffic in narcotics.

I have the sanction of the delegates of the convention to make these recommendations to this committee.

Mr. MOSER. Good. Do the longshoremen still resent being searched by customs authorities?

Mr. RYAN. No. But if men are working habitually on a pier, as many of them do, if the matter is being abused and men are going to be searched every time they go in and out of a pier, naturally they are going to resent it. First of all, if it is done on the company's time, we lose our production. If it is done on their own, we say anytime they feel the necessity of a search, of course, any enforcement agencies are allowed to search people. But, if they abuse it, the abuse of anything is going to bring attention to the men to protest against it.

Mr. MOSER. Have there been any work stoppages threatened as a result of excessive searches?

Mr. RYAN. No. There have been no work stoppages threatened. But, for instance, when they were coming to the piers in regard to these ship jumpers, we suggested that it be done between 7:30 and 8 in the morning so that the men could go in to work at 5 minutes to 8 and continue their work. There has been no threatened work stoppage except, as I say, the abuse of anything.

You get some man in some enforcement agency who is not using good judgment, and they bring it to the attention of the business agent, and we will bring it to the attention of the head of that department.

Mr. MOSER. Have there been occasions in which the customs people looking for heroin have done it in a way that caused the men to object?

Mr. RYAN. No, sir.

Mr. MOSER. There was never any case of that?

Mr. RYAN. No, sir.

Mr. MOSER. So that the men do not resent being searched for heroin?

Mr. RYAN. As I say, if it is being made a practice and there is no evidence at all, a man naturally resents being accused of something that he is not guilty of.

Mr. MOSER. Search is equivalent to an accusation, is it?

Mr. RYAN. As I say, if they are suspicious of any man having heroin and they search him, it is natural that they do it.

Mr. MOSER. Yes.

Mr. RYAN. But if our membership, who are good standing Americans and resent this narcotics being brought in, if they are continually going to be searched by somebody overzealously, as I say, they

are going to bring that to the attention of the union, and we would take it up with the authorities. They do not resent being searched if there is any question of suspicion. They would be glad it was found on some other fellows on the water front if they are guilty of it. But as I say, when you ask a person if he resents being searched, I say no, that any man is resentful of being searched if he is not guilty. You would resent yourself being searched if you had nothing to do with the situation.

But in order to cover the evil, you or I would not resent being searched. You asked the question if I resented it. No. It is the abuse of those things that we resent.

Mr. MOSER. I do not see how the Customs Bureau can search men looking for it if the men are all going to resent it. I should think if they had a regular system of searching on certain occasions or from time to time, and searched everybody on a routine—

Mr. RYAN. You say from time to time? Certainly. Anything that is conducted in a sensible manner is all right. But I would not want them searched every time they went to work.

Mr. MOSER. A search on a sampling basis conducted from time to time, the men would not object to?

Mr. RYAN. Of course not. They would cooperate.

Mr. MOSER. I see. Do you think the Customs Bureau has an adequate search system?

Mr. RYAN. As far as I can see, they are a very efficient group.

Mr. MOSER. But it would probably be easy for a longshoreman to slip through their fingers, would it not, if he was carrying heroin?

Mr. RYAN. I do not think so.

Mr. MOSER. You do not think so?

Mr. RYAN. No.

Mr. MOSER. All right. I think that is all we have to ask Mr. Ryan.

The CHAIRMAN. Very well, Mr. Ryan. We are obliged to you. We think you and your associates have been doing very splendid work.

Mr. RYAN. Thank you.

The CHAIRMAN. At this time we will take a short recess for 5 minutes.

(Short recess taken.)

The CHAIRMAN. The hearing will please come to order.

Mr. CURRAN.

TESTIMONY OF JOSEPH CURRAN, PRESIDENT, NATIONAL MARITIME UNION, CIO

The CHAIRMAN. Mr. Curran, in the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. CURRAN. I do.

The CHAIRMAN. Now, Mr. Curran, while you are known to the committee, and known favorably, I might ask, just for the purpose of the record, to have your full name.

Mr. CURRAN. My name is Joseph Curran. I am president of the National Maritime Union, CIO.

The CHAIRMAN. And, Mr. Curran, for what period of time have you been connected with the work?

Mr. CURRAN. I have been holding offices in the union since 1936.

The CHAIRMAN. And prior to that?

Mr. CURRAN. Prior to that I was a seaman.

The CHAIRMAN. A seaman. All right. We shall be very much obliged to you for your testimony.

Counsel, will you proceed?

Mr. MOSER. Mr. Curran, as you know, the purpose of asking you to come here to testify is that previous evidence brought before this committee has indicated that one of the perhaps principal sources of importation of heroin into the country is the pockets or on the persons of seamen. And we are wondering if you will explain to us what your union rules require and what your procedures are in connection with that, and perhaps you may have some suggestions as to what can be done about it.

Mr. CURRAN. I did not come to this hearing prepared to give any written statement. However, I can give you briefly what our organization does about this situation.

We have in our constitution a clause which calls for automatic expulsion for those convictions of three types of crimes. One is a sex crime. Another is arson, and narcotics.

We consider those the worst crimes that can be committed. And when we say automatic expulsion, after we have been informed of a conviction, the man is brought before a trial committee in accordance with our constitution. However, the verdict of the trial committee, after they have found that it is an official conviction, is automatic expulsion.

If he wants to appeal, he is permitted to go before a membership meeting, sometimes of 3,000 or 4,000 men, and when he does, he usually winds up on the outside.

So far, very few of the people that we have, have been expelled. But we do have some difficulties. After all, and there are cases that are found where men are convicted in other parts of the country or in foreign countries, and we know nothing about this. So his papers as a seaman are untouched, and if he was a member of the organization, he has just been missing for a while, and after he serves his sentence and comes out, we cannot do anything but ask him where he has been, and if he does not choose to tell us, unless we want to investigate—and you cannot investigate hundreds of men—he goes right back to sailing.

And then, on top of that, we did have one particular case where a man was convicted in Venezuela. No. He was not convicted. He was taken into custody in Venezuela, and we asked the Venezuelan authorities for his case history.

They sent it to us, and all that it said was that he was being held in jail until he was punished. So he came back to the States with no conviction.

However, we took it upon ourselves to consider him a dangerous man, and he was tried and thrown out.

He then proceeded to the National Labor Relations Board, and under the present labor-management industrial war, we were informed that we would have to register him for shipping. That was the end of it.

Mr. MOSER. Now, Mr. Curran, the net of it is that if they are convicted, they are discharged from the union; that is correct, is it not?

Mr. CURRAN. That is so.

Mr. MOSER. And once they are discharged from the union, then according to your theory, they can work again as long as they have their shipping papers; is that correct?

Mr. CURRAN. That is right. The Coast Guard, as I understand it, does not take the papers from a man if he has been convicted of a crime, even to the extent of narcotics, unless such a crime was committed aboard a ship. Their jurisdiction does not extend to the shore.

Mr. MOSER. So if a man is caught carrying heroin aboard a ship and convicted, they will lift his papers, and once his papers are lifted—

Mr. CURRAN. No.

Mr. MOSER. That is not right?

Mr. CURRAN. Did you say, if it happens aboard a ship, they will lift his papers?

Mr. MOSER. Yes; if it happens aboard a ship, if he is convicted for a violation aboard a ship, they will lift his papers? Is that true?

Mr. CURRAN. But it never happens aboard a ship, so that we do not know whether they would or not. All the cases that we know of have happened ashore. They have been picked up after they got ashore.

Mr. MOSER. And in those cases, the Coast Guard will not lift the papers; is that correct?

Mr. CURRAN. I do not say they will not. What I do say is that they have not picked up those papers.

Mr. MOSER. I see.

Mr. CURRAN. For example, we had one case. The man's name was Sanchez. He became an American citizen in 1946, and in 1948 he was picked up as a dope peddler. He went away. I may not be absolutely accurate in the record, but it is there. In 1950, or thereabouts, he came out and had no difficulty whatsoever picking up validated certificates, which are the new certificates now, so that he had no difficulty whatsoever in getting his papers. Now, that does not mean that we shipped him, but he got his papers.

Now, we think that the Coast Guard, if it does not have the legislation to follow up on a narcotic conviction to lift the papers, which still leaves the man as a seaman and able to ply that trade, should be given the legislation to enable to lift the papers of a narcotic peddler, or carrier.

Mr. MOSER. So that one suggestion you make as a possible solution is to make sure that the Coast Guard has authority to lift the papers of a man who is convicted after he leaves the ship, for a violation that occurs after he leaves the ship?

Mr. CURRAN. Any place.

Mr. MOSER. Yes.

Mr. CURRAN. If he is once convicted and serves the sentence, we say that the Coast Guard should by law be told that the papers of that man should be picked up and he should be stopped from going to sea. And we also think that the Department of Justice or whatever Government agency it is that handles the cases throughout the country, throughout the world, has a record of the convictions, to take into consideration that the unions and the employers in the shipping field should have some kind of information bulletin on convictions, so that when these men come up and they have seamen's papers and they are a candidate for membership in the union, we would have that bulletin there and a list of names to look over, and would not take them in the first place.

The third thing, of course, is that there is a law now on the books that even after you kick them out for crimes of this type, and even worse crimes, they are in a position legally if they have the seaman's papers to go before the National Labor Relations Board and demand that the Labor Board reinstate them for shipping, and we can do nothing but register that man for shipping.

Mr. MOSER. Now, you say that it would be advisable if the Federal Government could notify the union in cases of convictions. There is no system under which you can ascertain whether a man has been convicted?

Mr. CURRAN. No; there is not. We have only the right under our constitution to ask the man, "Were you ever convicted of one of these three crimes?" The man says, "No." Then it would be our job, with our limited facilities, to investigate all these cases, and we do not have the facilities, and in many cases the authorities that we go to will not give the information to a lay organization.

Mr. MOSER. It would be very much simpler for you, then, if you were merely informed by some kind of bulletin from the Narcotics Bureau or the Department of Justice, informing you of these convictions; is that correct?

Mr. CURRAN. That we believe would be the solution to it. We now get a bulletin. The bulletin we get now is Missing Seamen. This is the thing that was instituted many years ago. And every union member gets this bulletin on missing seamen. By the same token, from what I hear, we do not seem to find most of them. We ought to get a bulletin on those that have been convicted, because if a man comes from Louisiana or California or New York and he served a sentence out there somewhere in those districts, we have no way of knowing it. And if he is a seaman and has the papers, there is nothing we can do about it.

Now, we want to do as much as we can. We have our people on ships. We have these regular ship's committees who watch and see that this kind of character is not running loose around the ship, because we do not want that kind of representation hanging over our organization. I have heard people say that some people would not squeal on others, so to speak. Well, when you see the damage done to children around this country and other things, I would not hesitate 1 minute picking one up by the neck and marching him right up the street, and I do not believe the seamen would, either, a narcotics peddler or a carrier. But we have to get some kind of facility in order to catch up on these things; otherwise, there is nothing we can do about it.

Mr. MOSER. You cannot keep the employee from working, but the employer can, can he not?

Mr. CURRAN. You bet he can. He keeps them from working for a lot less things than that.

Mr. MOSER. Yes.

Mr. CURRAN. And the Coast Guard, too, under the terms of the rules that they apply in bringing seamen to hearings for misconduct, as they call it, aboard ship, and in foreign ports, are able to suspend papers of seamen. But they do not seem to classify that as giving them the authority to go beyond that.

Mr. MOSER. That is, beyond violations that occur on board the ship itself or in foreign ports?

Mr. CURRAN. Now, I want to make it very clear that I am in no way recommending that any man that has been convicted of a crime, for which he has paid his debt to society, with the exception of those three—that is, arson and sex crimes and narcotics—I do not think he should be persecuted if he is trying to go straight. But that type of character I think should be run out of the business altogether, especially the seagoing business, because that is very dangerous.

Mr. MOSER. Especially in view of the fact that the seaman field has been suspected so much of being a source of heroin; is that right?

Mr. CURRAN. That is right. I think the man that is a peddler or a carrier is not actually a bona fide seaman, in the first instance. He has made his way into that as the professionals do. They will make their way into each branch, the services as well as seamen, in order to carry on the traffic. They are planted there. We have professional gamblers. We have others that are planted, and they go up and get the papers, because they are not difficult to get, to get seaman's papers. And they carry on this traffic as a link, as long as they are needed, and they probably pull them out and put another one in. But they are not bona fide seamen, and I would not want to see the seamen classified as being mixed up with them. They are not.

Mr. MOSER. The Narcotics Bureau, you think, should notify the unions of these convictions. Should they not also notify the employers?

Mr. CURRAN. I think so.

Mr. MOSER. Would that be practicable?

Mr. CURRAN. I do not know. I think it would be. We get bulletins—well, they are pretty long—on missing seamen from time to time. The convictions for dope peddling are not so large that they cannot prepare a bulletin. Here the shipping business is, as you say, the main source through which the drug traffic comes in from overseas. If that is so, then all of those concerned in the legitimate operation of the shipping business should at least be informed so that they can be helpful in doing what there is to do, to eliminate that. And if we are not informed, as I said before, a man can come from anywhere. And I am not in a position to dig into his past. It could be helped if they did this. And I think that the Coast Guard should get legislation, if they have not, to take the papers away from an individual convicted of dope peddling.

Mr. MOSER. In other words, a dope peddler is a man that you would not want to have in your union or working on the ships under any circumstances?

Mr. CURRAN. I would not want him within miles, and if I could lay my hands on him we wouldn't worry about the Coast Guard or anything else, if I was aboard a ship.

Mr. MOSER. Are the seamen ever searched by the Coast Guard or by the customs men?

Mr. CURRAN. They are searched by the customs.

Mr. MOSER. By the customs. And do they resent being searched?

Mr. CURRAN. Sure.

Mr. MOSER. They don't want to be searched at all.

Mr. CURRAN. It isn't a question about not wanting to be searched, but the way the customs searches them. They tear up everything and put nothing back, and they resent that.

There there is also, I guess you would call it the American feeling of the invasion of privacy, but they will cooperate, I know that. They so far have raised no big beef over it. They don't like it. Nobody likes to have their baggage torn apart.

I might call your attention to that carpenter that locked a pair of them in the carpentry shops here a few days ago in Charleston because they pulled his carpentry shop all to pieces.

Mr. MOSER. But it is so easy for a man to bring in a very small package of heroin that has tremendous resale value. How are you going to find that if you cannot search the men?

Mr. CURRAN. I don't say don't search them. I am not against searching if that is the method by which you think you will find it, and I don't think you will. If that is the method used, then by all means, we will cooperate with you.

The dope peddler is not that dumb that it is going to be where it is easily searched out. We will cooperate with that, but you asked do they like it. They resent it. Certainly they resent it, but they will cooperate.

Mr. MOSER. If there were a regular sampling system of searching so that it wasn't done on an individual basis but was every 10 men or something like that, every little while, would that kind of a system be resented.

Mr. CURRAN. I wouldn't know whether a sample would be resented any more than the over-all search. I think you have to search over-all in this business of going to sea. I think that that position of Government is correct. I am not arguing with that, but they do resent it. I think you have to search for something if you are looking for something.

The CHAIRMAN. Senator Kefauver.

Senator KEFAUVER. The bookkeeping system of your union is such that if you had a list of people who had been convicted for narcotics peddling, could they be ascertained very quickly?

Mr. CURRAN. Yes, we have a master record.

Senator KEFAUVER. How long does it take a name to get to that master record?

Mr. CURRAN. Well, not over 1 month.

Senator KEFAUVER. If you had the list to check against the master record, you could catch them after at least within a month?

Mr. CURRAN. Yes.

Senator KEFAUVER. Do you know if you have had many peddlers who have imposed on the union, gotten in to ply their trade?

Mr. CURRAN. I know of only three since 1947 when that amendment was put in the Constitution; only three.

Senator KEFAUVER. But if you had the list to check against—

Mr. CURRAN. And they were convicted men I speak of.

Senator KEFAUVER. You do not mean you have gotten all of them?

Mr. CURRAN. We haven't got them. Neither has the Department of Justice. If we could get hold of them, we would. All we can handle, you see, Senator, are the ones already convicted.

We have no authority to do anything else, but even those we catch dead to rights, if our people catch them dead to rights, we will kick them out, even though they may go to the National Labor Relations Board or somewhere else and get reregistered for shipment. We will

kick them out without hesitation, out of the union, but that doesn't eliminate them from the waterfront.

Senator KEFAUVER. That is all.

The CHAIRMAN. That is all, Mr. Curran. We are certainly obliged to you.

The committee has felt that the NMU has been not only cooperative in this, but also in other activities for which we feel you and your associates are entitled to our thanks and commendation.

Mr. CURRAN. Thank you, sir.

The CHAIRMAN. Thank you very much.

The next witness is Paul Hall. Will you kindly raise your right hand.

In the presence of Almighty God, do you swear the testimony you shall give shall be the truth and nothing but the truth?

Mr. HALL. I do.

The CHAIRMAN. Your full name, please.

**TESTIMONY OF PAUL HALL, SECRETARY-TREASURER,
INTERNATIONAL SEAFARERS' UNION**

Mr. HALL. Paul Hall.

The CHAIRMAN. And your connection, your business connection.

Mr. HALL. I am the secretary-treasurer of the Atlantic and Gulf District of the Seafarers' International Union.

The CHAIRMAN. And for how long have you been connected with that organization?

Mr. HALL. I have been in the organization since it started in 1938. I have been in the industry itself 16, 17 years.

The CHAIRMAN. Thank you very much. Now I would be obliged to you if you would keep your voice up during the time you are on the stand.

All right, counsel.

Mr. MOSER. Mr. Hall, you have heard Mr. Curran's testimony and we have asked you to come and testify for a similar reason in view of the fact that you represent the International Seafarers' Union. Now what are the regulations in your union with regard to people who have been caught smuggling drugs?

Mr. HALL. We have classified the narcotics users, the narcotics transporters, as enemies of the union. We deal with it as a union offense, and the general rule, unless there are special circumstances surrounding it, is expulsion from the organization.

Mr. MOSER. Special circumstances? What might they be, cooperation with the authorities, do you mean?

Mr. HALL. Well, we have been asked by Federal judges and other people in authority not to remove certain guys from ships after we have taken action to do so.

Mr. MOSER. I see. And you are limiting this to drug violations now, are you?

Mr. HALL. That is right.

Mr. MOSER. So that if a man is convicted of importation or carrying of drugs either on the ship or off the ship, you exclude him from the union, is that correct?

Mr. HALL. That is generally the rule, yes, unless as I have told you, there are special circumstances surrounding the issue.

Mr. MOSER. Now, if he is excluded from the union, does that mean that you can keep him from working?

Mr. HALL. We can keep him from working on our ships, but we have oftentimes expelled people from our organization and then turned around and found them in the big nonunion tanker companies where they have no way of enforcing these things. We have had that happen to us a number of times.

Mr. MOSER. You have the same difficulty that Mr. Curran's union has in finding out which men have been convicted and which have not?

Mr. HALL. Well, we have never made a habit of trying to find out, frankly. We simply go through our regular routine business, and where a break of the law occurs on the ship, in other words, where a fellow is mixed up with it, then we take action. Where it is called to our attention, where the union doesn't know about it, then we take action.

Mr. MOSER. If the Narcotics Bureau or other Government agencies that enforce these laws notified you of convictions, would that be helpful?

Mr. HALL. Yes, to some degree it would.

Mr. MOSER. Do you have a bulletin of missing seamen the same as the other union does?

Mr. HALL. Well, just how do you mean that?

Mr. MOSER. Well, Mr. Curran indicated that they have a bulletin that they send out to all their unions of missing seamen, and to all their men.

Mr. HALL. There are some bulletins put out by some people on missing seamen, yes.

Mr. MOSER. But in any case, if you knew men were convicted because you were informed by the Narcotics Bureau, could you inform the unions in your group?

Mr. HALL. You mean our local set-up?

Mr. MOSER. Yes.

Mr. HALL. Of course. We have the same as I have heard previous testimony in the application for membership in our organization. We question as to whether or not you are an addict or whether or not you have ever been convicted on narcotics. Of course, that doesn't necessarily mean we will always get the truth on the issue, but to some extent we try to screen those kind of people in advance.

Mr. MOSER. An addict you are pretty likely to locate anyway, aren't you?

Mr. HALL. Not on every occasion. There have been times where a guy rode ship like that quite a while before the shipmates became aware of it.

Mr. MOSER. But the peddler is the man who is the real villain in this picture, isn't he?

Mr. HALL. Yes, it is the professional guy who gets into the industry through one way or another. In our opinion, he is a dangerous fellow. That kind of a fellow, it has been our further finding that you just don't catch him by a bulletin or you don't just catch him by walking across him.

A guy that might smoke an occasional marijuana or do something foolish, why yes, they are not too hard to run across, but a professional in the business, you don't catch him by too simple ways and means.

Mr. MOSER. You do not throw a man out of the union just because you think he is violating the narcotics law, do you? Don't you wait for a conviction?

Mr. HALL. We generally wait for a conviction. However, we have in the past taken action where some of the fellow's shipmates would say that he had smoked marijuana in some of the ports throughout the world. We would then unload the guy. We would expel him.

Mr. MOSER. I see. In other words, you will do it on the basis of information that convinces you that he is——

Mr. HALL. Information only from our own people, other than a conviction in law, you see.

Mr. MOSER. Yes. Have you taken any recent action with a view to tightening up on this situation?

Mr. HALL. The Seafarers' International Union has fought pretty hard against this issue over a period of years. We have recognized it, not so much from the legal point of view. That is up to the law-enforcement officers, which we are not. We have recognized it as something that could be harmful to the organization. It could bring the membership of the union, the union itself, into ill repute.

It is my opinion that we have started a campaign against it long, long before many or most, or practically any of the maritime organizations. As a matter of fact, I myself got put in a little bit of a bite, I believe, because of something like that.

This organization quite a few years ago took a position that I have just told you, that a man fooling around with junk in any form is a detriment to the organization, and as the result we put the clamps on these boys, and right in the middle of one of these periods, of course, the union was in several other problems at the time and the source of what happened might have been any one of three or four things, but I would like to read from a clipping from the New York Herald-Tribune dated January 22, 1949. This was introduced in a previous Senate hearing, incidentally, of the Labor Management Committee, and the headlines of this clipping read:

Heroin found in union car called a "plant"—Police say it was hidden in an attempt to "frame" Paul Hall, SIU leader.

And it goes on:

An attempt to cause the arrest on a narcotics charge of Paul Hall, leader of the American Federation of Labor's Seafarers International Union, was thwarted yesterday when Federal authorities and the police became convinced that heroin found in Mr. Hall's automobile was planted as a frame-up.

Mr. Hall, who is secretary-treasurer of the SIU, characterized the attempt as action by a group seeking to head off the union's drive against pilfering—that is, stealing cargo—

and narcotics smuggling. The union recently announced that charges would be placed against any member guilty of having narcotics in his possession.

"This is obviously the work of a group who fear exposure of their racket," Mr. Hall said. "The union has recently found it necessary to expel some members for possession of dope and we intend to continue our drive on all waterfronts until we put the boots to such practices."

In other words, to eliminate them.

Acting on an anonymous tip, Federal inspectors and Detective Edmond Mahoney, of the Belle Harbor police station, searched Mr. Hall's home at 1:50 a. m. yesterday. The tipster had specified the glove compartment of the car assigned to Mr. Hall's use by the union as the location of the dope. Three

ounces of heroin, valued by the police at \$1,000, was discovered there, much to Mr. Hall's amazement.

After questioning by Charles Butera, assistant Federal district attorney, and Frank J. Parker, chief assistant Federal attorney, Mr. Hall was released without arraignment. Mr. Parker said: "We declined prosecution on the facts as presented to us."

Mr. Hall has been one of the leaders within his organization, advocating strict measures against union wreckers who use or possess dope or who pilfer cargoes or jeopardize the safety of their shipmates by drinking while at work.

A recent issue of the union's publication proclaimed that "while the union has been fortunate in keeping such characters to a minimum, we must eliminate them altogether from the SIU."

We have, as I have told you, over a period of years waged a pretty heavy campaign on the issue without getting to the point of making ourselves a law-enforcement agency.

We have made it a union crime the same as scabbing, and we have prosecuted those things in the due process of taking care of our union's business. For example, this is the position taken by our organization, and we took it not only because of the issue of narcotics but to educate the membership on it. Over a period of years—

Mr. MOSER. Mr. Hall, may I interrupt you just a second. If what you are going to read is long, I think it might be better to submit it in the record.

Mr. HALL. Well, I will not read it. It is not very long, but I will submit it for the record.

Mr. MOSER. Just briefly tell us what it says.

Mr. HALL. All right. It is the position of our organization classifying people who handle it as an enemy of the union, and the same copy of this on the matter of education to the membership of our organization—you must remember that seamen are world travelers and they are not always here when some of these things happen. We run educational material in the paper itself.

We recently ran quite a large article on the question of narcotics with the school children in New York. We mail this paper to all of our ships at sea and foreign ports, wherever they may be. That is marked on the pages. That is part of the union's educational program on the matter.

The CHAIRMAN. That will be introduced as an exhibit and made available to the committee, Mr. Hall.

(The document above referred to follows:)

Mr. MOSER. Mr. Hall, I think that covers everything that I had in mind.

The CHAIRMAN. Senator Kefauver.

Senator KEFAUVER. No questions.

The CHAIRMAN. We are very much obliged to you.

Senator KEFAUVER. That is very commendable work you are doing.

Mr. HALL. Thank you, Senator. I will tell you fellows in our opinion—you haven't asked our opinion of what we think should be done—we believe that if you Senators were to get busy and say double the dough on appropriations for these people that have to enforce this law—we happen to know that they are very badly undermanned. Now, as for arranging a proper program to combat this thing, if they had the facilities I am sure the proper people could do it.

The CHAIRMAN. You probably know, Mr. Hall, that already an increase in appropriation has been voted by the Senate.

Mr. HALL. You could afford to double it again from what you have heard here today.

The CHAIRMAN. At this time we will adjourn until tomorrow morning, but I do want to make this announcement before adjourning, that several of the witnesses who were summoned to testify today and who we understand are in attendance, including Samuel Monastersky, Salvatore Salerno, Benny Coniglio, and Vincent Mazzie, are present, and by reason of the late hour we cannot hear them now, but they are expected to return tomorrow and the hearing will be resumed at 10 tomorrow morning.

The meeting is now adjourned.

(Whereupon, at 5:15 p. m., the hearing was adjourned to reconvene on Thursday, August 16, 1951, at 10 a. m.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

THURSDAY, AUGUST 16, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10 a. m., in room 318, Senate Office Building, Senator Herbert R. O'Connor (chairman) presiding.

Present: Senators O'Connor, Kefauver, and Hunt.

Also present: Richard G. Moser, chief counsel; Downey Rice, associate counsel; Nicholas Stathis, Wallace Reidt, Roswell Perkins, John Campbell, and Robert Frisch, assistant counsel; James Hepbron, administrative assistant.

The CHAIRMAN. The hearing will please come to order.

We will resume the testimony having to do with conditions in and around the city of New York, and will take up at the outset matters concerning the operations of customs.

Our first witness is Mr. Joseph J. Flynn.

TESTIMONY OF JOSEPH J. FLYNN, ASSISTANT SURVEYOR OF CUSTOMS, PORT OF NEW YORK

The CHAIRMAN. Mr. Flynn, would you raise your right hand, please? In the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. FLYNN. I do.

The CHAIRMAN. Thank you.

Mr. Flynn, your full name is Joseph J. Flynn?

Mr. FLYNN. Joseph J. Flynn.

The CHAIRMAN. And what is your official position?

Mr. FLYNN. Assistant surveyor of customs, port of New York.

The CHAIRMAN. Assistant surveyor of customs. Mr. Flynn, could I ask you at the outset, please, to keep your voice up so that all may hear you?

Mr. FLYNN. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. Flynn, for what period of time have you been connected with the customs?

Mr. FLYNN. Thirty-three years, sir.

The CHAIRMAN. Thirty-three years. And briefly in what other capacities have you served?

Mr. FLYNN. As a clerk in the auditor's office in the customs; inspector of customs; customs agent; customs agent in charge; supervising customs agent; district coordinator, Treasury Enforcement Unit, New England; and now presently assistant surveyor.

The CHAIRMAN. Mr. Flynn, has your work been related to narcotics, or in connection with your work have you had particular opportunity to study and to learn about the handling of narcotics?

Mr. FLYNN. Yes, sir.

The CHAIRMAN. You have. All right. Now, I again would thank you if you would keep your voice up so that we may all hear you.

Mr. FLYNN. Yes, sir.

The CHAIRMAN. Mr. Moser, will you proceed, please?

Mr. MOSER. I am going to ask Mr. Perkins to proceed, Mr. Chairman.

Mr. PERKINS. Mr. Flynn, just to get the organizational situation straight, would you tell us what department the Bureau of Customs comes under?

Mr. FLYNN. The Treasury Department.

Mr. PERKINS. And the collectors of the ports come under the Bureau of Customs; is that correct?

Mr. FLYNN. Under the Bureau of Customs. The country is divided into 45 customs districts. There is a collector of customs in charge of each district.

Mr. PERKINS. And you are the assistant surveyor coming under the collector of the port of New York?

Mr. FLYNN. Yes, sir.

Mr. PERKINS. And what is the nature of the surveyor's department? What are the primary functions of the surveyor's department?

Mr. FLYNN. The surveyor's department is one of the largest units of the port of New York under the direction of the collector of customs, and it comprises the outside force, or the uniformed force, the men who are assigned to the pier, inspectors or patrol officers and customs laborers. And their duties are to examine the manifests of all ships, search ships, and see that the cargo is properly delivered.

Mr. PERKINS. The chief job of the surveyor's department is the enforcement and prevention of smuggling; is that correct?

Mr. FLYNN. Yes, sir. The principal function is the prevention of smuggling.

Mr. PERKINS. I see you have this narcotics control chart here which shows the Department of the Treasury and then the Bureau of Customs underneath that, and then the collector of the port of New York, and the surveyor's department. Now, there seem to be four branches under the surveyor's department. Would you tell us what those four branches are?

Mr. FLYNN. Yes. That might be best explained by saying that there are four major measures used to combat smuggling. The first is, of course, the search of the vessel or plane upon its arrival, and that is done by the enforcement division of the surveyor's office. That is what we call the searching spot.

They have 67 men assigned to that particular unit, and they search and examine the vessels and planes and persons, and see that everything is properly declared, and look for contraband and seize and arrest anybody in connection with attempted smuggling.

The second method we pursue in connection with the enforcement is the spot-checking of cargo. We have a group of about eight men that we call a special-duty squad, and they open cargo at random and examine the contents.

Then the third is the examination of the passengers' baggage. They examine the baggage and effects and sometimes personal searches, if warranted, of passengers arriving.

The CHAIRMAN. Mr. Campbell, could I just interrupt you to ask you to hold the chart up? And could you put it on the table?

Mr. PERKINS. I think we still want the first chart.

Mr. FLYNN. And the fourth method is the assignment of port patrol officers to the head of the pier to observe and search, if necessary, personnel leaving the pier, such as seamen, longshoremen, or visitors.

Mr. PERKINS. In other words, in connection with narcotics control, Customs has four major contact points: The searching of the ship; the inspection of cargo; the inspection of passengers and baggage; and then the guarding of the pier heads?

Mr. FLYNN. Yes, sir.

Mr. PERKINS. Starting first with this ship inspection, would you tell us how many ships are inspected in the port of New York per day?

Mr. FLYNN. We average approximately six a day, that is, about one out of every four or five ships that arrive, assuming that an average of approximately 25 ships from foreign ports arrive each day.

Mr. PERKINS. In other words, out of every ship that comes into New York Harbor, or out of all the ships, only one out of five is inspected; is that correct?

Mr. FLYNN. Yes, sir.

Mr. PERKINS. So that immediately on the ship inspection, four out of five ships may come through with narcotics aboard, and Customs has no way of knowing anything about it; is that correct?

Mr. FLYNN. That could be. But we don't always inspect the same vessels. It is very possible, of course, that one of the ships that is not searched could have contraband. But then again we have the guards on the pier head.

Mr. PERKINS. Yes. There are other means subsequently, I understand.

The CHAIRMAN. Senator Hunt has a question.

Senator HUNT. Does the ship approaching port have any advance information whether or not it is going to be searched?

Mr. FLYNN. No, sir.

Mr. PERKINS. Now, I take it that the reason you do not inspect more than one out of five ships is simply lack of men; is that correct?

Mr. FLYNN. Yes, sir. We have 67 men assigned to searching vessels, and they are divided into approximately six teams of about 8 to twelve men each. It takes the better part of a day to search a vessel. Of course, we might have some information concerning some particular vessel, and we might put 40 or 50 men on that particular vessel. Another day we might search 10. But I would say that the average is about six a day, maybe.

Mr. PERKINS. Out of those one out of five ships that are inspected, are there so many hiding places that it is almost impossible to check them all?

Mr. FLYNN. It is practically impossible to check every spot on the ship. It is like searching a large hotel. There are so many hiding

places. You have your cargo hatches; you have your lubricating tanks; you have your ledges; and you have your libraries. There are hundreds of spots on vessels.

MR. PERKINS. What are some of the devices used?

MR. FLYNN. They have false compartments on the ship, under chairs, behind the bulkhead, between bulkheads and ceilings, and wrappings on pipes. There are really hundreds of places. As a matter of fact, I would like to have your permission to show just a few small exhibits I have here to show you some of the methods, aside from the concealed compartments.

MR. PERKINS. If you could exhibit them just briefly.

THE CHAIRMAN. Mr. Flynn, it would be well if you would just in your own way describe those methods of concealment, and possibly with the use of the pictures we can get a better idea of it.

MR. FLYNN. Yes, sir. They will hollow out a partition in the crew's quarters, we will say. There is a hollow space, and they will conceal a package containing drugs in this hollowed-out space. It is painted over, and it is almost impossible at times to find these places of concealment. In fact, all men assigned to the searching squad are specially trained men, and they really know the inside of a ship as well as anybody, I believe.

MR. PERKINS. Do you have one of those exhibits with you?

MR. FLYNN. For instance, in the library, searching libraries, here is a book that was picked up on one of the American ships. It is hollowed out. This is only one of thousands. A revolver is concealed in it.

Here is another one that was hollowed out, with a space sufficiently large to conceal a quantity of drugs, and drugs have been found in them. And speaking of ledges, this is a new gadget recently discovered. This is just a small aspirin box, or similar to it, with a magnet on it. It is up under the ceiling of the deck. It gives you an idea of how thorough they must be to get around and find these spots.

Here is an innocent-looking object, which is a book end. To show you how observing they are, there is a compartment made here to conceal.

MR. PERKINS. Would you conclude, then, that even out of the one out of five ships, it is pretty hard to catch narcotics right aboard the ship itself?

MR. FLYNN. Yes; it is very difficult.

THE CHAIRMAN. Mr. Flynn, I would like to ask you a question right there. We had before us yesterday several of the officials of the unions, the longshoremen's and the seamen's unions.

MR. FLYNN. Yes, sir.

THE CHAIRMAN. There was some testimony to the effect that the men resented, or objected to, certain types of inspection. I was wondering what your experience has been in regard to that, and whether you feel that there would be any opposition or any difficulty from them if reasonable inspections were made generally along the lines that you have been suggesting.

MR. FLYNN. That is true. The seamen and longshoremen, or anybody connected with the water front, are resentful of being searched. The port patrol officer is out there alone, and in my opinion he has a more difficult and hazardous job than any policeman in any city,

in that he is alone out on the water front, where the element is not too pleasant at times, and his duty is to search a person. And even you and I resent being searched. So therefore, they do resent being searched.

But we have never in New York, to my knowledge, had any serious objections from these people. They realize that it has to be done, and we know they resent it, but they have never really seriously objected to it.

We make spot checks. It is impossible for the port patrol officer at the head of a pier to search everybody coming in and out, and he just observes, and if that person has a package or he does not know the fellow, and reacts suspiciously, he will search him.

The CHAIRMAN. Mr. Flynn, I did not want to leave the impression that there was any objection on the part of the union officials. On the contrary, they gave every indication of their readiness to cooperate, so that they seemed to be very helpful.

The only reason that we attached so much importance to it was to determine whether or not there was any way by which a satisfactory arrangement could be made so as to secure the cooperation of the men further down the line.

Mr. FLYNN. I do not know of any other solution. You cannot give advance notice that they are going to conduct a search. Of course, we only do spot searching. It is impossible to search everybody. As I say, you might have on one particular pier in New York anywhere from 200 to 400 longshoremens and 500 or 600 seamen on a vessel, and many visitors, in addition to the steamship company employees, and office help.

The CHAIRMAN. Senator Hunt.

Senator HUNT. I was going to ask you what percentage of searches are productive of concealment.

Mr. FLYNN. It is hard to hazard a guess on that, but I would say maybe 15 to 20 percent.

The CHAIRMAN. That many?

Senator HUNT. So then you have no reason to believe but that the other tremendous number of ships that you do not search carry the same amount?

Mr. FLYNN. That is very true, sir.

The CHAIRMAN. Of course, it is barely possible that the percentage may be higher in regard to the other ships?

Mr. FLYNN. Yes, sir.

The CHAIRMAN. Particularly if there is any knowledge gained by any of the men that there will not likely be a search?

Mr. FLYNN. That is very true, sir.

Mr. PERKINS. Going back to the ship inspection, just where does this inspection of the ships take place, where you find these items that you have as exhibits?

Mr. FLYNN. Usually at the pier where the ship berths. But occasionally at the anchorages, particularly oil tankers or any type tankers, we usually get those at the anchorage. They don't pull in to the dock.

Mr. PERKINS. How long might the ship have already been at the pier at the time the inspection takes place?

Mr. FLYNN. As a rule, immediately, but sometimes, occasionally, hours afterward. In fact, we are usually waiting for the ship to dock.

Mr. PERKINS. If a ship comes in, say, at 6 o'clock on the evening of one day, the inspection might not take place until 8 or 9 a. m. the morning of the next day; is that correct?

Mr. FLYNN. That is true. But we do inspect ships up to 6 or 7 o'clock. As a rule, not too many dock after that hour. They lay in the stream.

Mr. PERKINS. And if a ship has been docked for some time, there has been opportunity for narcotics to be carried off the ship; is that correct?

Mr. FLYNN. That is correct.

Mr. PERKINS. Is there any way that you could have more inspections while the ship is still out in the stream, still coming into the harbor, before there has been such an opportunity for narcotics to be carried off?

Mr. FLYNN. Only by additional personnel and some floating equipment. We have no marine patrols. The marine patrol was disbanded some 8 years ago, I guess, and those small craft were supplied by the Coast Guard, and we keep Customs personnel on them. But we have no marine patrol and have not had for some years.

Mr. PERKINS. Turning briefly to the inspection of cargo, I take it that is just a spot check that you make; is that correct?

Mr. FLYNN. That is correct, sir.

Mr. PERKINS. And what do you do? Open a certain number of packages out of each shipment? Is that the idea?

Mr. FLYNN. Yes. There are four methods we pursue on that. We have this special-duty squad consisting of about eight men. They go around to various piers and just pick out any particular shipment, particularly shipments where the consignee is unknown, and they will open one or two, and whatever they believe necessary, of the cases, and examine the contents. Then we have inspectors who have to weigh certain types of cargo and obtain a tare of the containers, and during that process they examine the contents.

Then also there is other merchandise which the appraiser, to make a proper appraisal, needs a sample of, the merchandise. And when the inspector or sampler obtains that sample, he himself examines the contents.

In most cases, 10 percent of the merchandise is sent to the appraiser for appraisement, and those particular packages that go into the appraiser's stores are designated by the entry division in the customs house. Nobody knows what numbers he is going to pick from a lot. And they are conveyed into the appraiser's stores by a bonded truckman whose drivers have been thoroughly investigated by the Customs Service.

As a matter of fact, speaking of cargo, I don't think we have made a seizure of narcotics in cargo in many years.

Mr. PERKINS. Less narcotics is coming in cargo than formerly; is that correct?

Mr. FLYNN. I believe so.

Mr. PERKINS. The third item in your chart, under your division, I see is passenger and baggage inspection. Now, what kind of inspection is that?

Mr. FLYNN. On passenger's baggage, every item is examined, but all of the contents of the particular bag or trunk are not actually removed from the bag. But we really do have 100 percent examination on passengers' baggage.

Mr. PERKINS. So that the least likely place to find narcotics, you think, by reason of your rigid inspection, is in the passengers' baggage; is that correct?

Mr. FLYNN. Yes, sir, due to the closer examination. I don't think we have found narcotics in passengers' baggage, either, for some years, but that used to be a method pursued, going back 12 or 14 years ago. But evidently they have gotten away from that. But we do find watch jewels and diamonds and other commodities concealed in false compartments in passengers' baggage, but no narcotics.

Mr. PERKINS. Now, the fourth and final type of inspection that you have is that at the pier head, which we have already discussed to a certain extent. Now, you inspect the longshoremen and the seamen as they come off the pier head; is that correct?

Mr. FLYNN. Yes, the longshoremen, seamen, pier personnel, and visitors, and ship chandlers.

Mr. PERKINS. Now, when a seaman first comes off his ship, say a ship is coming in from a foreign port, can he get off the ship without being inspected? Is there a gangway watch?

Mr. FLYNN. No. We don't maintain a gangway watch, because we don't have sufficient personnel to do that, except when we have information that that particular ship is what you might call hot, or suspicious. Then we would maintain a gangway watch.

Mr. PERKINS. So if you do not catch him at the pier head, you will not get him at all? In other words, if there is nothing at the gangway of the ship, he walks off the ship down the pier, and the only place where there is a Customs guard is at the head of the pier?

Mr. FLYNN. Yes, sir.

Mr. PERKINS. Do you have a port patrol officer or a guard at the head of each pier?

Mr. FLYNN. No, sir.

Mr. PERKINS. Not at the head of each pier?

Mr. FLYNN. No, sir. There are about 350 piers in the port of New York at which ships from foreign ports may dock. Of these, I would say there are probably 150 that are active, where ships are actually berthed at one time, where they are working.

Mr. PERKINS. 150 that are active?

Mr. FLYNN. Yes. We average approximately 150 ships in port every day.

Mr. PERKINS. And how many piers are actually guarded, do you say?

Mr. FLYNN. Out of that, we only have a fixed post on about 34 of those piers around the clock, 24 hours.

Mr. PERKINS. So it might be only one out of every five pierheads that is actually guarded; is that true?

Mr. FLYNN. That is true. In addition to this fixed post, we have radio-equipped cars, and we have about 8 or 10 of those. They have mobile patrols, and they patrol the additional piers where we have no fixed posts.

Mr. PERKINS. Now, how many more port patrol officers would you need in order to effectively guard all the piers that are active?

Mr. FLYNN. I would say we would need perhaps approximately 400. This would enable us to cover approximately 80 more fixed posts, or give us about 64 percent coverage in the port.

MR. PERKINS. Does this chart show the decrease in the number of port patrol officers?

MR. FLYNN. Yes, sir. If you go back here to 1928, we had about 592 port patrol officers, and they continued there in 1929. In 1930, it went up to 609 and stayed there until 1932. And in 1933, it dropped to about 600, and remained close to that figure in 1941. Then in 1942, it went up to about 740 and continued on to 1946, when we had 840, approximately, and in 1947 it dropped to 500, and in 1948 a little less than that, whereas now presently we are down to 386 port patrol officers. There has been a steady decline—

MR. PERKINS. In other words, you have almost a third as many port patrol officers as you did about 5 or 6 years ago; is that right?

MR. FLYNN. That is right, sir.

MR. PERKINS. Is it your opinion that narcotics are coming in on the person and in lesser quantities than formerly?

MR. FLYNN. We did have an increase in narcotics up to 1950, but for 1950 and 1951, there has been a decrease.

THE CHAIRMAN. Mr. Flynn, right in that connection, it has been apparent that certainly all of the information that has been gathered by the Bureau has indicated a great increase in use, in addiction and use in recent years. Do you think that there had been an accumulation of it in the country brought from abroad prior to that time?

MR. FLYNN. No. They may be using other methods. There are a lot of rumors. I do not know, but I think that the records indicate that they are using new methods. I think probably a lot of it may be coming through the Mexican border. They are probably using planes and getting away from ships.

THE CHAIRMAN. It is apparently undisputed that there has been a tremendous increase in recent years; is that not correct?

MR. FLYNN. Yes.

MR. PERKINS. Would you tell us briefly about planes, since they have been mentioned? How do you make the plane searches?

MR. FLYNN. When a plane arrives, after the passengers and crew and the cargo have been removed, each one is searched by a port patrol officer assigned to the airport. Then at times we have the searching squad make a very thorough search of planes.

MR. PERKINS. In conclusion, do you have any specific recommendations the same as those applied to ships?

MR. FLYNN. Practically the same; yes, sir.

MR. PERKINS. In conclusion, do you have any specific recommendations for tightening up the narcotics control at the waterfront?

MR. FLYNN. The only recommendation I would have is that we certainly need more personnel to maintain additional fixed posts and to operate a marine patrol, which I think is necessary, and additional floating equipment. And, of course, the ideal protective barrier to combat narcotics smuggling would be a 24-hour, 100-percent surveillance over every vessel from a foreign port. This would require additional manpower, and, of course, we have to realize that the cost would be prohibitive.

MR. PERKINS. Thank you.

MR. MOSER. That is all.

THE CHAIRMAN. Very well, Mr. Flynn. We are very much obliged to you, and feel that you and your associates are doing a very splendid job in this.

Mr. FLYNN. Thank you, sir.
The CHAIRMAN. Mr. Chester Emerick.

**TESTIMONY OF CHESTER A. EMERICK, DEPUTY COMMISSIONER OF
CUSTOMS, WASHINGTON, D. C.**

The CHAIRMAN. Mr. Emerick, in the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. EMERICK. I do.

The CHAIRMAN. Thank you.

You are Mr. Chester A. Emerick?

Mr. EMERICK. That is right, sir.

The CHAIRMAN. And the name is spelled E-m-e-r-i-c-h?

Mr. EMERICK. k.

The CHAIRMAN. E-m-e-r-i-c-k. Thank you. And Mr. Emerick, you are the Deputy Commissioner of Customs, are you not?

Mr. EMERICK. Yes, sir.

The CHAIRMAN. At Washington?

Mr. EMERICK. At Washington, D. C.; yes, sir.

The CHAIRMAN. And for what period of time, sir, have you been connected with the Department?

Mr. EMERICK. I have been with the Bureau of Customs since April, 1920.

The CHAIRMAN. Thirty-one years. And in what positions have you served there?

Mr. EMERICK. I have been in my present position since June of last year. Prior to that I was supervising customs agent in the Miami district; before that, supervising customs agent in the New Orleans district; and prior to that, customs agent in charge of the Los Angeles Office; and then customs agent in charge of Portland, Oreg.; customs agent, liquidator, and inspector in Seattle, Wash.

The CHAIRMAN. I see. And then more recently than that, have you been connected with work having to do with narcotics?

Mr. EMERICK. Narcotics, included with other smuggling ventures and investigations.

The CHAIRMAN. I did not mean specifically, but whether it included the matter of smuggling of narcotics.

Mr. EMERICK. Yes, sir.

The CHAIRMAN. Thank you, Mr. Emerick. Could I ask you at the outset if you will be good enough to keep your voice up so that all may hear you?

Mr. EMERICK. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. PERKINS. Mr. Emerick, in your capacity as Deputy Commissioner, do I understand that you are the head of the so-called Customs Agency Service?

Mr. EMERICK. That is correct.

Mr. PERKINS. Would you tell us what the Customs Agency Service is and what part it plays in narcotics control?

Mr. EMERICK. The Customs Agency Service is the investigative unit of the Bureau of Customs. It has investigative jurisdiction over smuggling of merchandise into the country and out of the country, in violation of narcotics law, the Tariff Act, the Export Control Act,

and that part of the Neutrality Act having to do with the exportation and importation of implements of war, and the Gold Reserve Act.

The customs agents—excuse me.

Mr. PERKINS. Would it be fair to say that you were really detectives for the customs inspectors and men that come under Mr. Flynn's jurisdiction, for example?

Mr. EMERICK. That is correct. We make all investigations following seizures, report our findings or facts developed to the United States attorneys for prosecutions, assist United States attorneys in the prosecution of violators.

Mr. PERKINS. About how many men do you have all over the country?

Mr. EMERICK. We have in the service at the present time 185 men, 13 of whom are stationed in foreign countries.

Mr. PERKINS. That is about the same number as the Federal Bureau of Narcotics has; is that correct?

Mr. EMERICK. Approximately so; yes, sir.

Mr. PERKINS. And the distinction between the Customs Agency Service and the Federal Bureau of Narcotics is that, first of all, you cover all sorts of smuggling; is that right?

Mr. EMERICK. That is right.

Mr. PERKINS. And second, you only handle matters which have been in the first instance begun by the custom inspectors at the waterfront or at the border; is that correct?

Mr. EMERICK. No. One of our chief functions is to develop sources of information on smuggling operations.

Mr. PERKINS. Now, turning to New York, in order to take one specific city, about how many of these customs agents do you have in New York?

Mr. EMERICK. We have at the present time 30 customs agents, 5 of whom are supervisory officers and 25 regular customs agents.

Mr. PERKINS. And that makes a total of how many, would you say?

Mr. EMERICK. Thirty, all told.

Mr. PERKINS. Thirty. And out of these 30, I assume they are dealing with all sorts of smuggling, and about how many are actually working on narcotics, on the average?

Mr. EMERICK. That depends on the number of cases awaiting investigation. It runs in cycles. During certain periods, gold smuggling is predominantly the work of the office; other times, diamond smuggling is. And today it may be the smuggling of narcotics. It depends on the workload in the office as to how many agents are assigned to a particular line of smuggling endeavor.

Mr. PERKINS. Do you have a shortage of personnel to work on narcotics investigations?

Mr. EMERICK. We are short in New York. We are short five agents at the present time at the port of New York.

Mr. PERKINS. Now, have narcotics seizures on the national scale increased in recent years?

Mr. EMERICK. No. Narcotic seizures during recent years have decreased.

Mr. PERKINS. Although the usage of narcotics has apparently increased tremendously?

Mr. EMERICK. Apparently so. Our problems today is the Mexican border. Especially is that true from the standpoint of marijuana.

MR. PERKINS. Would you intend to say that there was more coming in from the Mexican border than formerly—is that correct—and less from the port of New York?

MR. EMERICK. That is correct, so far as marijuana is concerned. I have reports here covering a 5-year period on the El Paso district. As an example, there were seizures made during that 5-year period, 1946–1950, in the El Paso district, which covers the entire Mexican-Texas border, and the Arizona-Mexican border. The total marijuana seizures were 6,495 pounds. There were 264 pounds of opiates seized during that period. There were 1,060 arrests by customs, 810 convictions, 49 acquittals, 178 dismissals, one escape, 12 juveniles to probation officer, and 10 released to military for prosecution.

MR. PERKINS. That is all on the Mexican border?

MR. EMERICK. That is all on the El Paso district. That does not include the California-Mexican border.

MR. PERKINS. One question I would like to ask is, Do you have a lot of instances of seizures of narcotics without arrests? In other words, are narcotics frequently found aboard ship and you never find the man who placed it there?

MR. EMERICK. That is frequently the case where seizures are of small quantities, a few grains of marijuana or morphine or cocaine is cached on board ships in various places, where we have not been able to determine or find out who the actual violator was. But there are only very few cases involving narcotics in large amounts where we do not arrest the violator.

MR. PERKINS. Do you think these personal searches of seamen and longshoremen at the pierheads are adequate?

MR. EMERICK. The matter of personal searches is a very embarrassing subject, not only from the standpoint of seamen and longshoremen, but also passengers. When a passenger is subjected to personal search, a real personal search, the clothing is removed. And that act is resented. It is resented by everyone. Their Representatives in Washington frequently hear about it and we hear about it from the Senators and Congressmen, too, and we explain that we are so sorry, and we do not make the personal search of passengers unless we have more than reasonable cause to make it.

THE CHAIRMAN. Of course, you would be stopping short of your full duty if you had quite definite information that a person was transporting it and then made a search of their baggage and other things and allowed them to walk in without any search of their clothing, because cases have appeared where they have brought it in on their body; is that not true?

MR. EMERICK. Frequently, sir; frequently. We have had cases where we have had definite information on passengers and seamen, and we have gone over the outside of the person's clothing and searched their baggage thoroughly, and when we remove the clothing we found the narcotics taped to the body. The outside search by placing your hands over a man's body, at the outside of his clothing, did not disclose the narcotics, but it is necessary actually to remove the clothing to determine definitely that narcotics are not concealed on the person.

Now, in making those examinations, we will explain to the passenger that someone has advised or informed customs that they are

engaged in narcotics smuggling, and in order for them to clear their name, we would wish that they would submit to the personal search, and frequently we can accomplish that purpose without too much embarrassment.

Mr. PERKINS. I would like to compare New York briefly with other ports. As I understand from Mr. Flynn's testimony, there are only about one out of every five ships that are inspected in New York, and perhaps there is only one pier out of every five that has a guard at the head out of it.

Now, how does that compare with other ports, such as Baltimore, Boston, and New Orleans?

Mr. EMERICK. New York has the best customs coverage of any port in the United States. At the present time there are 383 port patrol officers in the port of New York, and the country as a whole including New York has 760 port patrol officers.

The CHAIRMAN. Mr. Emerick, from that, if the chances are four out of five in New York that they will escape even search or detection, it would seem that in the other ports the situation is woefully weak.

Mr. EMERICK. The coverage is very thin, but we cannot do anything about it. We have not sufficient funds to employ more port officials.

The CHAIRMAN. I do not say that by way of criticism of your department, because I think that you are doing everything possible with the limited manpower that you have.

Mr. EMERICK. We work largely on information. That is, we have foreign offices, and those foreign offices endeavor to inform us with information on narcotics smuggling and other smuggling. We do not have the foreign offices we had prior to the Second World War, but we have offices in Mexico, Cuba, England, and Germany, and we do get information which is of value.

Then, in addition, we obtain information on smuggling matters from the Bureau of Narcotics, the Federal Bureau of Investigation, the city police, and other law-enforcement agencies, and when we have information on a ship, regardless of the personnel that we have, the port patrol officers or anyone else available, we will make up a searching squad of customs inspectors and port patrol officers and search the ship.

Mr. PERKINS. What you mean is that, when you say you have even less coverage than New York, when a seaman comes in and has some stuff with him, he might easily decide that New York is hot and move on down to Baltimore or Philadelphia, or some place like that; is that right?

Mr. EMERICK. That is quite true. That is often the case. Now, New York often is recognized as the headquarters of the smuggling traffic, just as it is the headquarters for business in the United States generally, and in the world. But that does not mean that the narcotics are actually being smuggled in at New York.

Now, we have instances where narcotics were smuggled in at Charleston. Our information emanated from New York. Seizure was made in Charleston. We arrested new workers there that were engaged in smuggling narcotics in at Charleston, because Charleston at that time had a very inadequate customs coverage.

Mr. PERKINS. Do you have any specific recommendations other than concerning the increase of funds?

Mr. EMERICK. We are woefully in need of more customs agents. Even if we had our authorized strength, that would help. We need more port patrol officers.

Mr. PERKINS. That is all.

The CHAIRMAN. Very well, Mr. Emerick. I think that will conclude your testimony. Thank you very much, indeed, for your fine cooperation.

Mr. EMERICK. Thank you, sir.

The CHAIRMAN. Mr. Edwin Baldwin.

TESTIMONY OF EDWIN A. BALDWIN

The CHAIRMAN. Would you kindly raise your right hand? In the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. BALDWIN. I do.

The CHAIRMAN. Now, your full name is Edwin——

Mr. BALDWIN. A. Baldwin.

The CHAIRMAN. Edwin A. Baldwin.

Mr. BALDWIN. That is right.

The CHAIRMAN. Spelled B-a-l-d-w-i-n?

Mr. BALDWIN. Yes, sir.

The CHAIRMAN. And, Mr. Baldwin, your address?

Mr. BALDWIN. Summit, N. J.

The CHAIRMAN. Summit, N. J. What is your position?

Mr. BALDWIN. At the present time, I am retired. I was retired from the Intelligence Unit after 25 years' service, on June 30 of this year.

The CHAIRMAN. Mr. Baldwin, when you say from the Intelligence Unit, of what Department?

Mr. BALDWIN. United States Treasury Department.

The CHAIRMAN. United States Treasury. And for 45 years before this past year, you have been not only attached to the Department, but devoted to matters of inspection and general intelligence work?

Mr. BALDWIN. With this exception, that during World War II I was 4 years in the Army.

The CHAIRMAN. Yes.

Now, Mr. Baldwin, could I ask you at the outset if you would keep your voice up and speak in a very clear way so that we can all hear you?

Mr. BALDWIN. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. Moser, will you proceed, please?

Mr. MOSER. Mr. Baldwin, it is my understanding that while you were working for the Bureau of Internal Revenue, you were assigned to undertake an investigation of Abner Zwillman's income-tax returns and also the so-called Reinfeld Syndicate, which was a group of bootleggers; is that correct?

Mr. BALDWIN. Yes, sir.

Mr. MOSER. How did you happen to get into that investigation?

Mr. BALDWIN. They had a notorious reputation for being in bootlegging activities for years there. Of course, I was only in on income tax, and I had been looking around for years trying to get some financial transactions on them. Finally when the West Orange Trust

Co. closed, in about 1932, it turned up that there were four bootleggers' accounts in there that were being operated, and that was just the clue that I needed, because from those four accounts, which were operated by this mob, we traced other accounts into seven banks.

Mr. MOSER. What bank was involved, principally?

Mr. BALDWIN. The West Orange Trust Co., the Union National Bank of Newark; the Federal Trust Co. of Newark; the Fourth Street National Bank; the Trust Co. of Newark; the Bank of America, Times Square branch; the Bank of America, Grand Street branch; the Sterling National Bank & Trust Co.; and the Industrial National Bank & Trust Co.

Mr. MOSER. Who owned the West Orange Bank?

Mr. BALDWIN. Former Judge Van Riper, Walter D. Van Riper.

Mr. MOSER. And what happened to that bank?

Mr. BALDWIN. It closed, in 1932. It was closed by the State department of banking.

Mr. MOSER. Now, were you a special agent assigned to this investigation?

Mr. BALDWIN. Yes, sir; I was.

Mr. MOSER. And were there internal-revenue agents besides working on it?

Mr. BALDWIN. There were three internal-revenue agents who worked with me on this investigation.

Mr. MOSER. Three of them?

Mr. BALDWIN. Yes, sir.

Mr. MOSER. And did you make a report?

Mr. BALDWIN. Yes, sir; I did.

Mr. MOSER. Where is that report now?

Mr. BALDWIN. It is in the files of the Intelligence Unit.

Mr. MOSER. And did the internal-revenue agents make reports, too?

Mr. BALDWIN. Yes, sir; they did. They make a separate report of the tax set-up, and that goes in before mine.

Mr. MOSER. And their reports are also in the files of the Internal Revenue Department?

Mr. BALDWIN. No; it is not.

Mr. MOSER. They are not?

The CHAIRMAN. Why, Mr. Baldwin, are they not?

Mr. BALDWIN. It was stolen.

The CHAIRMAN. You mean to say the official reports to the United States Government have been stolen?

Mr. BALDWIN. Yes, sir.

The CHAIRMAN. Reports relating to this mob?

Mr. BALDWIN. Yes, sir; stolen by this mob, and the reason I make this statement—

The CHAIRMAN. Just let me get the facts first, and then we will get your reasons.

Mr. BALDWIN. Yes, sir.

The CHAIRMAN. The official reports made by the intelligence officers and by the special agents relating to the operations of this mob over a number of years, you say have actually been stolen from United States files?

Mr. BALDWIN. With this difference. My report never was stolen. Our Intelligence Unit files were intact.

The CHAIRMAN. Yes. You made that plain.

Mr. BALDWIN. But the revenue agents' reports which went elsewhere in the Bureau, and also their own copy, have disappeared, and one copy turned up in the suit that Niggy Rutkin brought against Joe Reinfeld. He had it in his possession.

The CHAIRMAN. Now, let us go into that a little further. In regard to the revenue agents' reports, they were reports dealing with the operations of this mob?

Mr. BALDWIN. With the tax set-up, and the operation.

The CHAIRMAN. With the tax set-up. We are talking about the tax set-up now.

Mr. BALDWIN. Yes, sir.

The CHAIRMAN. And were they voluminous reports, and did they give many details as to the operations of the mob?

Mr. BALDWIN. They did.

The CHAIRMAN. And extending over what period of time?

Mr. BALDWIN. Those reports covered the year, as I remember—you see, I have been away from this case for over 11 years—as I remember, our investigation covered the years 1926 to 1933, inclusive.

The CHAIRMAN. But while you have been away from the case, nevertheless the operations of certain members of the mob had kept on?

Mr. BALDWIN. That is right.

The CHAIRMAN. And the reports undoubtedly are as valuable today as the day on which they were filed; would you not think so?

Mr. BALDWIN. They certainly were valuable to Rutkin because he used his copy of this stolen report in his suit against Reinfeld.

The CHAIRMAN. Yes. Now, tell us about that, as to the fact that the revenue officers' reports having disappeared and being stolen from the United States files, according to your testimony, that a copy of it was disclosed in one of the suits?

Mr. BALDWIN. It happened this way, sir. I had been called into the Army after Pearl Harbor, and I spent 4 years there, and then I came back, naturally not knowing what went on around Newark during those years, and then I came back and was reinstated in January of 1946. Along around January of 1948, Niggy Rutkin brought suit against Joseph Reinfeld, one of his associates, for \$22 million.

Mr. MOSER. How much was the suit for, Mr. Baldwin?

Mr. BALDWIN. \$22 million.

The CHAIRMAN. And they were associates in the mob?

Mr. BALDWIN. Yes, sir. And in connection with that suit, the Newark Ledger was following the suit pretty closely, and they printed some excerpts which, when I read them, showed me clearly this Government report. So I immediately tried to check up to find out how they got the Government report, and I found out the files were empty. So I asked Washington for permission to make an investigation of how Niggy Rutkin got that report. And that is how we convicted Niggy Rutkin on income tax.

I sent two of my agents over to New York. You see, in connection with this suit they were holding pretrial testimony. So my two agents, on my instructions, went over there and read this testimony, and in this testimony they noticed that he had gotten this \$250,000 which had never been reported. Also, they were able to establish that he was using this report.

As a matter of fact, he even admitted that he was using the report, although he never turned it over to the Government. He said he lost it. He was living in the Riviera Hotel in Newark, and he said when he moved from there at the time Father Divine took it over, a lot of his stuff was lost in this Government report which he had no right to, which was not even his own case, but was the Joseph Reinfeld case, and he said it was lost at that time. So we asked him where he got the report and he said he got it from Reinfeld's accountant, Samuel Cohn. Well, Samuel Cohn died in 1945. So we were not able to question him, how he got that report.

The CHAIRMAN. Mr. Baldwin, did your investigation take you to the point where you talked with any of the officials of the Government to make sure that actually these files had been stolen?

Mr. BALDWIN. Oh, yes.

The CHAIRMAN. In other words, there was no possibility of their having been destroyed just in a routine manner, because they were apparently very—

Mr. BALDWIN. There is a question there, sir. One answer I got was that the files had been sent up to the Newark revenue agent's office early in 1940, and had never been returned to the Bureau. And then another answer I got was that the files at Washington might have been destroyed as being old records.

The CHAIRMAN. That would appear very unlikely, would it not, because there were matters there that were current? The very suit that you referred to was pending, and other matters dealing with the operations of the mob were still under investigation, were they not?

Mr. BALDWIN. Yes, sir. Not only that, but you must remember that Rutkin turned up with one of these reports.

The CHAIRMAN. That is right.

Mr. BALDWIN. Because we got some photographs of parts of it. The Newark Ledger, when he showed it to them, they made some photographs of part of this report, and we were able to prove from those photographs that this is Government report, a confidential report.

The CHAIRMAN. I take it that there is no doubt in your mind that actually the files were stolen?

Mr. BALDWIN. There is not any doubt in my mind at all, sir.

The CHAIRMAN. That is all I have.

Mr. MOSER. Now, these files involved Abner Zwillman, did they not?

Mr. BALDWIN. It involved the whole syndicate.

Mr. MOSER. And he was one of them; is that right?

Mr. BALDWIN. Of which he was a member.

Mr. MOSER. When you were conducting this investigation, where was your office located?

Mr. BALDWIN. I was working out of New York at the time. We had no regular office in Newark. I was using part-time the United States attorney's office. They had a branch office there. Then, their main office was at Trenton, and they allowed me to use part of their office.

Mr. MOSER. Is it not true that you were in the prohibition office?

(No response.)

Mr. MOSER. Where was the syndicate's office?

Mr. BALDWIN. One of their offices was at 80 Park Place, in the Military Park Building, and another one was at 1060 Broad Street, where their prohibition office was located.

Mr. MOSER. You mean, in the same building?

Mr. BALDWIN. The same building, And another one was over in New York, on Broadway. I have forgotten the number of it.

Mr. MOSER. Now, these reports that disappeared were marked confidential, were they?

Mr. BALDWIN. Yes, sir; they were confidential Ford case reports, which even a taxpayer himself has no right to.

Mr. MOSER. Have you any idea as to how they were stolen, what the process was?

Mr. BALDWIN. I think there has been a dishonest employee who turned it over to him. That is the only way I can figure it out.

Mr. MOSER. I see. Now, I am going to ask Mr. Frisch to continue the investigation in part here, because he has talked to you.

The CHAIRMAN. Go ahead, Mr. Frisch.

Mr. FRISCH. Mr. Baldwin, who was involved in the Reinfeld syndicate?

Mr. BALDWIN. There was Abner Zwillman, Joseph H. Reinfeld, he was the kingpin—he and Zwillman were the kingpins, I would say—Saul Reinfeld and Samuel Reinfeld, brothers of Joseph Reinfeld, Louie Holtz, brother-in-law of Joseph Reinfeld, Samuel G. Lentz, Joseph Acker, Morris Kennigesser, and the Bronfman brothers, who own Distillers-Seagrams.

Mr. MOSER. Now, Mr Baldwin, as a result of your investigation, can you give us an approximation in money of how much this syndicate collected from 1926 to 1933?

Mr. BALDWIN. All I can tell you is what we found. After working on this case and following the ramifications around these different banks, we uncovered bank deposits of around \$25 million. Then we found out that was only part of the syndicate's operations. We found that the cash they took in, they never deposited. They were only using the bank to clear checks. Mr. Stacher at one time told me that they collected at least as much cash as they deposited.

Mr. MOSER. Who is Mr. Stacher?

Mr. BALDWIN. Stacher was one of the men who operated these bank accounts, we found out after a long investigation.

Mr. MOSER. You questioned him, did you?

Mr. BALDWIN. Yes, sir; he and Morris Kennigesser operated the accounts.

Mr. FRISCH. So that roughly the Reinfeld syndicate collected approximately \$60 million from their illegal liquor distributorships?

Mr. BALDWIN. Based on my investigation, I would say "Yes."

Mr. FRISCH. Have you any idea approximately what percentage of illicit alcohol consumed in America during prohibition was imported by these people?

Mr. BALDWIN. I worked on the Waxie Gordon case and the Dutch Schultz case, and those fellows were pikers compared to this mob. The Internal Revenue figured that about 40 percent of the illicit liquor came in through this mob. They were the biggest dealers in prohibition in this country.

Mr. FRISCH. Forty percent of all the illicit liquor consumed in this country?

Mr. BALDWIN. Yes, sir.

Mr. FRISCH. I see. Now, returning to the bank accounts, how was that done? How did they set up these bank accounts? I understood you had considerable difficulty locating them.

Mr. BALDWIN. It was in connivance with the bank officers.

Mr. FRISCH. Did you get cooperation from the bank officers?

Mr. BALDWIN. No. As a matter of fact, we had to send one fellow to jail in the Waxie Gordon case, where he did not cooperate. Here is what they used to do: they would go in and they would open up maybe two or three accounts at one time. They would use all kinds of phony names. As a matter of fact, when I asked where they got all these names from, they told me that when they ran out of them, they used to use a telephone book. They even used a Chinese name.

They would open up these accounts. They would use one account only for about 3 months. Then they would open it up under another name in the same bank. Now, the reason for that, as we found out, was this. If we found out, for example, that there was a Joe Blow account operating in the bank, all they would do would be to bring out the ledger account on Joe Blow. They would not tell us about all these other accounts that were carried on from there. That was an easy way of not coming clean with the Government.

I think in the Union National they operated about 20 fictitious accounts. All together, it is my recollection that there were about 50 bank accounts that they operated that we found. If I had my report here, I could give you everything. I am testifying from memory now, 11 years ago, and that is a long time.

The CHAIRMAN. You are very, very clear, and you show very much intelligence—in it, Mr. Baldwin. If you keep on giving us the information that you can, we will be obliged to you.

Mr. FRISCH. Mr. Baldwin, at the same time your investigation was going on was there not an investigation by the customs authorities?

Mr. BALDWIN. Yes, sir. There was an investigation of bringing in this liquor illegally without paying the excise taxes on it.

Mr. FRISCH. And what was the result of that investigation?

Mr. BALDWIN. I learned that that was settled for \$3 million. The Bronfman Bros. of Canada paid \$3 million to settle that investigation.

Mr. FRISCH. Now, as I understand that picture, the Bronfman Bros. operated out of Canada bringing liquor to St. Pierre and Miquelon and then transferring it to boats to carry it to the 12-mile limit off the coast of the United States; is that correct?

Mr. BALDWIN. Let me go back a little bit further. It is coming back to me now. As I remember, the Bronfman Bros. originally came from Winnipeg. They were in the hotel business. There were four brothers. And then just before prohibition in this country, the Distillers-Seagrams Corp. was in financial difficulties, and the Bronfman Bros. saw that they were going to have prohibition in America, and it was going to be a wonderful opportunity to sell booze down here. So they brought in the Distillers-Seagrams set-up. And then some way they got in with this Reinfeld crowd.

Mr. FRISCH. And that includes Zwillman?

Mr. BALDWIN. That is right. And they were selling liquor, not only in this country, but they were selling bootlegged liquor into Canada. Here is what they would do. They would send their liquor out to St. Pierre and Miquelon, which were French Islands in the St. Lawrence, and they did not have to pay any excise taxes, and then they were selling in Canada again.

Mr. FRISCH. Didn't they run into the Canadian authorities?

MR. BALDWIN. I understand that that is the only time that the Royal Northwest Mounted ever got a black eye. They were pulled off on account of politics.

MR. FRISCH. I see. In the course of your investigation, Mr. Baldwin, did you interview Mr. Zwillman?

MR. BALDWIN. I did.

MR. FRISCH. And what was the result of that interview?

MR. BALDWIN. He came in. I asked him about his income-tax returns, and so forth, and—I mean, do you want to ask any particular questions?

MR. FRISCH. Did he file any delinquent returns with the Bureau of Internal Revenue?

MR. BALDWIN. When I got to checking on him, I found out he filed about three delinquent returns in the year 1931, and as you remember, this is about the time we got Al Capone, our unit got Al Capone. So when I asked him, I said, "How come you never filed and then all of a sudden you filed these returns in 1931?"

He said, "Well, I will tell you why I did it. I saw what happened to Al Capone, and I said to myself, 'Who am I? If they can put Al Capone in jail, these fellows, they can also put me in'."

And he said, "I spoke to my lawyer, and he said I had better file income-tax returns."

And he filed delinquent returns. And then from then on he filed regularly.

MR. FRISCH. Did Mr. Zwillman overpay his taxes?

MR. BALDWIN. He claimed he did. When we asked him how he arrived at the figures there, he said he did not have any figures to show us.

I said, "How do you know you paid enough money?"

He said, "As a matter of fact, I paid the Government more than I owed. For example, suppose I reported \$50,000 this year and \$25,000 of that," he said, "I threw in gratis."

I said, "What do you mean?"

He said, "Well, I will tell you what I mean." And he said, "I am not waving the American flag, either." He said, "My family came from the other side where we were persecuted." And he said, "Coming over here in this free atmosphere, being allowed to grow up as a free citizen, and all, I have been so grateful to the American Government, I am paying more than my share."

MR. FRISCH. Mr. Baldwin, in the course of your investigation, did you ever attempt to have a grand jury investigation instituted against the Reinfeld Syndicate?

MR. BALDWIN. I realized from my investigation we were not going to make a criminal case because the people who had the information would not talk to us, and would not give us the right time, like these bank officers, and others. And it was my opinion that the only way to make a criminal case was to get these men in before a grand jury. I did at different times suggest that that be done, but I don't know whether they thought I was on a witch hunt or what it was. It never was done.

MR. FRISCH. Did you not attempt to have a prosecution instituted on the basis of a continuing conspiracy?

MR. BALDWIN. I also talked about that. You see, the best years we had against these fellows were back in the early years. Under the

income tax laws, you have 6 years for prosecution, on a return. Now, in later years we did not have much on them. It would not have been a good Ford case. So my idea was, if we could make a continuing conspiracy, we would go all the way back to 1926. And I spoke to one of the chief counsel's men, the chief counsel of the Internal Revenue Bureau, about that, and he gave me to understand that I was wrong, that you don't have a continuing conspiracy in income tax. The conspiracy starts and ends when the return is filed and then a new conspiracy starts for the next year. So he said that I was wrong there, and, of course, I am not a lawyer, and I thought he was right in what he was saying.

MR. FRISCH. I see. In the third ward mob, part of the Reinfeld Syndicate, I would like to go over the list of names who were involved. There would be Abner Zwillman, and who else?

MR. BALDWIN. Well, it was Abe Zwillman. In those days, he went under the name of Abe Zwillman, and he used to make his return out as Abraham Zwillman, and then he changed it to Abner. I asked him about that. I said, "How come you are using the name 'Abner'?"

He said, "Well, you know, my mother never told me what my real name was, and then one day she told me about it. And it was Abner and not Abraham."

So he has been filing as Abner ever since.

You asked for the different members?

MR. FRISCH. The other members from the third ward.

MR. BALDWIN. There was Joe Stacher, better known as Doc Rosen.

MR. FRISCH. Is he the same as Doc Hertz?

MR. BALDWIN. Doc Rosen; Joseph Stacher. There was Willie Tiplitz, Gerard Catena——

MR. FRISCH. Excuse me for a second, Mr. Baldwin. Didn't Tiplitz recently go up on a numbers charge?

MR. BALDWIN. Narcotics.

MR. FRISCH. Oh, narcotics.

MR. BALDWIN. Then there was George Heber. He used to drive Zwillman around. I think he got a 10-month sentence here in narcotics only 10 months ago. He used to be Zwillman's driver. You are asking me to go back 11 years.

MR. FRISCH. And was Daniel Zwillman involved?

MR. BALDWIN. No, he was not. You see, I was only investigating bootlegging operations. That is what all these accounts were, bootlegging operations. We never got anything on the numbers racket, because after all, that is a cash and carry business. At the end of the day, they divvy it up and they walk out with the money, and who is going to be there to say how much they make?

MR. FRISCH. Daniel Zwillman is Longie's brother, as I understand it, or cousin?

MR. BALDWIN. He is a cousin. Then we had two brothers working for the motion-picture machine operation, Barney and Irving Zwillman.

MR. FRISCH. I see. Was Niggy Rutkin a member of the third ward mob?

MR. BALDWIN. He was a member of the mob. He was supposed to be a trigger man in it, a sort of body guard.

MR. FRISCH. Who would you say in the third ward mob was the big man?

Mr. BALDWIN. Looking back now, with hindsight, the two big men were Joseph H. Reinfeld, who was a multimillionaire—he lives in the Waldorf Astoria, and pays about \$40,000 a year——

Mr. FRISCH. There you are speaking about the present day?

Mr. BALDWIN. Yes. And Abe Zwillman.

Mr. FRISCH. I see. Did you come into contact with Arthur Garfield Hayes in your investigation of Zwillman?

Mr. BALDWIN. Yes, sir.

Mr. FRISCH. Under what circumstances?

Mr. BALDWIN. He represents Zwillman.

Mr. FRISCH. What time are you speaking of?

Mr. BALDWIN. Well, he first came into the picture about 1937, when Zwillman was cited for contempt at New York.

Mr. FRISCH. Do you recall the circumstances under which Zwillman was cited for contempt?

Mr. BALDWIN. Yes, I do, because he mentioned my name in connection with it. He was called in there, I think, on a narcotics matter, and he was asked about his occupation during these prohibition years, and he refused to answer, and the grand jury took him down, I think it was to Judge Knox, and told Judge Knox that he refused to answer, and the judge ordered him to answer, and he said, "I might be sent to jail if I do."

The judge said, "How can you be sent to jail for this? The 3-year statute has passed for anything that you might have done back in this period."

He said, "Well, wait a minute, judge. There is a 6-year statute of limitations on income tax." and he said, "There is an agent named Baldwin over in Newark trying to get me and send me to jail for income tax evasion."

So he refused to answer, and then was held in contempt and got a 6-months' sentence, and Arthur Garfield Hayes, for the first time, to my knowledge, appeared in the picture. He represented him there. He appealed that conviction to the circuit court, and they reversed the district court. They held that he was within his rights in refusing to testify about his occupation, and so forth.

Mr. FRISCH. Hasn't Zwillman been placed in contempt in connection with the murder case against Nicky Delgar for the murder of a prohibition agent some years prior to that?

Mr. BALDWIN. Not that I know of.

Mr. FRISCH. Do you know George Goldstein?

Mr. BALDWIN. At the present time he is Zwillman's accountant. Originally he was Reinfeld's accountant.

Mr. FRISCH. At the time of the Reinfeld syndicate?

Mr. BALDWIN. Yes, sir.

Mr. MOSER. Mr. Baldwin, can you tell us something about how this syndicate operated in carrying out its activities?

Mr. BALDWIN. They were getting their liquor from Canada and they were getting a lot of their liquor from Europe—Belgium, Germany. There was an Edward Seaman who told me this long after it happened, that he was one of those who did nothing but go over to Europe and make connections and get the liquor. Then they would bring it in to St. Pierre-Miquelon Islands. I never was able to prove it, but I understand that Reinfeld had an arrangement with the mayor

that he would get a dollar on any case that was landed, whether it was his product or anyone else's product.

Then they had run runners. They would bring them to run run-way, which was 12 miles off Sandy Hook, and then run them in by boats, motorboats. They ran it into Port Newark, the city docks there. As a matter of fact, the story was that they even had the police going out in motorcycles convoying the trucks.

Then, of course, they retailed it around the area.

Mr. MOSER. Did they send money to Canada, as far as you can see?

Mr. BALDWIN. I discovered they did.

Mr. MOSER. How did they pay for the liquor they bought?

Mr. BALDWIN. They were sending it to Canada. They were using fictitious accounts up there. They had their banks down here telegraph the money in \$100,000 or \$500,000 amounts to the bank in Montreal. There was a White account which they ran. I recall through a confidential Canadian source I got a slip of paper that indicated that the Bank of Montreal asked, "Why are you running these accounts? Why don't you run them in your own name?"

He said, "I am doing business with a lot of bootleggers in the United States and they do not want me in any way to lead the trail to them, so they will be caught on income taxes."

So they would send this money up there that way. They were also sending a lot of gold out of the country in fifty- and hundred-thousand-dollar amounts. The reason for that was in case this country got too hot for them, they would have something if they had to flee.

Mr. MOSER. How did they ship that gold?

Mr. BALDWIN. I do not know. The banks would get it for them. It would be sent by armed car from New York City, from the Federal Reserve.

Mr. MOSER. These fellows were engaged in shipments of liquor into the country from outside countries. Weren't they engaged in the manufacture of illicit alcohol in the United States?

Mr. BALDWIN. I have no proof on that. I do not think they had to manufacture anything. They had exclusive rights. They were getting this European and Canadian liquor and they did not need to make anything here.

Mr. FRISCH. What happened to the Reinfeld syndicate after repeal?

Mr. BALDWIN. There was a falling out among thieves.

Mr. FRISCH. Would you go into that?

Mr. BALDWIN. Edward Seaman, who used to go over and make the connections in Europe, about 1939 brought suit in New York against Reinfeld and Zwillman and others for \$2 million. When I found out about it, I tried to get him to talk to me and tell me about the syndicate. His lawyers refused to make him available unless I had a grand jury. He wouldn't talk otherwise. I didn't get a grand jury and he didn't talk. He settled for \$20,000. He took it on the lam. I never could get him.

They also had the fight with Rutkin. He went ahead and extorted, from what Reinfeld says now, half a million dollars from him in addition to what he had gotten from his cut in 1943. If you remember the income tax case we had in Newark, he extorted \$250,000 from Reinfeld at that time.

Mr. FRISCH. He has been convicted on that?

Mr. BALDWIN. He has been convicted. It is now on appeal to the Supreme Court. He got a 4-year sentence and a \$10,000 fine.

Mr. MOSER. Can you estimate how much Zwillman got out of it?

Mr. BALDWIN. No. I would just be giving a boxcar figure. I know he was a main contender. In the trial Reinfeld testified that Zwillman was one of the big men. I would hazard a guess he got 40 percent.

Mr. FRISCH. There was \$50 million, at least.

Mr. BALDWIN. That is what we found. I do not think we found it all.

Mr. FRISCH. Do you have any information on the sale of the Brown Vintners?

Mr. BALDWIN. They sold that for \$8 million to Distilleries Seagram. As Reinfeld testified at the trial in court of the Rutkin suit and as we found out in this investigation, after prohibition was over these fellows wanted to go into legitimate liquor circles. They had been doing business with the European brands during the prohibition days. Now they wanted to go ahead and go into legitimate business. They created this Brown Vintners Corp. They had the biggest importing concern in the country. They had their offices in Rockefeller Center.

Mr. FRISCH. What happened to Brown Vintners?

Mr. BALDWIN. They sold it out to Distilleries Seagram for around \$8 million.

Mr. FRISCH. Wasn't there a tax investigation of that particular sale?

Mr. BALDWIN. Oh, yes, but that was all kosher apparently.

Mr. FRISCH. Was there not a settlement with the Government of approximately \$600,000?

Mr. BALDWIN. I don't know about that. That was a New York matter. I was working out in Jersey during those years. I had nothing to do with that. They kept their records pretty good. They had window dressing in there. It now develops that Zwillman had a part of that, but his name never appeared in any records at all in Brown Vintners.

Mr. FRISCH. Do you think Zwillman was a real party in interest in the suit of Rutkin against Reinfeld for \$22 million?

Mr. BALDWIN. I do not think Rutkin would have dared bring that suit if he did not have Zwillman on his side because, if he didn't, he would have been rubbed out.

The CHAIRMAN. Would you just explain that? What do you mean by that? Why do you say he would be rubbed out? What do you mean by that?

Mr. BALDWIN. Here were all these liquor transactions that these fellows wanted to remain a dark secret. They all tried to put on an air of respectability. They bought big homes and went into big businesses. They didn't want him to start this big suit and drag the dirty linen out and have the people reading it, as they are now doing. If he didn't have Zwillman in back of him, he wouldn't have gone into it. I would stake my reputation on that.

The CHAIRMAN. That is why it is so important to find out what you mean by that. You were in the Department until about a year ago?

Mr. BALDWIN. That is right.

The CHAIRMAN. And your attention, of course, has been focused for these many years on the operation of this mob and the different members?

MR. BALDWIN. No. As I told you before, Senator O'Connor, I was away for 4 years in the Army.

THE CHAIRMAN. I understand that. Eliminating that period and the period you were engaged on the other work, you, nevertheless, had them under observation or checking into their matters over a period of years?

MR. BALDWIN. There was a difference in my status. When I was investigating these fellows back before 1940 I was a field agent, but from 1946 on I was in charge of the Newark office. I was an office man and ran the office. That kept me from getting in on this.

Also, this Brown Vintners was a New York corporation, which is out of my jurisdiction.

THE CHAIRMAN. But even while you were the officer in charge and were in the office, did you not keep in touch with the work of the different agents as to their investigations of Zwillman and the others?

MR. BALDWIN. As a matter of fact, I think I have indicated I did, because, as soon as I saw this article in the paper about this suit and the excerpts from the Government report, I took action and got in touch with Washington and, through that, Rutkin is now facing a jail sentence.

THE CHAIRMAN. Confining your attention to Zwillman for a minute, did you have reason to believe he was continuing in operations over the period of time and after the investigation that you had instituted?

MR. BALDWIN. I do not think I can fairly answer that. I do not know what he has been doing. He has gotten these businesses together. I heard he was trying to get away from some of these associates; but they say, once you get into a mob, you cannot get away from it because you know too much. He had gotten his pile and was trying to become respectable. He set up the Public Service Tobacco Co. and all that.

I will give you another conclusion for what it is worth. I think Jerry Catena was a member of that gang, that gambling mob in Bergen County. I have no question about that. It has been admitted. I really think he is Zwillman's front man in that, because he was under Zwillman; he was one of Zwillman's lieutenants. You see the point? There are two reasons why they set up the front men: One is, if the police make a seizure, the other fellow, not the big shot, goes to jail. When you make out your income-tax returns, you spread your income tax over a lot of people instead of one man reporting.

THE CHAIRMAN. Our information is that Zwillman's home in Jersey represents about \$200,000.

MR. BALDWIN. That did not cost him anything like that. I happen to know something about that territory. When I was a kid, I caddied there. There was a golf course nearby. That house was built by Macy. It is a white elephant. These days people do not want big houses like that. As I remember, Zwillman paid \$50,000 for it when he bought it in 1946. It is probably worth about \$200,000 today. It is a white elephant just like the Vanderbilt mansion in Newport and other places.

MR. MOSER. You referred to the gambling operations in Bergen County. Would that be the G. & R. Trading Co. operations?

MR. BALDWIN. Yes. You had Jerry Catena and Niggy Rosen in that. It is my conclusion they are just fronting for Zwillman in that.

MR. MOSER. We had information from income-tax returns of G. & R. Trading Co. to the effect that James Rutkin, Gerrard Catena, An-

thony Gurini, Salvatore Moretti, and Joseph Doto, Joe Adonis, were all partners in G. & R. Trading Co., and Rutkin got \$51,000 out in 1946, Catena got \$51,000, Gurini got \$38,000, Moretti got \$38,000, and Joe Adonis got \$76,000, a total profit of \$255,000 in 1946 from that operation. Do you think Catena is a front for Zwillman in that?

Mr. BALDWIN. I would say, based on my background in Jersey and from what I know about these people, that Catena and Rutkin are fronting for Zwillman in those operations.

Mr. MOSER. Now tell me a little bit about this background of the third-ward mob. Was it a group that lived together, lived in the same neighborhood?

Mr. BALDWIN. It grew up in the third-ward district of Newark. I didn't go in on the political angles in my investigation. I was interested in income-tax evasions from liquor violations. They were called the third ward mob of Newark. Zwillman grew up there. He is a young fellow compared to the others. I think he was born in 1904.

Mr. MOSER. How did he start off in business?

Mr. BALDWIN. As a huckster. He used to go around in a wagon peddling and selling fruits and vegetables. When Reinfeld came down there, he got a job and made himself so important that he became a full partner with Reinfeld. That was what Edward Seaman told me. He was a member of the mob.

Mr. MOSER. There was a place called Pop Handler's Saloon in that area.

Mr. BALDWIN. They had a clubhouse there, I believe.

Mr. MOSER. Was the clubhouse in the saloon or next door, or what?

Mr. BALDWIN. I have forgotten whether it was in the saloon or next door. It was in that area. He had a club there.

Mr. MOSER. Is Pop Handler any relation to Charles Handler, the present corporation counsel of Newark?

Mr. BALDWIN. I believe so.

Mr. MOSER. His son?

Mr. BALDWIN. There is a relationship. I cannot tell you what it is. There is a family relationship.

Mr. MOSER. All right, Mr. Baldwin, that is all.

The CHAIRMAN. We are very much obliged to you, Mr. Baldwin.

Mr. BALDWIN. Am I finished?

The CHAIRMAN. Yes, sir.

Jules Endler.

Will you raise your right hand?

In the presence of Almighty God do you swear the testimony you are about to give will be the truth, the whole truth and nothing but the truth?

Mr. ENDLER. I do.

**TESTIMONY OF JULES ENDLER, ORANGE, N. J., ACCOMPANIED BY
JOHN J. CLANCY, ATTORNEY, NEWARK, N. J.**

The CHAIRMAN. Your full name is Jules Endler?

Mr. ENDLER. Yes, sir.

The CHAIRMAN. Your residence?

Mr. ENDLER. 188 Elmwind Drive, Seven Oaks Park, Orange, N. J.

The CHAIRMAN. You are represented by counsel?

Mr. CLANCY. John J. Clancy, Newark.

The CHAIRMAN. All right, will you proceed, please, Mr. Moser?

Mr. MOSER. Mr. Endler, you testified before this committee in executive session on July 11, 1951; did you not?

Mr. ENDLER. I did, sir.

Mr. MOSER. You have been very cooperative with the committee, and I understand you are not feeling very well at the moment. We appreciate your coming down.

Mr. ENDLER. Perfectly all right. I am here. I got a telephone call and I came here.

Mr. MOSER. If you find the questioning is a little strenuous for you, let us know; will you?

Mr. ENDLER. All right, sir.

Mr. MOSER. We would like to ask you briefly if you would tell us about the legitimate enterprises in which you have been involved which also included Abner Zwillman. The first one I would like to inquire about and ask you to make it as brief as you can is the Manhattan Productions, which is an enterprise which you were in in 1941.

Mr. ENDLER. Manhattan Productions was a company formed to make some pictures of which Mr. Zwillman held a 6-percent interest, that interest being held in trust for him by Arthur Garfield Hays. I also held a 6-percent interest in that company.

Mr. MOSER. Why was Arthur Garfield Hays used as a trustee; do you know?

Mr. ENDLER. I do not know that; no, sir. He was his attorney. It was formed that way.

Mr. MOSER. What was the total amount invested; do you remember?

Mr. ENDLER. To the best of my recollection, the stock was a very nominal amount. I think the 6 percent represented 600 in stock. There was \$25,000 advanced for each 6 percent as a completion bond to the bank that this picture would come in as the budget stated.

Mr. MOSER. Was the picture completed?

Mr. ENDLER. It was, sir.

Mr. MOSER. What was the name of the picture?

Mr. ENDLER. It was called *It Is in the Bag*.

Mr. MOSER. And then was the enterprise liquidated after the picture was completed?

Mr. ENDLER. It was, sir.

Mr. MOSER. Did everybody make a profit or a loss?

Mr. ENDLER. No; they made a profit.

Mr. MOSER. Substantial?

Mr. ENDLER. I think each 6-percent interest declared a liquidating profit of \$12,000. I doubt very much whether they recouped the entire \$12,000 as yet. I think only \$9,000 of the \$12,000. They paid an income-tax on \$12,000, but I do not think \$12,000 was recouped to date.

Mr. MOSER. Who was the star in the movie?

Mr. ENDLER. Mr. Fred Allen.

Mr. MOSER. Was another 6 percent owned by Mr. Pogash?

Mr. ENDLER. Another 6 percent was owned by Jerome L. Silverman, and he divided his 6 percent interest with his father and cousin and a Mr. Pogash, who happens to be his accountant.

Mr. MOSER. Will you tell us about the Green Tree Productions Co., which you went into in 1945?

Mr. ENDLER. The Green Tree Productions was either in 1944 or the early part of 1945. This same group of Silverman, myself, Mr.

Zwillman, had 25 percent of that picture. I held the larger share, which was 9 percent. Silverman held 8 percent, which he again divided with the same people. Zwillman had 8 percent, of which I was his nominee.

Mr. MOSER. You held it in your name for him this time?

Mr. ENDLER. That is correct.

Mr. MOSER. Did you have a written agreement under which you held it?

Mr. ENDLER. No; I had no agreement. I did resign in 1950 from the agreement that I held.

Mr. MOSER. What was the name of that picture, and who was in it?

Mr. ENDLER. The picture was called Guest Wife, and the stars of the picture were Claudette Colbert and Don Ameche.

Mr. MOSER. The next enterprise I would like to ask you about is the Louisville Post Office site in Louisville, Ky. Do you want to tell us the background of that, how it was undertaken, and who was in it?

Mr. ENDLER. The property was owned by the United States Government. There were sealed bids accepted here in Washington, D. C., on that property, and I was the highest bidder. I was somewhere near \$360,000 higher than any other builder. I bid \$1,803,013.

Mr. MOSER. Did you do that all for yourself or did you have other people in with you?

Mr. ENDLER. I had other people in with me.

Mr. MOSER. Can you tell us who they were and their shares?

Mr. ENDLER. Jacob Schapiro, who was head of M. Schapiro Construction Co. in New York, held 26 percent of it. Col. L. George Horowitz held 22 percent of the bid. Jules Endler, myself, held 26 percent. Arthur Garfield Hays held 26 percent for Abner Zwillman.

Mr. MOSER. That is, he was trustee for Abner Zwillman?

Mr. ENDLER. That is correct, sir.

Mr. MOSER. Did anyone tell you why Zwillman used Arthur Garfield Hays as trustee, and yourself as trustee for some of these transactions instead of using his own name?

Mr. ENDLER. He didn't tell me why he used Arthur Garfield Hays, but I can tell you why he used me, because I asked the question. I said, "Why do you need a trustee?"

This was in the Green Tree Productions. It was the only time I was his nominee. He said, "I had a reputation in years gone by as a bootlegger, and I haven't been able to live that down, and it might injure you because there are banking problems here, and I wouldn't want to see you get messed up because you may not be able to get the financial backing for this if my name were mentioned."

The CHAIRMAN. Was a full disclosure made to the other partners, the other participants in the case where Arthur Garfield Hays was the nominee? Were all the different individuals advised?

Mr. ENDLER. They were not. They never knew until this date that Abner Zwillman was in any of those transactions.

The CHAIRMAN. Did you happen to know it at the time?

Mr. ENDLER. Yes, sir.

Mr. MOSER. The Sherry-Netherland Hotel was another investment in which Zwillman was involved. Can you tell us about that?

Mr. ENDLER. I advised him to buy some of those bonds. I had bought some. He bought some. He could have gone out on the open

market, but I saved him, I think, a point and a half, or something like that, by buying them directly when the purchase was made.

Mr. MOSER. How much did he pay for his share?

Mr. ENDLER. I think he paid—to be exact, since I have had a chance to since look at the slip, I think that was \$41,123.

Mr. MOSER. Did he take those in his own name?

Mr. ENDLER. They were bearer bonds, Mr. Moser, there was no name on them at all.

Mr. MOSER. Were they delivered to him?

Mr. ENDLER. I think they were delivered to Arthur Garfield Hays.

Mr. MOSER. Coming back to the Louisville Post Office site, you bought that property as a group. What was eventually done with that?

Mr. ENDLER. Part of it was sold in 1948; another part in 1950, and the balance on June 1, 1951. The title was passed on June 1.

Mr. MOSER. So, it was just this year that it was completed?

Mr. ENDLER. It is completed.

Mr. MOSER. Was it completed at a profit or a loss?

Mr. ENDLER. Completed at a profit, sir.

Mr. MOSER. Did you report a profit in your income-tax return in the various years involved?

Mr. ENDLER. Mr. Moser, I sent you a copy of the income-tax returns. Did I report a profit? I do not know. My income-tax return would show you that. I sent you a copy. If I reported a profit, everybody else reported one.

Mr. MOSER. You reported a loss in 1947 and a loss in 1948 because you had not yet recovered your cost and you had taxes to pay, and so forth.

Mr. ENDLER. That is correct.

Mr. MOSER. But in 1949 you reported a profit.

Mr. ENDLER. My return shows that.

Mr. MOSER. Zwillman reported a loss in 1949 of \$12,538.18. I am wondering if there is any explanation why he had a loss and you had a gain when you were equal partners in the transaction.

Mr. ENDLER. I have no knowledge of that. I do not know what he reported.

Mr. MOSER. You were a stockholder in the Union National Bank?

Mr. ENDLER. That is correct.

Mr. MOSER. As I understand it from your previous testimony, you were the owner of that stock in your own name.

Mr. ENDLER. That is correct.

Mr. MOSER. You say you did not represent Zwillman or anybody else in that connection?

Mr. ENDLER. No one in there but myself.

Mr. MOSER. And you were elected a vice president, were you not?

Mr. ENDLER. That is correct.

Mr. MOSER. Zwillman was a large depositor in that bank; wasn't he?

Mr. ENDLER. Not to my knowledge, sir.

Mr. MOSER. Did he have a loan with the bank?

Mr. ENDLER. Not during the time I was in there. He might have had a loan that was paid before.

Mr. MOSER. You never passed on a loan for him?

Mr. ENDLER. I know I never passed on a loan for him.

Mr. MOSER. What was the year you were there?

The CHAIRMAN. You are at liberty to refer to your notes, if you wish, or to confer with counsel.

Mr. ENDLER. I was there in 1948, Mr. Moser.

Mr. MOSER. Mr. Zwillman submitted to the Bureau of Internal Revenue a net-worth statement for the year 1946 in which he showed cash on deposit with the Union National Bank of Newark of \$27,000, approximately, and his wife had a loan at the Union National Bank of \$23,000 and he had a loan of \$49,500. Weren't those loans the subject of discussion at all while you were on the board of that bank?

Mr. ENDLER. I do not believe those loans were on the books when I was there.

Mr. MOSER. They may have been paid off by then?

Mr. ENDLER. I think they were. I know no loan was passed while I was on that board.

Mr. MOSER. Did any of Zwillman's enterprises have deposits in the bank, as far as you know?

Mr. ENDLER. I do not know of his enterprises, Mr. Moser.

Mr. MOSER. You do not know what they were?

Mr. ENDLER. I know of one business, Public Service Tobacco Co. They did not have a deposit in Union National.

Mr. MOSER. They did not?

Mr. ENDLER. Not to my knowledge.

Mr. MOSER. There was an organization called Harr Keg Tap System, Inc., which Zwillman had an interest in. It had its account at the Union National Bank. Do you know anything about that?

Mr. ENDLER. I think that is a defunct company. I know nothing about it.

Mr. MOSER. Another one called E. & S. Trading Co. had an account in your bank.

Mr. ENDLER. I do not know anything about that.

Mr. MOSER. Another was called United States Yeast Co., which also is defunct, which had an account there.

Mr. ENDLER. I heard something about that, but know nothing about that.

Mr. MOSER. You were active in the bank management. What was your experience as a member of the board?

Mr. ENDLER. The bank is still functioning, Mr. Moser. The fact that I might have been at odds with the board of directors—there are a lot of depositors there. I certainly wouldn't want to make any statements that were derogatory to the bank.

Mr. MOSER. In view of your hesitancy, I think perhaps we will pass that up.

I have no further questions.

The CHAIRMAN. I would like to ask Mr. Endler this: You made a reference a moment ago—and we do appreciate your cooperation, you have been very helpful throughout—to the fact that Zwillman referred to his past as an explanation of why he did not go into these ventures in his own name. Did that give you to understand that the moneys that he was investing, or at least the bulk of his holdings, represented money gained as the result of his bootlegging operations, and such other activities as that?

Mr. ENDLER. No; it did not give me that impression, Senator. I had been reading a lot of things about Abe Zwillman, but I have never

known anything outside of the fact that he was a bootlegger until the Kefauver committee, and a lot of other things came out in the papers.

The CHAIRMAN. My point was that he did give you to understand that he was anxious to conceal the fact that he was the investor. That was why he nominated Arthur Garfield Hays and that was why in the particular instance you cited he asked you to be his trustee?

Mr. ENDLER. I think he meant by that—and I think he has that much sense anyhow—that where a bank is involved his name might not lend any prestige to the transaction.

The CHAIRMAN. We can understand that.

Mr. ENDLER. All these people out in California were just innocent of all these things there.

The CHAIRMAN. Of course, you do not know how many instances there were. He didn't give you any indication of similar transactions, did he?

Mr. ENDLER. No; I did not know of any transactions outside of my own.

The CHAIRMAN. Thank you. That is all.

Joseph Brooks.

Will you raise your right hand?

Do you solemnly swear in the presence of Almighty God in the testimony you are about to give to tell the truth, the whole truth, and nothing but the truth?

Mr. BROOKS. I do.

TESTIMONY OF JOSEPH FRANCIS BROOKS

The CHAIRMAN. What is your full name?

Mr. BROOKS. Joseph Francis Brooks.

The CHAIRMAN. Mr. Brooks, your address?

Mr. BROOKS. 302 Huron, Jersey City.

The CHAIRMAN. For how long have you lived in Jersey City?

Mr. BROOKS. All my life.

The CHAIRMAN. What is your occupation?

Mr. BROOKS. I am a detective on the Jersey City police force. I was in charge of the gambling squad. I am suspended now.

The CHAIRMAN. How long had you been connected with the police department?

Mr. BROOKS. Approximately 5 years.

The CHAIRMAN. That work continued until the time of your suspension? When was that?

Mr. BROOKS. Twenty-six days ago.

The CHAIRMAN. This past month?

Mr. BROOKS. Yes, sir.

The CHAIRMAN. Mr. Moser, you may proceed.

Mr. MOSER. Mr. Brooks, I believe you said you were the head of the racket squad? Is that what they called it?

Mr. BROOKS. Yes, sir.

Mr. MOSER. And who is Mr. Witkowski?

Mr. BROOKS. Mr. Witkowski was the past police commissioner. He was stripped of his powers and he was the man who appointed me head of the racket squad.

Mr. MOSER. He was a member of the City Commission of Jersey City?

Mr. BROOKS. Yes, sir.

Mr. MOSER. As a commissioner, he was assigned to the police?

Mr. BROOKS. He was commissioner of the department of public safety.

Mr. MOSER. So he was, therefore, at the head of the police department?

Mr. BROOKS. Police and fire departments; yes, sir.

Mr. MOSER. He appointed you as head of the racket squad?

Mr. BROOKS. Yes, sir.

Mr. MOSER. Will you tell us a little bit about the activities of the racket squad after your appointment, especially in comparison with what happened before you were appointed?

Mr. BROOKS. Prior to my appointment as head of the racket squad, I believe the racket squad that preceded me made 8 or 10 arrests over a period of 8 to 11 months.

Mr. MOSER. Who was in charge of it then?

Mr. BROOKS. At that time I believe it was Inspector Drewen.

Mr. MOSER. Who was the director of public safety at that time?

Mr. BROOKS. At that time it was Commissioner Witkowski.

Mr. MOSER. Before your appointment?

Mr. BROOKS. Yes.

Mr. MOSER. How many arrests did you make?

Mr. BROOKS. In the period of the last 16 months we have made per capita more gambling arrests than any city in the United States. I should say approximately over 325 arrests on gambling.

Mr. MOSER. Over what period of time?

Mr. BROOKS. The last 16 months.

Mr. MOSER. How many of those have resulted in convictions?

Mr. BROOKS. Out of that total we have 95 percent convictions.

Mr. MOSER. What kind of penalties are imposed when you get convictions?

Mr. BROOKS. At that time, I had taken up with the legal department of the city of Jersey City this matter of our charging them—this is numbers of policies or bolita—in the lower court, police court, with a DP and holding them for possession of policy slips for the grand jury, which is an indictable offense. I believe I lost 180 cases that were fined in the lower court, because of a double jeopardy decision rendered by the Supreme Court of the State of New Jersey.

The CHAIRMAN. Actual convictions had been obtained in the lower court?

Mr. BROOKS. Yes, sir.

The CHAIRMAN. The subsequent reversal on the second charge did not represent an acquittal in the cases entirely because you already had secured convictions in the lower court.

Mr. BROOKS. That is right, Senator. That is on numbers.

On bookmaking, which in the State of New Jersey is an indictable offense, it does not go to the police court, other than to waive examination for the grand jury.

Mr. MOSER. Tell us about how you operated the rackets squad when you were head of it. Tell us what your policies were with regard to the freedom of the men to act, and so forth.

Mr. BROOKS. The men in my squad?

Mr. MOSER. Yes.

Mr. BROOKS. I made it a policy, in order that there would be no protection in the city of Jersey City, from me or any other member

of the squad, I told them if they had any information they should hold it to themselves, not give it to me, hold it to themselves and tell me about the raid and wait until we were one block away before it was set up. No one would know. If the man had information, we could move in on the target without anyone in the squad being held responsible for the leakage.

Mr. MOSER. The purpose for having the man keep the information to himself was to avoid a tip-off?

Mr. BROOKS. That is correct, exactly.

Mr. MOSER. Did you ever have experience with tip-offs?

Mr. BROOKS. I couldn't exactly say it was a tip-off. The circumstances were extenuating. It appeared to be that. I had no absolute proof.

Mr. MOSER. Do you want to tell us the circumstances?

Mr. BROOKS. Yes, sir. I will tell you the circumstances. I am under oath here. I had a detective in my squad by the name of Kurfels, Ralph Kurfels. I had made this man a detective. He had been on 20 years as a cop, a harness bull. I made this man a detective through my efforts and the recommendation to the commissioner, Mr. Witkowski. Approximately a year ago I had been out on a raid at 6:30 in the morning with two of the men in my squad. The next morning it was Detective Kurfels' turn to go out with two men. He was to hit a place in the Greenville section of the city. It was a number drop. When he walked into the store there was nothing there. I couldn't figure it out because the evidence that had been given me by this informer before had never failed. So when one of the members of the squad got a letter stating that Detective Kurfels had tipped these people off and I had a telephone call to the same effect, I was suspicious. Two days later I was cruising in the northern section of the city and two of the men were cruising in the Greenville section of the city and they saw this detective walk out of the store. When he was questioned about it, he said to me he had gone in there for cigars. There are 3,000 other stores in the city to get cigars. I have absolutely no proof that the man went in there for anything else, only cigars, but the circumstances did not warrant his being there.

Mr. MOSER. Is that the only tip-off case you had?

Mr. BROOKS. No, sir. We had a leak in the squad which I took up with Commissioner Witkowski, which I could not locate. Then I started to segregate the men and I segregated Detective Kurfels and a Detective Bell and after that I had no more leaks.

Mr. MOSER. What is Detective Kurfels' position right now?

Mr. BROOKS. Detective Kurfels' position is in my place, or I was the head of the racket squad.

Mr. MOSER. He is now the head of the racket squad?

Mr. BROOKS. Yes, sir.

Mr. MOSER. Why are you no longer the head of the racket squad?

Mr. BROOKS. It happened like this, counselor. I was on my vacation. I did someone a favor. I drove a waitress from the hotel I was staying at to a bar in Spring Lake. I read an account of it in the paper.

Mr. MOSER. You mean the next day?

Mr. BROOKS. The next day; yes, sir. If that was a true account, Horace Greeley must have turned over in his grave, believe me.

All I remember is standing at the bar. There was no argument, no trouble of any kind. Ten and a half hours later I woke up in the Memorial Fitkin Hospital with a cerebral concussion from a blow struck from the rear over my right shoulder by a person taller than I. That was the diagnosis of the specialist I had from the New York Hospital. I came out of it, shall I say, about 1 o'clock in the afternoon. About 3 o'clock I passed out again and at 4 o'clock I passed out. I had a lawyer with me, a counselor, at the time, and immediately after the counselor left, the prosecutor, the captain of detectives—

Mr. MOSER. Of what county was this?

Mr. BROOKS. This is Monmouth County. May I add at this time that I consider Victor Carten, who is the prosecutor of that county, a conscientious, honest, and fine man. I want to commend the grand jury of that county because these charges that I was held on at that time were thrown out. There was no bill. Insufficient evidence. It was nolle prossed.

As I lay in the hospital, two captains from Jersey City came in. I had called the Jersey City Police Department for protection and these two captains came down, two captains that I had protected while they were in their precincts, who could have been held for malfeasance in office. Every raid I made I took them along with me, although they knew nothing of the evidence or the place I was going to. These were the two men who came down to help me. I quote the State trooper who asked, "Did they come down to help you or hang you?"

That is my idea now, which did they do? Because yesterday I received a memorandum from the city police that I am to be held on charges of assault with intent to kill on the 20th of this month, the same charges that the grand jury and the prosecutor of Monmouth County and the State police of the State of New Jersey could not find me guilty of, they are going to try me on the same charges.

These two captains came into my room at Memorial Fitkin Hospital. They came in after I had been in a coma and they wanted to question me. I told them I was in no fit condition to answer questions. They came back the next day as soon as the lawyer I had with me had left. They walked in just after he left. The timing was beautiful.

They questioned me again. I told them I had no answers. I didn't know what happened. In fact, I had a difficult time remembering what happened the night before. They came back to Jersey City and said to the commissioner of police, "He offers no defense."

I was suspended immediately, although there is a provision in the statute covering the suspension of police. That provision states that, unless formal charges are notified to the policeman in question, he is not to be suspended. I was suspended and didn't find out until yesterday, 26 days later, what I was suspended for.

Mr. MOSER. You were suspended without a statement of charges?

Mr. BROOKS. No, sir. All I know was what I read in the papers, that I was suspended pending the outcome of the case in Monmouth County.

Mr. MOSER. Did the newspaper report tell anything about the circumstances under which the blow was struck, anything about shots fired, and so forth?

Mr. BROOKS. Yes, sir. The statement was erroneous and without basic facts. It was hearsay and there was no check made of the statement that was given to the reporter. Everyone involved in the case that I asked whether they had made a statement, said, "No." No one made the statement. Where the facts came from, I do not know.

Mr. MOSER. Had any shots been fired?

Mr. BROOKS. To my knowledge; no, sir.

Mr. MOSER. What was the story?

Mr. BROOKS. The story was that after I had been struck and I had eight stitches in the back of my head and four in the front, that I lay in a pool of blood, walked out to the car, took my service gun out of the glove compartment, fired two shots, left three live shots in the gun, went back and locked it up in the glove compartment, came back and lay in the pool of blood again.

Mr. MOSER. How about your revolver?

Mr. BROOKS. My service revolver has been checked in a hotel in Spring Lake where I was staying.

Mr. MOSER. You mean it was checked with the management of the hotel?

Mr. BROOKS. Yes, sir.

The CHAIRMAN. With what results?

Mr. BROOKS. I have affidavits to prove that my gun was in Spring Lake.

Mr. MOSER. Did it remain intact there?

Mr. BROOKS. That is right. But the gun that was shown to me was a revolver and they found two shells on the floor. A revolver of that type, I have yet to see it eject shells. Automatics will do it, but not a revolver. They have to be pulled out and thrown.

Mr. MOSER. What is your explanation for what you describe as something of a frame-up? What is your explanation for that?

Mr. BROOKS. What was the last question?

Mr. MOSER. I asked you what your explanation was for this apparent frame-up? Why would anybody do it to you in Jersey City?

Mr. BROOKS. Let me give you one instance, counselor. Since the first of the year the squad and myself have cost the bookmakers in Jersey City in bail alone approximately \$800,000.

Mr. MOSER. To say nothing of the business you have interfered with.

Mr. BROOKS. The business I interfered with and the counsel fees. This is just bail money. I passed up at least \$350,000 in this job, counselor. I am broke. I had to borrow money to pay my hospital bills.

Mr. MOSER. You mean you passed up money offered to you to lay off?

Mr. BROOKS. As a pay-off.

The CHAIRMAN. Would you tell us the method of operation and in what way you were offered any such sum and by whom?

Mr. BROOKS. I made an arrest in a raid at 38 Broadway. It was a bookmaker from Brooklyn who was doing approximately a million dollars a year in the city and resided in Brooklyn. He offered me \$2,850 in \$50-bills if I would just forget the evidence and let him go. I put the \$2,850 in the envelope as evidence against him. It is on the record, sir.

I made an arrest in the Central Ferry.

The CHAIRMAN. Who was he?

Mr. BROOKS. His name was Catelano.

The CHAIRMAN. You did continue with the arrests, made the arrest?

Mr. BROOKS. Yes, sir; definitely.

The CHAIRMAN. The case was docketed?

Mr. BROOKS. Yes, sir.

The CHAIRMAN. Is it pending now?

Mr. BROOKS. It is pending now. He has been indicted by the Hudson County grand jury.

The CHAIRMAN. Is the amount he gave you just as you described in \$50 bills still being held by the department as evidence?

Mr. BROOKS. Yes, sir. I believe it reverts to the county treasurer at the termination of his trial.

The CHAIRMAN. The case is still pending? It hasn't actually been tried?

Mr. BROOKS. Yes; it is still pending.

The CHAIRMAN. Will you continue, Mr. Moser?

Mr. MOSER. Mr. Brooks, let me ask you again about the bribe that was offered to you. You mean at the time of the arrest when you went into the place and had the evidence, the man offered you the cash on the spot?

Mr. BROOKS. Yes, sir.

Mr. MOSER. How much did he offer you?

Mr. BROOKS. \$2,850 in \$50 bills.

The CHAIRMAN. What did he say?

Mr. BROOKS. He said, "This is yours. You have the money. Forget about the evidence. Let me get out of it."

The CHAIRMAN. Was anyone else there?

Mr. BROOKS. Yes, sir, a captain that I had brought in from the seventh precinct. The place was in the seventh precinct. I took the captain with us.

Mr. MOSER. What was the name of the bookmaker?

Mr. BROOKS. Catelano.

Mr. MOSER. He is now under prosecution?

Mr. BROOKS. Yes, sir.

The CHAIRMAN. The indictment has been returned, but it hasn't actually been tried?

Mr. BROOKS. No, sir.

Mr. MOSER. Commissioner Witkowski, as I understand, was stripped of his power by the Jersey City commission, so he was removed as public safety director?

Mr. BROOKS. That is correct.

Mr. MOSER. Before that happened, did you hear rumors to the effect that it might happen?

Mr. BROOKS. Everyone in the city heard rumors to that effect.

Mr. MOSER. Where did the rumors come from?

Mr. BROOKS. It emanated from people on the corner, bookmakers, number runners. In fact, they came up and told me my days were numbered, it was only a question of time.

Mr. MOSER. Did they say there was any connection between your staying in office and this committee's activity?

Mr. BROOKS. Not directly; no, sir.

The CHAIRMAN. Officer Brooks, I had asked you previously for the details concerning the total amount that you passed up, to use

your own words, and you started off by giving the one incident. You have backed that up by proof. My question is whether there are other incidents that you can cite to support your statement as to the amount you could have gotten and would have been paid if you had yielded to it.

Mr. BROOKS. Yes, sir. I believe I was in the racket squad approximately a month when I made an arrest at the Central Ferry of one Sam Hoff. He had numbers, horses, He was doing a 6-for-5 business. Do you know what I mean? You borrow five and you give six back at the end of the week. I had some rather pathetic letters from the wives of engineers and firemen, and so forth. I went down to Central Ferry and stood right next to Mr. Hoff and the guys who were long-shoremen while they took bets. We picked him up and in his possession he had either \$1,300 or \$1,600, which he offered to divide among the three detectives there. I told him I wasn't interested. He went as high as \$1,500 apiece. We told him we weren't interested. We entered the \$1,300 or \$1,600 in evidence against Mr. Hoff, which is a matter of record.

We made a raid down on the far part of Greenville in a man's house, whose name was Al Lerner. He was on probation at that time for 1 to 5 years for previous convictions on number running. We found the evidence in the cellar. His wife was down there and she offered me \$5,000 if I would let him go as he was facing a jail sentence. We passed up that \$5,000.

I have been in the presence of Joseph Moriarity, whom I consider to be one of the biggest numbers men in the East, who does approximately a million and a half dollars' worth of business a year. I believe he owes the Government \$270,000 in back income taxes. He is better known as Joseph Moriarity.

The CHAIRMAN. Are his operations confined to that one area, do you know?

Mr. BROOKS. I believe it is, sir.

The CHAIRMAN. Go ahead.

Mr. BROOKS. I arrested him after a block chase at the point of a gun. He had in his possession, I believe, \$1,100 or \$1,200 at the time. He told me what a sucker I was to be putting that money in when the county was going to take it. He asked me if I was picking on him in particular. I answered by saying that I was not, but as long as he was in a business, he had to take chances. He said maybe we could make a deal.

I said, "What information do you have to offer me?"

He said, "I wouldn't rat on anyone."

I said, "We cannot make a deal, then."

That was Newsboy Moriarity.

We arrested a man by the name of Valence. Also Moreno and Nevins. In their possession at that time was, I believe, \$6,000 worth of numbers for one day. If you multiply that by 321 days of the year, Senator, you can have an idea of the enormous take these people have.

Getting back to the question you asked me, Senator, I believe he had \$900 in cash that day. He gave me the same song and dance that Moriarity gave me, "Why don't you take the \$900?"

It was always offered to me and it was so easy to take. We passed that up.

There were different stores that came up and propositioned us and asked us to be in on the take. Valence asked us, "What is the matter with you?"

The four or five men who worked with me, I can truthfully say, have never taken a penny, because it would have been an impossibility for them to take anything without my knowing it.

A small storekeeper, having a small book of \$150 a day, gets off the top, the cream, hot or cold, 25 percent, which amounts to \$37.50 a day. That is their net take without any other work involved than to take the numbers over the counter. At the end of the week they have \$235, without any taxes. In a small candy store you would have to sell a lot of candy at a penny apiece to make that kind of money.

Mr. MOSER. You said you had been suspended and you learned yesterday you were going to be brought up on charges based on the same offense which was thrown out in Monmouth County by the grand jury and the prosecutor. Why do you think you are being brought up on charges now? Because you were too vigorous a cop, too vigorous in your prosecution and enforcement?

Mr. BROOKS. That would lead to a conclusion on my part, Counselor, and I couldn't very well answer that.

Mr. MOSER. Now that Mr. Kurfels is head of the racket squad, has there been a difference in arrests and enforcement?

Mr. BROOKS. Yes; I believe there has been. Offhand, I think that I usually averaged between 22 and 25 arrests a month. This is the 15th or the 16th day, and I believe they only have one arrest this month.

Mr. MOSER. I think that is all for you. Thank you.

The CHAIRMAN. Frank Sokolik.

Will you raise your right hand?

In the presence of Almighty God do you solemnly swear in the testimony you are about to give this committee you will tell the truth, the whole truth, and nothing but the truth?

Mr. SOKOLIK. I do.

TESTIMONY OF FRANK SOKOLIK

The CHAIRMAN. Your full name?

Mr. SOKOLIK. Frank Sokolik.

The CHAIRMAN. Your residence?

Mr. SOKOLIK. 200 York Street, Jersey City.

The CHAIRMAN. Your occupation?

Mr. SOKOLIK. Detective, Jersey City Police Department, assigned to the gambling squad.

The CHAIRMAN. How long have you been a member of the department?

Mr. SOKOLIK. About 4 years.

The CHAIRMAN. And prior to that, what work did you do?

Mr. SOKOLIK. I was in the Army prior to that.

The CHAIRMAN. Were you attached to the squad under Officer Brooks?

Mr. SOKOLIK. That is correct, for about 16 months.

The CHAIRMAN. Mr. Moser, will you proceed, please?

Mr. MOSER. Before Commissioner Witkowski became the commissioner of public safety, who was in charge of the rackets in the underworld?

Mr. SOKOLIK. It was common knowledge that Pat Casey, the former police commissioner's brother was the O. K. man for the city.

Mr. MOSER. He was the O. K. man?

Mr. SOKOLIK. He was the man who gave out the O. K.'s as to who would be allowed to operate and who would not be allowed to operate.

Mr. MOSER. Who was the mayor at that time?

Mr. SOKOLIK. At that time the mayor was Hague and Eggerts.

Mr. MOSER. Frank Hague and Eggerts?

Mr. SOKOLIK. That is correct.

Mr. MOSER. Casey was the O. K. man under that regime?

Mr. SOKOLIK. He was the police commissioner's brother; that is correct.

Mr. MOSER. When Hague was defeated and Eggerts was defeated and Mayor Kenny came in, what happened to Pat Casey?

Mr. SOKOLIK. He disappeared from his usual haunts and wasn't seen around the city.

Mr. MOSER. How was the gambling squad set up when Commissioner Witkowski came in?

Mr. SOKOLIK. When Commissioner Witkowski came in, he appointed a squad of six men headed by Inspector Drewen, Lieutenant Macomb, and Lieutenant Waltham.

Mr. MOSER. Were there any rumors of payoffs at that time?

Mr. SOKOLIK. Yes; there were.

Mr. MOSER. What was that?

Mr. SOKOLIK. Drewen got Mr. Pitshaw, one of the big number operators, who made his payoffs in the Valley Bar in Jersey City.

Mr. MOSER. Made his payoffs to whom?

Mr. SOKOLIK. Members of the gambling squad.

Mr. MOSER. The new gambling squad or the old one?

Mr. SOKOLIK. The new one.

Mr. MOSER. The one before you?

Mr. SOKOLIK. The one before us.

Mr. MOSER. There were rumors that they were getting paid off at the Valley Bar?

Mr. SOKOLIK. That is right.

Mr. MOSER. After that, what happened?

Mr. SOKOLIK. This gambling squad was in office about 10 months when Commissioner Witkowski became satisfied with its results. The fact of the matter was that they made three or four arrests in that period. He disbanded the squad and formed a new one of Detective Brooks, Kurfels, and myself.

Mr. MOSER. Did Witkowski appoint the first squad?

Mr. SOKOLIK. I suppose he did, as police commissioner.

Mr. MOSER. Who is Marsinky?

Mr. SOKOLIK. He is known in the water front as a loan shark. He loans \$5 in return for 6.

Mr. MOSER. Did you have dealings with him?

Mr. SOKOLIK. We tailed him and searched him and tried to break up his racket, but we were never able to secure evidence on him. He was held for murder. He murdered the brother of a Jersey City detective during a brawl on New Year's Eve.

Mr. MOSER. Did you hear anything to the effect that Witkowski was likely to be stripped of his powers?

Mr. SOKOLIK. Yes; it was common rumor for several months before it happened. Every bookmaker we picked up told us he would be stripped at the next commissioner's meeting.

Mr. MOSER. Is that what happened?

Mr. SOKOLIK. On December 5 of last year, he was stripped.

Mr. MOSER. Do you know why?

Mr. SOKOLIK. I don't know.

Mr. MOSER. No reason given?

Mr. SOKOLIK. No reason given.

Mr. MOSER. Did any change take place in your operations after that?

Mr. SOKOLIK. No; we were given a free hand, the same as usual.

Mr. MOSER. Did your free hand continue?

Mr. SOKOLIK. It did.

Mr. MOSER. And what about Brooks' discharge or suspension, has that had an effect on it?

Mr. SOKOLIK. No; is hasn't. Detective Kurfels took over after Brooks was suspended. We continued in one period when we made 15 arrests within 10 days.

Mr. MOSER. Is the squad divided into two parts?

Mr. SOKOLIK. Right now it is not because some of the members are on vacation.

Mr. MOSER. Is it ordinarily?

Mr. SOKOLIK. It was for a while. Detectives Kurfels and Bell worked different from the other five of us.

Mr. MOSER. Was there any difference in the success of the two squads?

Mr. SOKOLIK. We made 100 arrests, the other made 3.

Mr. MOSER. The one under Kurfels made three while the other group made a hundred?

Mr. SOKOLIK. That is right.

Mr. MOSER. Do you know a man named Martini?

Mr. SOKOLIK. Samuel Martini. We arrested him in November 1950.

Mr. MOSER. What is the story on that?

Mr. SOKOLIK. We received information. We hit a house at 41 Washburn Street. We found Mr. Martini operating a horse parlor there. He had in his possession \$40,000 worth of horse bets.

Mr. MOSER. What happened about that? Was he arrested?

Mr. SOKOLIK. He was arrested, indicted, pleaded guilty before the county court and, I believe, he was fined \$2,000.

Mr. MOSER. Haven't you brought some records with you? I was hoping it would be brought out in the testimony.

Mr. SOKOLIK. Nothing about Martini. I brought the records on the Italian lottery arrest.

Mr. MOSER. Tell us about that.

Mr. SOKOLIK. On November 10, 1950, we arrested in Jersey City a Nicholas Counselman on charge of possession of lottery slips. He had in his possession several hundred slips on the Italian lottery.

Mr. MOSER. What is that?

Mr. SOKOLIK. It is a lottery that originates in Italy, in the Provinces. They publish winning numbers each week. It pays off on a Saturday. They play from a penny to a dollar.

Mr. MOSER. How much does it pay off?

Mr. SOKOLIK. It pays off \$500 per Province. There are 10 stations and you can win as high as \$5,000.

Mr. MOSER. During that arrest did anything happen?

Mr. SOKOLIK. During that arrest we questioned this man Counselman. He didn't seem to mind the arrest. In fact, he was very talkative. I questioned him as to where and who was the boss and where the headquarters were.

Mr. MOSER. What did he say? Who was the boss?

Mr. SOKOLIK. He told me the boss of the corporation was a Guiseppe Vella Co. and the headquarters were at 211 Littleton Avenue in Newark. In fact, the slips themselves issued to the players are inscribed with the initials "G. V. Co."

Mr. MOSER. "G. V." stands for Guiseppe Vella?

Mr. SOKOLIK. Yes. I passed this information on to our chief of police who, in turn, wrote a letter to the Newark chief of police, of which I have a copy, informing him of the evidence we had on hand, the address, the hours of operation on Saturday morning. We haven't heard of any arrests made in Newark in regard to this headquarters.

Mr. MOSER. You said this fellow was nonchalant about the arrest?

Mr. SOKOLIK. I inferred it was all fixed, that it was operating in Newark openly under the protection of the authorities for years.

Mr. MOSER. He said Newark would take care of it?

Mr. SOKOLIK. Yes. He was represented by a Newark attorney and a Newark bondsman bailed him out.

Mr. MOSER. Who was the Newark lawyer?

Mr. SOKOLIK. I don't remember.

Mr. MOSER. The Newark bondsman put up bail and he was furnished with a lawyer?

What was the disposition of his case?

Mr. SOKOLIK. He was fined \$150 as a disorderly person. He was held for the grand jury. He was indicted by the grand jury, but the charge was later dismissed because of double jeopardy, according to the ruling by the supreme court.

Mr. MOSER. Was there any indication who paid the fine?

Mr. SOKOLIK. It is common knowledge that the book pays the fine for the agent or employee. Actually, he paid it out of his own pocket.

Mr. MOSER. You are convinced that the fellow was getting protection from Newark?

Mr. SOKOLIK. Absolutely.

Mr. MOSER. That is all I have to ask you, Mr. Sokolik.

The CHAIRMAN. Harold Krieger.

Will you raise your right hand, please?

In the presence of Almighty God do you swear the testimony you are about to give shall be the truth, the whole truth, and nothing but the truth?

Mr. KRIEGER. I do.

TESTIMONY OF HAROLD KRIEGER

The CHAIRMAN. Mr. Krieger, will you kindly give us your full name.

Mr. KRIEGER. Harold Krieger.

The CHAIRMAN. Mr. Krieger, your profession is?

Mr. KRIEGER. I am a lawyer.

The CHAIRMAN. And your office address?

Mr. KRIEGER. 591 Summit Avenue, Jersey City, N. J.

The CHAIRMAN. Have you any official connection with the city government?

Mr. KRIEGER. Yes; I am presently assistant corporation counsel of Jersey City. I have been since 1949.

The CHAIRMAN. Prior to that, had you any connection with the local or State government?

Mr. KRIEGER. No. Prior to that, I was not in any politics and had no official position of any kind.

The CHAIRMAN. Private practitioner?

Mr. KRIEGER. Just practicing law.

The CHAIRMAN. Proceed, Mr. Moser.

Mr. MOSER. Mr. Krieger, you are in politics now; are you not?

Mr. KRIEGER. I am afraid so.

Mr. MOSER. You occupy the position of assistant corporation counsel. Do you have an office in city hall?

Mr. KRIEGER. I have an office in city hall.

Mr. MOSER. And you have a private law office besides?

Mr. KRIEGER. That is correct.

Mr. MOSER. And do you have an office on Branford Place in Newark?

Mr. KRIEGER. No; I have not.

Mr. MOSER. 24 Branford Place in Newark?

Mr. KRIEGER. No; I have not.

Mr. MOSER. Do you know that address?

Mr. KRIEGER. I know that address.

Mr. MOSER. Whose office is that?

Mr. KRIEGER. I think one of the labor organizations has an office there or had an office there.

Mr. MOSER. Which organization?

Mr. KRIEGER. Retail clerks, I think, had an office there.

Mr. MOSER. Do you represent them at all?

Mr. KRIEGER. I do.

Mr. MOSER. Do you receive any mail there?

Mr. KRIEGER. No.

Mr. MOSER. But you do represent them regularly?

Mr. KRIEGER. Yes.

Mr. MOSER. We would like to inquire with regard to your connections with Abner Zwillman, as you know.

Mr. KRIEGER. Yes.

Mr. MOSER. Will you tell us when you first got to know Abner Zwillman?

Mr. KRIEGER. I met him like you meet a lot of other people, several years ago. I met him in a restaurant in Newark. I was introduced to him by someone sitting alongside me or someone who came in and introduced me to him. Thereafter I saw him on several occasions and got to know him and said, "Hello," to him and carried on a conversation with him and found out he was in the tobacco business.

Mr. MOSER. Do you know him quite intimately now?

Mr. KRIEGER. I wouldn't say intimately; no.

Mr. MOSER. Have you seen him very often?

Mr. KRIEGER. I have seen him several times.

Mr. MOSER. How many?

Mr. KRIEGER. It is hard to say. I would see him in a restaurant someplace or at a fight. Sometimes I would see him at his place of business.

Mr. MOSER. Why would you see him at his place of business?

Mr. KRIEGER. He is in the tobacco business. I was very much interested in the tobacco business. I represented an industry that was interested in cigarette legislation, unfair cigarette sales acts, which would also involve his business, and he was interested in knowing about the legislation and how it would affect his business. There were some amendments in legislation at various times and there was some litigation relative to that.

Mr. MOSER. When was that?

Mr. KRIEGER. This discussion about legislation and all that went on for many, many years, but his interest was some time around 1940, 1941, or 1942—around that time.

Mr. MOSER. So you were dealing with him at that time in connection with the Cigarette Act passed in New Jersey?

Mr. KRIEGER. I wasn't dealing with him. I never represented that man, never have been his attorney, never acted for him. My dealings with him, if you want to call it dealings, were merely to discuss with him the facts in connection with the act. As I did not even represent his part of the industry, I wasn't even the lawyer for his part of the industry, I had no dealings with him. The vendors were represented by another attorney.

Mr. MOSER. You just consulted him for his views?

Mr. KRIEGER. I didn't consult him at all. I told him what the bills were and how they would affect him in my opinion. It wasn't a question of consultation with him.

The CHAIRMAN. Mr. Krieger, just at that point, did he have any counter-suggestions to make or any comments?

Mr. KRIEGER. I don't recall any, because, you see, the legislation was for the benefit of the industry.

The CHAIRMAN. He was interested, of course.

Mr. KRIEGER. Of course, he was interested because he was in it.

The CHAIRMAN. That is right. Having manifested that interest, did you not have any conversation with him as to the best manner in which to proceed?

Mr. KRIEGER. No. That wasn't the substance of our conversation, Senator. I would merely tell him what the substance of the act was, its effect upon the industry, how the vendors would be affected by that, those who have the cigarette machines, you know. He didn't participate in it at all in that respect. They had an association and their association was represented by counsel.

Mr. MOSER. If you say you did not represent him, why were you so vigorous in keeping him advised as to the situation?

Mr. KRIEGER. You use the word "vigorous." Mr. Moser. I wouldn't say I was vigorously keeping him advised. I wasn't interested to that extent in keeping him advised. He seemed to be a very affable individual when I met him and a businessman, nice personality from what I could see.

Mr. MOSER. Do you know him socially?

Mr. KRIEGER. I have known him from that source. I have seen him around from that source.

Mr. MOSER. Have you ever visited at his home?

Mr. KRIEGER. I have been to his house.

Mr. MOSER. Has he visited your home?

Mr. KRIEGER. He has never been to my home.

Mr. MOSER. Have you visited frequently?

Mr. KRIEGER. I wouldn't say I visited him frequently.

Mr. MOSER. How frequently?

Mr. KRIEGER. I may have been there several times. I never kept track of it. I did not keep a record of when I would go there.

Mr. MOSER. Have you been to see him as often as once a month or once a week or anything like that?

Mr. KRIEGER. It is hard to pin down a specific time. Months may have gone by when I didn't see him. Then I dropped in and spoke to him.

Mr. MOSER. But you would occasionally see him once a week for periods of time?

Mr. KRIEGER. No. I wouldn't say that. Months may go by when I wouldn't see him at all.

Mr. MOSER. Why did you go to his house when he never came to yours?

Mr. KRIEGER. I never invited him to my home and when I went to his home I wouldn't say it was a question of going there for dinner or as a guest particularly. I just dropped in, as you would drop in to see someone you knew.

Mr. MOSER. Did you telephone him very often?

Mr. KRIEGER. I spoke to him on a number of occasions on the telephone.

Mr. MOSER. Where does he live?

Mr. KRIEGER. He lives in either West Orange or South Orange.

Mr. MOSER. Don't you know which?

Mr. KRIEGER. I think it is West Orange, Mr. Moser.

Mr. MOSER. Where do you live?

Mr. KRIEGER. In Jersey City.

Mr. MOSER. How far is it from Jersey City to South or West Orange?

Mr. KRIEGER. About a half an hour, maybe 25 minutes.

Mr. MOSER. Why did you just stop in when it took a half an hour to go over there?

Mr. KRIEGER. I may have been in the neighborhood or I may have spoken to him on the telephone and he said, "Drop over in the house." I dropped over.

Mr. MOSER. Didn't you have any specific business to talk over with him?

Mr. KRIEGER. That was what I told you. That was the only specific business I had to talk to him about.

Mr. MOSER. Did you ever have any other specific propositions to talk over with him?

Mr. KRIEGER. No.

Mr. MOSER. Have you ever discussed politics with him?

Mr. KRIEGER. No.

Mr. MOSER. Never mentioned it?

Mr. KRIEGER. I never knew he was interested in politics until recently.

Mr. MOSER. Do you think he is now?

Mr. KRIEGER. If you read the papers, you come to a lot of conclusions. I do not know.

The CHAIRMAN. Could you not be a little more specific than that and just give us the benefit of just what your understanding is?

Mr. KRIEGER. I do not know of any interest he has in politics, Senator.

The CHAIRMAN. From your observations of him over the past, are you not able to state with more definiteness than that?

Mr. KRIEGER. That is all I can possibly state, sir.

Mr. MOSER. You know Mr. Zwillman only slightly and you had occasional dealings with him?

Mr. KRIEGER. I wouldn't say slightly. I have told you the length of time and how I know him. Just as I met you yesterday, I would say, "Hello," and the day after, and we would carry on a conversation as time went on. I have known him anywhere from 1940 to 1942.

Mr. MOSER. Did you ever represent any numbers operators in Jersey City?

Mr. KRIEGER. My office may have at various times.

The CHAIRMAN. Just so that we may have no misunderstanding of your position, I get the impression that, although you did know him from 1940 to 1942, since that period it has been just a slight acquaintance and you have not been very intimate because you have stressed the fact, if I got the right impression, that you did not represent him professionally.

Mr. KRIEGER. That is right, sir.

Mr. MOSER. And that your social acquaintance was a passing one or a slight one?

Mr. KRIEGER. My social acquaintance with him was a slight one. We were not social friends in that we went out together.

Mr. MOSER. You said your office represented numbers people or policy people who were arrested?

Mr. KRIEGER. Yes.

Mr. MOSER. Back in say the early 1930's?

Mr. KRIEGER. Yes, in the early thirties. I would say this, Mr. Moser; I think I have explained this to you before. Back in that time legal work was pretty much controlled by the previous administration. A young struggling lawyer, or let me put it this way, a young lawyer had a struggle. You didn't get legal work. That was pretty much channeled. Once in a while you would get a case because someone wanted to persecute or prosecute someone. Then they came to you because they felt you gave them an opportunity of representation, otherwise, work was pretty much channeled and controlled.

Mr. MOSER. There is a story to the effect that you received your first automobile, which was a Nash, from a group of policy men whom you represented regularly; is that true?

Mr. KRIEGER. Mr. Moser, that is absolutely untrue.

Mr. MOSER. We will accept your word, but I wanted to give you an opportunity to deny it.

Mr. KRIEGER. There are a lot of stories and a lot of rumor. If I were to pay attention to all the stories and rumors, believe me I don't know where I would be.

Mr. MOSER. We have a record of a telephone conversation made by you on January 20, 1951, just a few months ago, and another one

made on January 22, 1951, to Mr. Zwillman at Waukesha, Wis. Do you remember making that telephone call?

Mr. KRIEGER. I do not recall making them, Mr. Moser, but in my discussion with you you indicated such calls were made. I wouldn't say I didn't make them. If they were made around that time, at that time there was an amendment coming into the cigarette sales act and the tax act and also there was an attach being made on the law in the courts whether or not he called me and I returned the call, I cannot recall offhand.

Mr. MOSER. The record is that you made two calls to him on those days.

Mr. KRIEGER. Maybe I didn't get him the first time and the call was made again.

Mr. MOSER. The records are that both calls were completed.

Mr. KRIEGER. They may have been.

Mr. MOSER. Those calls were rather expensive. They cost \$6 each. Do you remember who paid for that?

Mr. KRIEGER. I can assure you I must have paid for them. Nobody else paid for those calls.

Mr. MOSER. Have you billed Zwillman for those?

Mr. KRIEGER. I have never billed Zwillman at any time.

Mr. MOSER. Why would you make such an expensive long-distance call to Waukesha when you did not represent him? Were you asking him for support in connection with those calls?

Mr. KRIEGER. No, sir. If I knew you for a number of years and you called me, I would return the call and I wouldn't bill you for it.

The CHAIRMAN. Were the measures pending in the legislature?

Mr. KRIEGER. My recollection is there was an amendment being put in and there was an attack on the constitutionality of the act.

The CHAIRMAN. In the State legislature?

Mr. KRIEGER. In the State courts.

The CHAIRMAN. Was the measure pending in the State legislature and the attack made in the State courts?

Mr. KRIEGER. Yes.

Mr. MOSER. Do you go to Florida in the wintertime?

Mr. KRIEGER. I went down there for the past 4 years.

Mr. MOSER. You have been going there for 4 years?

Mr. KRIEGER. That is right.

Mr. MOSER. Is Zwillman there when you go there?

Mr. KRIEGER. I recall seeing him there about 2 years ago.

Mr. MOSER. Not since then?

Mr. KRIEGER. Not since then. I didn't see him there last year. So there will be no misunderstanding, we never stayed at the same hotel, or anything like that.

Mr. MOSER. What hotel did he stay at?

Mr. KRIEGER. He stayed at a hotel some doors away from the one I stayed at.

Mr. MOSER. What was the name of it?

Mr. KRIEGER. I cannot recall the name.

Mr. MOSER. Does it refresh your recollection if I say it was the Hotel Martinique?

Mr. KRIEGER. That may be.

Mr. MOSER. It was it, wasn't it?

Mr. KRIEGER. I think that is it.

Mr. MOSER. What hotel did you stay at?

Mr. KRIEGER. A small hotel on the beach known as the Stevens.

Mr. MOSER. Did you see Zwillman at all while you were there?

Mr. KRIEGER. I had occasion to go to his hotel and I saw him there.

Mr. MOSER. You didn't go specifically to see him?

Mr. KRIEGER. No. He was around the pool or around the beach or around the hotel and I would see him, sitting with some people and I would say, "Hello," to him.

Mr. MOSER. This was 2 years ago?

Mr. KRIEGER. Yes.

Mr. MOSER. The year before last?

Mr. KRIEGER. This is my best recollection.

Mr. MOSER. 1949?

Mr. KRIEGER. Yes.

Mr. MOSER. You did not go down in 1950?

Mr. KRIEGER. I went down in 1950.

Mr. MOSER. Was Zwillman there then?

Mr. KRIEGER. I don't recall seeing him in 1950. Instead of 1949, it may have been 1950. I know he was not there in 1951.

Mr. MOSER. He was not there the last winter?

Mr. KRIEGER. I am sure of that.

Mr. MOSER. The previous winter he was?

Mr. KRIEGER. It may have been.

Mr. MOSER. How about the year before that, the year 1947-48?

Mr. KRIEGER. I do not recall seeing him down there.

Mr. MOSER. What hotel did you stay when you were there?

Mr. KRIEGER. At the Stevens.

Mr. MOSER. How about the year 1946-47?

Mr. KRIEGER. I stayed at the Stevens for the years 1949, 1950, and 1948 I stayed at the Cadillac. That was the only time I have been down there. I wasn't down there any other time. In 1948 at the Cadillac and 2 years at the Stevens.

Mr. MOSER. You say you just saw Zwillman in a casual way when you happened to walk into the Martinique Hotel?

Mr. KRIEGER. When I went in I would see him there and say, "Hello," and chat with him for a few minutes, as you would with someone you knew.

Mr. MOSER. How many times did you see him during your visit?

Mr. KRIEGER. I cannot recall.

Mr. MOSER. You cannot estimate it?

Mr. KRIEGER. I cannot estimate it.

Mr. MOSER. Was it 10 times?

Mr. KRIEGER. It may have been 10; it may have been 2 or 3; it may have been 12 or 14.

Mr. MOSER. Could it have been 20?

Mr. KRIEGER. I don't think so. I only stayed there for a few days.

Mr. MOSER. How many days did you stay there?

Mr. KRIEGER. The year before last I stayed there for about 2 weeks.

Mr. MOSER. That would be at least 14 days?

Mr. KRIEGER. Fourteen days.

Mr. MOSER. About how many of those days did you see Zwillman?

Mr. KRIEGER. It may have been two times, three times. There were other people I knew staying at the hotel, and I dropped in.

Mr. MOSER. You only remember two or three times?

Mr. KRIEGER. It may have been more. It may have been four. There was a barber at that hotel that I would use. I do not know exactly.

Mr. MOSER. I am asking you approximately.

Mr. KRIEGER. I will give you it as closely as I can.

Mr. MOSER. How often did you go to the barber shop at the hotel?

Mr. KRIEGER. Twice.

Mr. MOSER. So you may have seen him then?

Mr. KRIEGER. Maybe.

Mr. MOSER. Did your wife stay with you in Florida at the time?

Mr. KRIEGER. She stayed with me.

Mr. MOSER. Did she see Zwillman when you did?

Mr. KRIEGER. I cannot say definitely.

Mr. MOSER. Did you ever have dinner with him?

Mr. KRIEGER. I cannot recall offhand. We may have had dinner.

Mr. MOSER. Was Zwillman's wife there?

Mr. KRIEGER. His wife was in Florida that year with him.

Mr. MOSER. Did the four of you have dinner together at all?

Mr. KRIEGER. I do not recall. I have some sort of a recollection that we once had a meal together, whether it was a dinner or lunch, or when we were sitting around and had lunch, I cannot recall.

Mr. MOSER. Did you go to a night club together?

Mr. KRIEGER. If we had dinner together, we probably would have had it at a night club.

Mr. MOSER. Don't say if you did, but tell us whether you did.

Mr. KRIEGER. My recollection is not clear. We may have had lunch or dinner together. If we had dinner, we may have gone to a night club together. Frankly, I am quite certain we didn't go to a club together. It may have been at a restaurant or at the Martinique.

Mr. MOSER. Did you ever go to a dinner where a large group of labor people were present?

Mr. KRIEGER. I went to many such dinners.

Mr. MOSER. When you were in Florida?

Mr. KRIEGER. Yes. Large groups. Generally the A. F. of L. had a board meeting down there.

Mr. MOSER. Did they have one during the winter of 1948-49?

Mr. KRIEGER. Did they have a board meeting?

Mr. MOSER. Yes.

Mr. KRIEGER. They have a board meeting down there every year. They have had one for the last several years.

Mr. MOSER. Is that the reason why you go there?

Mr. KRIEGER. That is one of the reasons.

Mr. MOSER. Did you ever go to a labor dinner at which Zwillman was present?

Mr. KRIEGER. No.

Mr. MOSER. Never have been at one?

Mr. KRIEGER. No.

Mr. MOSER. Did your wife accompany you to any of these dinners?

Mr. KRIEGER. My wife has accompanied me to these dinners at times.

Mr. MOSER. Did you attend a dinner which was attended by William H. Green of the A. F. of L.?

Mr. KRIEGER. I have attended a number of dinners that Mr. Green probably attended, which were convention dinners and things of that nature.

Mr. MOSER. Was Zwillman present at any of those?

Mr. KRIEGER. No.

Mr. MOSER. Did you ever go to a small dinner party at which a group of 8 or 10 people were present?

Mr. KRIEGER. I don't recall.

Mr. MOSER. And Zwillman was present?

Mr. KRIEGER. I don't recall any dinner, a small dinner that I went to that Green was present and Zwillman was present.

Mr. MOSER. Can you say positively that he was not?

Mr. KRIEGER. Look, Mr. Moser, I cannot say positively anything. He may have been.

Mr. MOSER. You must be able to say positively something.

Mr. KRIEGER. He may have been at a table some place around the room. I didn't see him.

Mr. MOSER. Wasn't he in the same party?

Mr. KRIEGER. No, sir.

Mr. MOSER. You are positive about that at least?

Mr. KRIEGER. I am positive about that. There was not a dinner I was at where William Green was in the same party.

Mr. MOSER. We hear a story to the effect that you generally refer to Zwillman as the "Big Fellow" and Mayor Kenny, or Jersey City, as the "Little Fellow." What do you say about that?

Mr. KRIEGER. I don't recall referring to Mr. Zwillman as the Big Fellow. I call him Abe. As far as Mayor Kenny is concerned, I call him Mayor or Johnny.

Mr. MOSER. You never referred to them as the "Little Fellow" and the "Big Fellow" behind their backs?

Mr. KRIEGER. No.

Mr. MOSER. You are sure about that?

Mr. KRIEGER. Yes.

Mr. MOSER. Absolutely positive?

Mr. KRIEGER. I am as certain as I can be. I do not recall ever using these names.

Mr. MOSER. How certain can you be? You do not want to pin yourself down.

Mr. KRIEGER. I am pinning myself down as much as I possibly can. You asked me about using certain names?

Mr. MOSER. Have you ever used those names?

Mr. KRIEGER. I do not recall ever using those names.

Mr. MOSER. Can you say positively that you never did?

Mr. KRIEGER. I cannot say positively anything.

Mr. MOSER. You might have called them that?

Mr. KRIEGER. I do not recall using it.

Mr. MOSER. But you are not sure?

Mr. KRIEGER. I do not recall referring to anybody by that name.

Mr. MOSER. Now, what dealings do you have with Meyer Ellenstein in Newark?

Mr. KRIEGER. I have no particular dealings with him. He is a Democrat in politics in Newark in Essex County.

Mr. MOSER. He is also a labor consultant.

Mr. KRIEGER. He is a labor consultant.

Mr. MOSER. Do you have any business dealings with him?

Mr. KRIEGER. I have had no business dealings with him that I can recall except on one occasion that I believe he represented an employer and I represented a union and I sat in at one conference or other.

Mr. MOSER. Do you telephone him very often?

Mr. KRIEGER. I have spoken to him a number of times on the telephone.

Mr. MOSER. For what reasons?

Mr. KRIEGER. We may have discussed politics generally.

Mr. MOSER. Politics?

Mr. KRIEGER. Yes.

Mr. MOSER. What are you discussing politics with a commissioner in Newark for when you are in Jersey City?

Mr. KRIEGER. I am one of those individuals who is involved in politics today and he is and at any rate, after the 1949 campaign, there was quite a bit of discussion about politics generally in the State, about the leadership in politics, the setting up of a new Democratic Party, and Meyer Ellenstein was quite active in that respect. I think Meyer Ellenstein was one of the first men in the State to fight Hague.

Mr. MOSER. Is there a particular tie-up between you and Ellenstein?

Mr. KRIEGER. We are both Democrats.

Mr. MOSER. Yes; I know that.

Mr. KRIEGER. That is the extent of it.

Mr. MOSER. You do not have discussions with him to make a political alinement of your forces in Jersey City and his in Newark?

Mr. KRIEGER. We would like to see all forces of the Democratic Party in the State joined together and be united as one, so we can have a better Democratic Party in New Jersey. To that extent, yes.

Mr. MOSER. So you do have discussions with him and plan strategy, do you?

Mr. KRIEGER. I am not in that sphere. I am not part of that.

Mr. MOSER. If you are active in politics, you must have political problems that have to be decided from time to time.

Mr. KRIEGER. I am not that big. I am just one of the individuals; one of the team; part of a group.

Mr. MOSER. And you are a minor figure, are you?

Mr. KRIEGER. I am just a minor figure.

Mr. MOSER. Isn't it true you could have had the position of corporation counsel of Jersey City, but you preferred to take the position of assistant corporation counsel, so you could continue your law practice?

Mr. KRIEGER. I was never offered the corporation counsel position of Jersey City. If I were offered it, I would have accepted it. The man who is corporation counsel is doing a good job and I wouldn't want to take his job. He can practice law just as I do. We have no restrictions in that respect. He can practice law in Jersey City and in the State of New Jersey, just as I can. I am just one of a number of assistant corporation counsels.

Mr. MOSER. Do you know Ben Cross?

Mr. KRIEGER. I did.

Mr. MOSER. What was his job?

Mr. KRIEGER. He was a labor leader for one of the unions.

Mr. MOSER. Which one?

Mr. KRIEGER. The liquor union.

Mr. MOSER. Liquor Workers' Union?

Mr. KRIEGER. Liquor Workers' Union.

Mr. MOSER. There is no doubt about that? You are sure about that?

Mr. KRIEGER. Yes.

Mr. MOSER. Did you have many dealings with him?

Mr. KRIEGER. I wouldn't say I had many dealings with him. I represented his local at times when they had some matters in New Jersey. They were represented by another attorney. They had a regular attorney in the State of New York who represented them. The fact is that at times when they had matters in New Jersey, this Jersey lawyer would appear for them and I would cooperate.

Mr. MOSER. Didn't you represent them and at the same time know Ben Cross was convicted of labor extortion?

Mr. KRIEGER. I never knew that Ben Cross was convicted of any extortion until you told me about it, Mr. Moser.

Mr. MOSER. Did you see him at all while you were in Florida?

Mr. KRIEGER. I saw him 2 years ago in Florida.

Mr. MOSER. On what occasion?

Mr. KRIEGER. Just stepped by and said "Hello" to him. He was staying at a hotel down there and I said "Hello" to him.

Mr. MOSER. Did you see him at any meetings?

Mr. KRIEGER. I didn't see him at any meetings down there.

Mr. MOSER. Are you sure about that?

Mr. KRIEGER. I am positive.

Mr. MOSER. Didn't you attend affairs at which he was present?

Mr. KRIEGER. Not down there.

Mr. MOSER. Who has taken his place as head of that union?

Mr. KRIEGER. I don't know. A fellow by the name of Anito was president then and is still president of that local. I am not counsel for that union.

Mr. MOSER. You are not?

Mr. KRIEGER. They have another fellow who is counsel, a lawyer in New York.

Mr. MOSER. What is your connection with the union?

Mr. KRIEGER. They have called me in at various times when they have had matters in Jersey.

Mr. MOSER. Frequently or occasionally?

Mr. KRIEGER. Occasionally.

Mr. MOSER. Who is Abe Roth?

Mr. KRIEGER. He is an officer of that local.

Mr. MOSER. Have your dealings been with him?

Mr. KRIEGER. Principally with George Anito.

Mr. MOSER. Do you talk to Abe Roth very much?

Mr. KRIEGER. I have talked to him.

Mr. MOSER. Occasionally or frequently?

Mr. KRIEGER. Occasionally.

Mr. MOSER. Just occasionally

Mr. KRIEGER. Occasionally.

Mr. MOSER. Toll-call checks show you make frequent telephone calls to Roth's office.

Mr. KRIEGER. I have talked to him on various occasions on the telephone. They may have called my office and we returned the call.

Mr. MOSER. These calls are quite frequent.

Mr. KRIEGER. I do not know how frequent they are.

Mr. MOSER. You indicated you just deal with him occasionally.

Mr. KRIEGER. I said I only spoke to him occasionally.

The CHAIRMAN. The committee will now take a recess until 2 p. m. (Whereupon, at 12:50 p. m., the committee recessed until 2 p. m., of the same day.)

AFTERNOON SESSION

(John J. Winberry, special consultant to the subcommittee, was present for the afternoon session.)

The CHAIRMAN. The hearing will please be in order.

Mr. KRIEGER, you will finally resume the stand.

Mr. Moser, will you take up, please?

TESTIMONY OF HAROLD KRIEGER—Continued

Mr. MOSER. Mr. Krieger, did you know David Lieb, a contractor?

Mr. KRIEGER. I have met him.

Mr. MOSER. How well do you know him?

Mr. KRIEGER. Not very well. I once had dinner with him, and I was invited to the wedding of his daughter, and I attended that.

Mr. MOSER. Whose wedding was it?

Mr. KRIEGER. I think his daughter got married. That is my recollection. One of his children, anyway. Let me put it that way. I am not sure whether it was a son or a daughter.

Mr. MOSER. To whom did she get married?

Mr. KRIEGER. To a fellow by the name of Turkish.

Mr. MOSER. A fellow named Turkish?

Mr. KRIEGER. Either a girl or a boy.

Mr. MOSER. Was his name David Turkish?

Mr. KRIEGER. I wouldn't recall.

Mr. MOSER. Harry Turkish?

Mr. KRIEGER. The father's name of the child is Harry Turkish.

Mr. MOSER. Do you know Harry Turkish quite well?

Mr. KRIEGER. Yes; I have known him for a number of years.

Mr. MOSER. Did you ever see Mr. Lieb when you were in Florida?

Mr. KRIEGER. That is when I had dinner with him, once in Florida.

Mr. MOSER. What was he doing down there?

Mr. KRIEGER. I could not tell you. I do not know what he was doing down there. I assume he was vacationing.

Mr. MOSER. Did you ever see him with Zwillman?

Mr. KRIEGER. No.

Mr. MOSER. You are sure you never did?

Mr. KRIEGER. Positive.

Mr. MOSER. Do you know that Zwillman loaned him \$100,000?

Mr. KRIEGER. I know nothing about that, Mr. Moser. Asking me that question creates an inference that I do, and I know nothing about it at all.

Mr. MOSER. No; I do not create any inference. I just asked you if you knew it.

Mr. KRIEGER. No; I know nothing about it, Mr. Moser.

The CHAIRMAN. I think it is only fair to state, Mr. Krieger, that in any question, of course, as you know, it may not be on the minds of nonprofessional people, that the mere asking of the question does not indicate that there is any improper implication.

Mr. KRIEGER. I appreciate that. It might be something like, "Do you still beat your mother?"

Mr. MOSER. No; I do not think that there is any connection there at all. I just asked if you knew something, and you said "No."

Mr. KRIEGER. No; I don't know.

Mr. MOSER. I don't think it is an unfair question.

Do you know Harold Hoffman?

Mr. KRIEGER. Yes; I do.

Mr. MOSER. He is the former Governor of New Jersey?

Mr. KRIEGER. The former Governor of the State of New Jersey.

Mr. MOSER. Did he act as toastmaster at a testimonial dinner given for you on June 26, 1949?

Mr. KRIEGER. He was the toastmaster?

Mr. MOSER. He was the toastmaster.

Mr. KRIEGER. Yes.

Mr. MOSER. And did you invite him to be toastmaster?

Mr. KRIEGER. I didn't.

Mr. MOSER. Do you know who did?

Mr. KRIEGER. I assume that the committee invited him.

Mr. MOSER. The committee did. He tells us that Zwillman invited him.

Mr. KRIEGER. If that is what he says, I know nothing about it, and I don't see any reason why Zwillman or anybody else other than the committee would invite him.

Mr. MOSER. He sent us a telegram to the effect that Zwillman invited him.

Mr. KRIEGER. I know nothing about that, Mr. Moser.

Mr. MOSER. Have you had any occasion to telephone Hoffman?

Mr. KRIEGER. Not that I can recall offhand. But I have known him for some time, and I have spoken to him.

Mr. MOSER. But you do not recall telephoning him?

Mr. KRIEGER. I do not recall a telephone conversation. I may have spoken to him on the telephone. I have spoken to him a number of times, and I may have spoken to him on the telephone.

Mr. MOSER. Would you remember a telephone call made to him in April?

Mr. KRIEGER. Not offhand, Mr. Moser. I have hundreds of calls that are made back and forth. Whether the right person would make the call or whether someone in my office would make the call, I could not tell you. I don't recall a call being made to him in April, Mr. Moser.

Mr. MOSER. The records indicate a call made on April 25, 1951, from your private telephone, your unlisted telephone, which you have in your office, to former Governor Hoffman's office.

Mr. KRIEGER. This past April?

Mr. MOSER. This April; yes.

Mr. KRIEGER. I don't recall it offhand, Mr. Moser. But other people may use my phone in my office.

Mr. MOSER. Are you counsel to Mr. Kenny?

Mr. KRIEGER. No, I am not counsel to Mr. Kenny. I am assistant corporation counsel for the city of Jersey City.

Mr. MOSER. Coming back to—

Mr. KRIEGER. May I explain that, Mr. Moser?

Mr. MOSER. Let us come back to it in a minute. I would like to ask you about this testimonial dinner further. There is a newspaper re-

port to the effect that you received a gold-plated typewriter as a present at that testimonial dinner. Is that correct?

Mr. KRIEGER. May I explain that, Mr. Moser?

Mr. MOSER. Yes. Please do.

Mr. KRIEGER. I went to school with a fellow by the name of Jack Wertz, public school and high school. And he is in the typewriter business. He came to dinner and brought a gift for me, a portable typewriter, a very inexpensive portable typewriter that I gave to my daughter. The newspapers played it up as a big thing. It doesn't cost, in my opinion, any more than any other portable typewriter does.

Mr. MOSER. The paper said it was 14-karat gold-plated. You say it is not?

Mr. KRIEGER. Mr. Moser, I can show you the typewriter. It is an ordinary portable typewriter.

Mr. MOSER. We have talked to people who have seen it, and they it certainly looks gold-plated, but you say it does not?

Mr. KRIEGER. It has either gold plate or painted gold on the sides of it.

Mr. MOSER. Yes. There is also a story that you were given a Cadillac at that dinner, which you did not accept; is that correct?

Mr. KRIEGER. I did not receive any Cadillac.

Mr. MOSER. Did you receive money in place of it?

Mr. KRIEGER. I received enough, and they gave me the difference to trade in my old car for a Buick.

Mr. MOSER. That is, they gave you the difference between the trade-in value and the cost of a new Buick?

Mr. KRIEGER. They gave me the difference between the old car and the Buick at that dinner.

Mr. MOSER. Didn't you get a Cadillac?

Mr. KRIEGER. No, sir. There was talk about it, and the newspapers carried such a story, but I didn't get it.

Mr. MOSER. I know you did not get it. But I am asking you whether it was offered to you.

Mr. KRIEGER. No; it was not offered to me, Mr. Moser. If it was offered to me, I would accept it.

Mr. MOSER. The story is that you did not accept the Cadillac because you preferred the money.

Mr. KRIEGER. Oh, no.

Mr. MOSER. And there is also a story to the effect that Zwillman got the Cadillac, but that is not true, either?

Mr. KRIEGER. Absolutely not.

Mr. MOSER. And you also think that he had nothing to do with the dinner, I suppose?

Mr. KRIEGER. I am sure he had nothing to do with the dinner.

Mr. MOSER. And even though Governor Hoffman says that Zwillman invited him to be toastmaster, you still think that he had nothing to do with it?

Mr. KRIEGER. Mr. Moser, I know nothing about that, and I see no reason for it. I have known Governor Hoffman for some time.

Mr. MOSER. Now, when Mr. Kenny was running for mayor, did you work for his campaign?

Mr. KRIEGER. I certainly did.

Mr. MOSER. What did you do in working for it?

Mr. KRIEGER. I did whatever I could do as an individual can do to help elect a candidate.

Mr. MOSER. What sort of thing did you do?

Mr. KRIEGER. I spoke to a lot of people.

Mr. MOSER. Did you go out and address meetings?

Mr. KRIEGER. I went to some meetings.

Mr. MOSER. Did you address them?

Mr. KRIEGER. I do not recall whether I did or not, offhand. I don't recall addressing any meeting. I recall being present at them, attending them.

Mr. MOSER. While the campaign was going on, didn't you go out every night and work on it?

Mr. KRIEGER. No; I wasn't out almost every night working on it.

Mr. MOSER. You were out almost every night, were you not?

Mr. KRIEGER. No; I was not.

Mr. MOSER. How often did you go out working on it?

Mr. KRIEGER. I couldn't say exactly how often I went out. And I know I was not out every night. In fact, I was not a member of this speakers' bureau at that time, but I did whatever I could at the time.

Mr. MOSER. What was your official connection with the campaign?

Mr. KRIEGER. Except to do whatever I could. I helped prepare some letters that went out. I worked in their office for a while. I tried to do some work in the campaign office. I got some of the material together.

Mr. MOSER. The newspapers report that you were said to have master-minded the campaign which led to Kenny's victory.

Mr. KRIEGER. The newspapers gave me a great deal of credit at the time, Mr. Moser, if they said that.

Mr. MOSER. And you think it was undeserved?

Mr. KRIEGER. I am afraid so, because if I did the things they said I did, I surely did not get in an appointment what I should have gotten under the circumstances.

Mr. MOSER. Were you disappointed not to be made corporation counsel?

Mr. KRIEGER. No, I did not expect it, Mr. Moser. I did not think I was deserving of it. I did not think I did that much.

Mr. MOSER. Did you ever discuss the Kenny campaign with Zwillman?

Mr. KRIEGER. I never did.

Mr. MOSER. Did you talk to him at the time of the campaign?

Mr. KRIEGER. Whether I had any conversation with him during that period of time?

Mr. MOSER. Yes.

Mr. KRIEGER. I would not recall offhand.

Mr. MOSER. You do not recall any?

Mr. KRIEGER. I may have spoken to him during that period of time, and I may have met him during that period of time. But that campaign took place, and started sometime in—well, Kenny was ruled out of the party by Hague in the summer of 1948, because Hague felt that Kenny was a threat to his power at the time, and ruled him out of the party. And from the summer of 1948, a campaign sort of started at the time and materialized around January of 1949.

Mr. MOSER. Yes. But I am asking you—

Mr. KRIEGER. So that is the period of approximately, almost a year, from June to May of 1949, and I say, I may have spoken to him during that period of time. I would not say that I had not. How many times, I cannot recall. I cannot tell you. I do not know.

Mr. MOSER. Did you ever go——

Mr. KRIEGER. I never discussed the Kenny campaign with him, and I never had the reason or the occasion to. The fact is—let me say this to you, Mr. Moser—outside of Jersey City, very few people thought that Kenny had a chance to beat the machine. It was men like Kenny and Spence and Murray and Witkowski and the others that ran on that ticket, and the lay people, the ordinary people, that felt that a change was coming about. But outside of Jersey City, the politicians or anybody else outside of Jersey City did not think that Kenny had a chance of winning with his ticket.

Mr. MOSER. Did Zwillman contribute any money to that campaign?

Mr. KRIEGER. Not to my knowledge.

Mr. MOSER. You are absolutely sure about that?

Mr. KRIEGER. As far as I am concerned, I am positively sure of it.

Mr. MOSER. You are positively sure of it?

Mr. KRIEGER. That is right.

Mr. MOSER. Did you ever ask him for any money for the campaign?

Mr. KRIEGER. I certainly did not.

Mr. MOSER. And he never offered to give any?

Mr. KRIEGER. No, sir.

Mr. MOSER. Did you ever carry any money for him to the campaign?

Mr. KRIEGER. No, sir.

Mr. MOSER. So, so far as you know, he gave nothing at all?

Mr. KRIEGER. As far as I know personally, he gave nothing at all.

Mr. MOSER. And as far as you know, he had nothing whatever to do with the campaign?

Mr. KRIEGER. As far as I know personally, he had nothing to do with the campaign at all. The fact is, I don't know of anybody outside of Jersey City that had anything to do with it. The fact is, in the other municipalities in the country there are very few that had anything to do with it, because the machine controlled the entire county at the time, as well as the State. And nobody dared get up and fight.

Mr. MOSER. Did Ellenstein have anything to do with the campaign?

Mr. KRIEGER. He had nothing to do with the 1949 campaign at all. The fact is, let me say there, Mr. Moser, Ellenstein was having his own problems in Newark at the time. He was running for reelection at the same time.

Mr. MOSER. Did you swing any labor support to the campaign?

Mr. KRIEGER. I can't say that I did. I hope I did.

Mr. MOSER. Did you make any effort to?

Mr. KRIEGER. Everybody I could speak to I spoke to.

Mr. MOSER. You asked all your labor clients to vote for Kenny?

Mr. KRIEGER. I asked every friend that I had if they could possibly see their way clear, to vote for Kenny and the ticket, I would appreciate it. I felt that a change was necessary and this was the opportunity to have that change. We needed a new party, not only the city but the county and the State.

Mr. MOSER. Did you ever tell Paul Hanley, Kenny's son-in-law, that you could deliver the labor vote to Kenny?

Mr. KRIEGER. Mr. Moser, I did not have to tell Paul Hanley. Any conversation I would have I would have with Kenny, his father-in-law.

Mr. MOSER. Is it not true—

Mr. KRIEGER. I knew Kenny long before I knew there was a Paul Hanley in existence.

Mr. MOSER. Is it not true that some time before the campaign, when they were discussing the advisability of having Kenny run, you told Paul Hanley that you could deliver the labor vote?

Mr. KRIEGER. Mr. Moser, how could I possibly tell that to anybody? I couldn't deliver.

Mr. MOSER. Don't ask me. I am asking you. Yes or no, could you or not?

Mr. KRIEGER. I couldn't say that, because I couldn't deliver anybody's vote. I don't know of anybody that can deliver anybody's vote. I can deliver my own when I get to the polls and pull that lever, but I can't deliver anybody else's vote.

Mr. MOSER. Do you know Charles Handler?

Mr. KRIEGER. I certainly do.

Mr. MOSER. Has he represented you in any legal matters?

Mr. KRIEGER. Yes, sir.

Mr. MOSER. Which one?

Mr. KRIEGER. He represents me—do you want me to go into that, Mr. Moser?

Mr. MOSER. What is it? What was the answer?

Mr. KRIEGER. Do you want me to go into the divorce matter?

Mr. MOSER. No. I do not want to go into that.

Mr. KRIEGER. All right.

Mr. MOSER. Any business matters?

Mr. KRIEGER. No; no business matters.

Mr. MOSER. Didn't Handler represent you in a proceeding before the State Labor Board?

Mr. KRIEGER. No. It was not a question of representing me. What occurred there was this: About 12 years ago, some individual had some sort of complaint about a compensation matter.

Mr. MOSER. What was the individual's name?

Mr. KRIEGER. I don't recall his name.

Mr. MOSER. Was it Biedrzycki? B-i-e-d-r-z-y-c-k-i?

Mr. KRIEGER. It sounds like it. This was about 12 years ago. He made some sort of complaint in a matter that I handled for another lawyer.

Mr. MOSER. Did he make his complaint against you and any other lawyer? Against both lawyers?

Mr. KRIEGER. It didn't involve me personally; no. It involved this other lawyer, but I had tried the matter and handled the matter.

Mr. MOSER. Were you not a party to the proceeding?

Mr. KRIEGER. I was not a party to the proceeding, to my best recollection.

Mr. MOSER. Our information is that Handler represented you in that; is that not correct?

Mr. KRIEGER. Might I say this, that Handler would probably protect my interests as well, because I was the attorney of record. When I say "attorney of record," I tried the matter and handled the matter.

Mr. MOSER. You handled your own case?

Mr. KRIEGER. If it affected me in any way, of course, Handler was there for the purpose of representing my interest as well.

Mr. MOSER. You mean, he was representing the other lawyer, too?

Mr. KRIEGER. That is right, sir.

Mr. MOSER. Do you know a man named Tony Boy, that you knew in Florida?

Mr. KRIEGER. Tony Boy? Is there any other name he is known by?

Mr. MOSER. His name might be Tony Biardo.

Mr. KRIEGER. I recall a name like that, Biardo.

Mr. MOSER. You do recall Biardo?

Mr. KRIEGER. Yes; I recall the name Biardo.

Mr. MOSER. Do you recall the name Biardo?

Mr. KRIEGER. I recall Tony Biardo. I don't know. I recall meeting someone by that name.

Mr. MOSER. Did you see anybody in Florida named Tony Biardo?

Mr. KRIEGER. I may have.

Mr. MOSER. You may have?

Mr. KRIEGER. That is right.

Mr. MOSER. Can't you remember whether you did or not?

Mr. KRIEGER. Look, Mr. Moser, you asked me whether or not I saw anybody in Florida. I saw hundreds of people in Florida. I saw a lot of people in Florida.

Mr. MOSER. Who is Tony Biardo?

Mr. KRIEGER. I don't know, offhand.

Mr. MOSER. You do not know who he is?

Mr. KRIEGER. Not offhand; no. Maybe you can refresh my recollection and tell me who he is. That may help.

Mr. MOSER. Doesn't he represent employees on the water front?

Mr. KRIEGER. Not to my knowledge. I don't know anybody by that name who represents any employees on the water front.

Mr. MOSER. Do you know Richard Biardo?

Mr. KRIEGER. No.

Mr. KRIEGER. You do not?

Mr. KRIEGER. No, sir.

Mr. MOSER. Do you know who he is?

Mr. KRIEGER. No, sir.

Mr. MOSER. While you were in Florida, did you not spend a good deal of time with a man named Tony Boy?

Mr. KRIEGER. I did not.

Mr. MOSER. You did not?

Mr. KRIEGER. No, sir.

Mr. MOSER. Did you spend any time with him?

Mr. KRIEGER. You say, did I meet somebody by that name? I recall meeting somebody by the name of Biardo in Florida. I did not spend a great deal of time with the individual I met by the name of Biardo. I may have seen him once or twice. I don't recall ever seeing him more than that. What his business was, what he did, I don't know.

Mr. MOSER. But how about a man named Tony Boy?

Mr. KRIEGER. You say that is one and the same individual.

Mr. MOSER. I am asking you if you know somebody that you called Tony Boy.

Mr. KRIEGER. If that is the same individual, that is who I know, Mr. Moser.

Mr. MOSER. How did you meet him?

Mr. KRIEGER. My recollection is that he was staying in another hotel, and somebody introduced me to him, like you meet a lot of other people. I was introduced to him.

Mr. MOSER. Did you call him Tony Boy?

Mr. KRIEGER. No. The man I called was Tony.

Mr. MOSER. Did Zwillman introduce you to a man named Tony Boy?

Mr. KRIEGER. No, sir.

Mr. MOSER. He definitely did not?

Mr. KRIEGER. Positively.

Mr. MOSER. You will say definitely, will you, that you did not spend a good deal of time with a man named Tony Boy?

Mr. KRIEGER. I will say definitely I did not spend a good deal of time with a man by the name of Tony Boy. I saw a man by the name of Biardo down there, not this year, but the year before. I met him a couple of times down there at another hotel.

Mr. MOSER. Now, if I should produce evidence to the effect that you did spend time with a man named Tony Boy, what would you say? That it is false?

Mr. KRIEGER. No; Mr. Moser. I am giving you my best recollection.

Mr. MOSER. I thought you said you were certain.

Mr. KRIEGER. I am giving you my best recollection of what happened 2 years ago, Mr. Moser.

Mr. MOSER. Yes. But if you spent a good deal of time with a man named Tony Boy, you would know it?

Mr. KRIEGER. If I lived day and night with a person, I would remember that. But if I didn't, if I met somebody once, twice, or three times, I wouldn't recall that too much, any more than you or anybody else would. I don't think that anybody can recall somebody he met 2 years ago and met him on a few occasions. It may have been more than twice. It may have been three times. How can you possibly say it was once, twice, or three times? I remember such a name.

Mr. MOSER. But if you saw him only once, twice, or three times, that I agree you might not remember. But if you saw him a great deal, you would, would you not?

Mr. KRIEGER. Mr. Moser, how could I see him a great deal? I was only in Florida 14 days, and 2 days out of the 14 days were spent traveling. So I was only in Florida 12 days, altogether.

Mr. MOSER. All right. But if you spent 12 days down in Florida and spent a good deal of time with Tony Boy, you would remember?

Mr. KRIEGER. If I spent a good deal, or a good portion, of that 12 days with him, I would remember.

Mr. MOSER. That is all I am asking.

Mr. KRIEGER. I didn't spend a good portion of that 12 days with Tony Boy.

Mr. MOSER. All right. So you are sure of that, after all?

Mr. KRIEGER. I am sure of what I just told you.

Mr. MOSER. Do you know James Rutkin?

Mr. KRIEGER. No; I do not.

Mr. MOSER. Have you ever had any dealings with him at all?

Mr. KRIEGER. No; I have not.

Mr. MOSER. How many unions do you represent as counsel?

Mr. KRIEGER. A few. By comparison, very few. Most of the unions are controlled by a central organization, and one lawyer represents that central organization and represents all of the unions in it. I have very few unions that I represent.

Mr. MOSER. In Florida, in the winter of 1948-49, we have information to the effect that you attended a dinner at a night club at which William Green and Zwillman were both present in the same party, although perhaps not sitting at the same table. What is your recollection on that?

Mr. KRIEGER. Mr. Moser, I don't recall ever attending a dinner at which Mr. William Green and Mr. Zwillman were present at the same time. The fact is, I have met Mr. William Green on a number of occasions. I don't know whether he would remember me or know me.

Mr. MOSER. I asked you about that before, and I want to make absolutely sure that you will swear that Zwillman was not present at a dinner at which you were present with Mr. Green.

Mr. KRIEGER. Mr. Moser, I am giving you my best recollection. I don't recall Zwillman ever being present at any dinner where Green was at.

Mr. MOSER. Has anybody ever said that you were the man to see in Jersey City in case of any labor difficulty?

Mr. KRIEGER. Not that I know of.

Mr. MOSER. Did Ellenstein ever come to you and ask for help in labor problems?

Mr. KRIEGER. Ellenstein has never asked me for any help.

Mr. MOSER. Have you never discussed labor problems with him?

Mr. KRIEGER. I told you before what the extent of our discussions was.

Mr. MOSER. You told us before, but is it not true that Ellenstein came to your house frequently?

Mr. KRIEGER. He came to my house? Ellenstein has never seen the inside of my house, Mr. Moser.

Mr. MOSER. Has he ever telephoned you there?

Mr. KRIEGER. At my home? He may have.

Mr. MOSER. And did he ever telephone you for the purpose of getting assistance in labor problems?

Mr. KRIEGER. No, sir.

Mr. MOSER. Never?

Mr. KRIEGER. Not that I can recall. I never remember him calling me on any particular labor matter.

Mr. MOSER. Did he ever telephone you at your house?

Mr. KRIEGER. He may have.

Mr. MOSER. On business matters?

Mr. KRIEGER. I wouldn't say on business matters; no.

Mr. MOSER. You would not?

Mr. KRIEGER. No.

Mr. MOSER. What kind of matters would he telephone you about?

Mr. KRIEGER. He may have called me generally on something.

Mr. MOSER. What kind of general thing? Political things?

Mr. KRIEGER. It may have been political. It may have been an affair that was being run in the State, or something like that.

Mr. MOSER. But you are sure that he never called you for help on labor matters?

Mr. KRIEGER. I am positive of that.

Mr. MOSER. Is it not true that he represents employers in labor matters?

Mr. KRIEGER. So I understand.

Mr. MOSER. But you do not know anything about it?

Mr. KRIEGER. I told you what I do know about it.

Mr. MOSER. I would like to ask you about the campaign in which Wene—I don't know how you pronounce his name—perhaps you will tell me.

Mr. KRIEGER. Elmer Wene.

Mr. MOSER. Elmer Wene ran against Driscoll?

Mr. KRIEGER. That is right.

May I smoke.

The CHAIRMAN. Go ahead.

Mr. MOSER. Which side were you on in that campaign?

Mr. KRIEGER. That was a funny situation. I don't think we were on any particular side at the time. We were ruled out of the situation. Hague took that campaign over, and he decided he was going to run Wene for Governor and would not let Kenny have any part of the running of the campaign. Hague ran his campaign for him. He would not even invite us or permit us to speak in the campaign. Mayor Kenny ran a big demonstration for Elmer Wene, and there were thousands of people there, thousands of people at that demonstration, and at the time Mr. Wene wouldn't repudiate Hague, at the time. The fact is, the Sunday before the election was a death knell as far as Wene was concerned. Hague came out on a platform at the high school and put his arm around him and said, "Elmer, come January 1, we take over again." That ended Elmer.

Mr. MOSER. So, in other words, the Kenny forces did not support Wene; is that correct?

Mr. KRIEGER. The Kenny forces had no opportunity to support Wene. They were ruled out as far as taking part in the campaign, and were not permitted to take part in the campaign, to my knowledge. I am giving you my best information on it.

Mr. MOSER. Did they support Driscoll?

Mr. KRIEGER. I guess anybody supported anybody they wanted, Mr. Moser.

Mr. MOSER. The newspaper reports indicate that you swung several labor unions over to the Driscoll side. Is that true?

Mr. KRIEGER. I couldn't swing anybody, Mr. Moser.

Mr. MOSER. Did you try?

Mr. KRIEGER. I didn't try to swing anybody, personally.

Mr. MOSER. We have information to the effect that you devoted all the efforts you could, with all of your labor representatives and labor associations, to persuade them to vote for Driscoll; is that correct?

Mr. KRIEGER. Mr. Moser, I said again and again, I was not active in that campaign. As far as my support is concerned, I didn't support Elmer Wene. I didn't get an opportunity to support Elmer Wene. Elmer Wene, as far as that campaign was concerned, was not the candidate as far as Kenny was concerned because they refused to permit him to be the candidate of the Democratic Party. They were going to rejuvenate and bring back themselves into power through Wene.

Now, what else can I tell you?

Mr. MOSER. Is it not true, Mr. Krieger, that you were accused by the Hague forces of having swung labor organizations over to Driscoll?

Mr. KRIEGER. Look. I am here today because of the Hague forces, Mr. Moser.

Mr. MOSER. What do you mean by that?

Mr. KRIEGER. Because they have been carrying on a campaign of vilification against me from 1949, from the day of the election. They have picked on anybody they could possibly select as a target.

Mr. MOSER. What has that got to do with your being here?

Mr. KRIEGER. Frankly, I say this: If they had not constantly, together with one of the newspapers, used that as a force, there would be no reason other than politics for my being here.

Mr. MOSER. The newspapers say that you master-minded the endorsement of Driscoll by two unions, the International Jewelry Workers and the Marine Warehousemen Workers. Is that true or false?

Mr. KRIEGER. That gives me more credit than I deserve, Mr. Moser. I couldn't master-mind anything.

Mr. MOSER. Now, in connection with Kenny's campaign for mayor, which you worked on, the day of the election, is it not true that all photographs and press releases, and so forth, were made from your office?

Mr. KRIEGER. Here is what happened with that, Mr. Moser. During the 1949 campaign, we had a small, little cubbyhole as campaign headquarters, a small place. The mayor and I rode around to various polling places together, and during the day I asked him where he intended to go that night for the purpose of getting the returns. And either I or he—one or the other—I may have made the suggestion to him, "Well, if you have no other place to go, you can use my offices."

He came up to my offices that night. The returns came in, and then everything broke loose. So, sure, there were a lot of photographers there, and they all took pictures, because he was the winner.

Mr. MOSER. Mr. Krieger, do you remember when the Port Authority of New York was offered a very low rental for the use of its truck terminal, the Newark truck terminal?

Mr. KRIEGER. I read something about that in the newspapers, Mr. Moser, and you told me something about it.

Mr. MOSER. Yes. Now, as I understand it, that truck terminal cost several million dollars, and a rental of \$96,000 a year was offered by the People's Express Co. Let me add that the cost of the terminal was \$9 million, and that the rental offered was \$96,000, whereas the annual carrying charges are around \$400,000 or \$500,000. That was the story, was it not?

Mr. KRIEGER. That is the story that was in the papers. I don't know whether they quoted the amount of the costs and the carrying charges in the newspapers.

Mr. MOSER. It was the People's Express Co., was it not?

Mr. KRIEGER. I don't recall the name. I think that may have been it.

Mr. MOSER. Did you ever discuss that proposition with Donald Spence?

Mr. KRIEGER. I did not.

Mr. MOSER. You definitely did not?

Mr. KRIEGER. I positively did not.

Mr. MOSER. You are positive about it?

Mr. KRIEGER. Positive about it.

Mr. MOSER. Didn't Donald Spence represent the People's Express Co. in connection with that?

Mr. KRIEGER. I would not know about that.

Mr. MOSER. And you definitely did not discuss it?

Mr. KRIEGER. That is right.

Mr. MOSER. Mr. Frisch, do you have some questions you wanted to ask?

Mr. FRISCH. Yes.

Mr. KRIEGER, do you know a man named Di Lorenzo?

Mr. KRIEGER. Yes; I do.

Mr. FRISCH. Is he not the brother-in-law of the slain mobster, Charles Danowski?

Mr. KRIEGER. I don't know whether or not there was a relationship between them, Mr. Frisch.

Mr. FRISCH. Did you know Charles Danowski?

Mr. KRIEGER. I knew him as a boy. I went to parochial school, and he lived around the Five Corners, and I would see him as I passed to go to school.

Mr. FRISCH. Do you know the circumstances of his death?

Mr. KRIEGER. Except what I read in the newspapers.

Mr. FRISCH. Did you read that he was stabbed to death with an ice pick, 57 times?

Mr. KRIEGER. I don't know how many times he was stabbed, Mr. Frisch. The newspapers carried an account that he was stabbed by an ice pick.

Mr. FRISCH. Had you ever done any legal representation for Mr. Danowski?

Mr. KRIEGER. No; I did not.

Mr. FRISCH. Did he ever call at your office?

Mr. KRIEGER. Not that I can recall. The fact is, we didn't get along. I paid no attention to him and wanted no part of him. One time he came into my home, when I moved to Sherman Place. He stopped by, because, as I said, I knew him as a kid, and he stepped into the house on one occasion and he had some conversation with my wife. I didn't have too much to say to him, and I hadn't seen him too much after that, excepting when I would pass him in the streets.

Mr. FRISCH. When he came to your house, you say he talked to your wife? Did he talk to you?

Mr. KRIEGER. I didn't say too much to him. I said hello to him.

Mr. FRISCH. But you did not discuss either labor or politics?

Mr. KRIEGER. No; I didn't discuss politics with him. My wife has.

Mr. FRISCH. Did you attend a testimonial dinner for Di Lorenzo?

Mr. KRIEGER. I did. So did a lot of other people, because that was after the 1949 election, and I think he was just elected to office or something in his local union.

Mr. FRISCH. Did Big Ed Florio attend that meeting?

Mr. KRIEGER. I don't know whether he was there or not.

Mr. FRISCH. Do you know Big Ed Florio?

Mr. KRIEGER. I have seen him, surely.

Mr. FRISCH. Do you know that there was an article in Look magazine entitled, "Racketeer Takes Over City," about Big Ed Florio?

Mr. KRIEGER. I didn't see the article, Mr. Frisch. But there were a lot of articles in a lot of magazines. I saw an article last week in the Mercury magazine. But I don't believe the things that I read today, because that attacked one of the Senators, and I don't believe that is true.

Mr. FRISCH. Do you know a lawyer named Rosenbloom?

Mr. KRIEGER. I know a lawyer by the name of Rosenbloom; yes.

Mr. FRISCH. I see. You did know that Mr. Rosenbloom represented People's Express Co., and he offered their lease to the Port Authority?

Mr. KRIEGER. I did not.

Mr. FRISCH. Have you ever met with Mr. Zwillman at a place called Rod's Restaurant in Orange?

Mr. KRIEGER. What?

Mr. FRISCH. Rod's?

Mr. KRIEGER. I never heard of that restaurant. You asked me awhile ago whether I met him at a place called Paul's. I didn't know Paul's, either, and I never heard of Rod's.

Mr. FRISCH. Thank you.

Mr. MOSER. Are you in any way related to Zwillman?

Mr. KRIEGER. Positively not. I just want to clear the record on that, because I am not related to him at all. I don't think there is any question in anybody's mind about it. I am very frank to say this, Mr. Moser. I know you have been very considerate with me, but I think that even the asking of that question may leave an inference. We have no relationship, blood, marriage, or any otherwise.

The CHAIRMAN. Mr. Krieger, while you say the very asking of the question, I did understand from the start that you were glad the question was asked so that you would be in a position to deny it.

Mr. KRIEGER. That is right, sir. In that respect; yes.

The CHAIRMAN. So you are satisfied?

Mr. KRIEGER. In that respect; yes.

Mr. MOSER. Mr. Krieger, is there a man named Rosenbloom associated with you in your office?

Mr. KRIEGER. No, sir.

Mr. MOSER. There is not?

Mr. KRIEGER. No, sir.

May I make a statement?

The CHAIRMAN. Yes, indeed. In other words, Mr. Krieger, anything about which you have been asked, if you feel that you have not had a full opportunity to answer or give the committee the benefit of your testimony or the facts, you are at liberty to say anything you wish.

Mr. KRIEGER. Senator O'Connor, I think that this committee has done a swell job. I think it is doing a good job. I think, if they had had the time, they could have probably uncovered a great deal in Jersey City.

The history of Jersey City is such that prior to 1949 it was ruled—not governed but ruled, it was controlled. There were rackets in Jersey City, from what I understand, controlled rackets, pay-offs, and things of that nature. You had wire services; you had gambling; you had all of that in Jersey City. All of that went on until 1949.

I say those are the things that I am sure, if this committee had had the time, they could have uncovered and probably found a solution for.

But the statement I would like to make is this, Senator.

With your permission, Mr. Moser, may I?

Mr. MOSER. Surely.

Mr. KRIEGER. I am delighted at the opportunity to appear before and aid the great, constructive endeavors of the work of this committee. Like many others, I am also the son of an immigrant. But for the fact that my father and mother didn't miss the boat, I may have been subject to the economic and social restrictions of another satellite nation that is presently enforced to challenge the democratic way of life. The free American institutions have afforded me an opportunity of public education followed by a course of law. Then, aided by my parents—who, may I say, are people of very modest circumstances—and working during summers and after classes, I was able to pay for my legal education.

Since engaging in the practice of law, I have been influenced largely by the difficult economic pressure experienced during my childhood and boyhood; and, therefore, my leanings were primarily toward those who were in dire need of legal counsel and aid.

I was also attracted to the then struggling labor unions. And, notwithstanding the fact that very few of them had the funds to pay for my services, I did render whatever legal aid was necessary in their efforts to improve the economic and social standards of their members. This sort of practice quite understandably brought me in frequent contact with public officials, primarily at State and municipal levels.

It has been my conviction that a complete understanding by public officials of the economic necessity for the small, struggling merchant, and workingman, is necessary to improve their conditions. Thus I have identified myself with political activities.

My endeavors in this course of my practice have been to a large extent channeled toward the enactment of labor legislation, trade acts, unfair-sales acts, and, since associating myself with the municipal government of my city, have been directed toward a clearer understanding of the fundamental rights of all citizens.

It is inevitable that in the progress of such a practice I would be brought in contact with various individuals and groups. That is the way of life. I am grateful for the privilege of appearing before you and for the courtesy extended to me.

Thank you very much.

The CHAIRMAN. You are very welcome, indeed, Mr. Krieger. Senator Wiley, do you have any questions?

Senator WILEY. No questions.

The CHAIRMAN. Senator Kefauver?

Senator KEFAUVER. No questions.

The CHAIRMAN. Thank you.

Mr. KRIEGER. Thank you.

The CHAIRMAN. James Bishop.

Mr. Bishop, will you raise your right hand, please? In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. BISHOP. I do.

The CHAIRMAN. Mr. Bishop, will you be good enough just to sit on that side, so that you will be in front of the microphones?

Mr. BISHOP. Yes, sir.

The CHAIRMAN. Thank you.

TESTIMONY OF JAMES A. BISHOP, TEANECK, N. J.

The CHAIRMAN. Your full name?

Mr. BISHOP. James A. Bishop.

The CHAIRMAN. James A. Bishop?

Mr. BISHOP. Yes, sir.

The CHAIRMAN. And your residence?

Mr. BISHOP. Teaneck, N. J.

The CHAIRMAN. Teaneck, N. J. What is your business or profession?

Mr. BISHOP. I am a biographer.

The CHAIRMAN. How long have you lived in New Jersey?

Mr. BISHOP. All my life.

The CHAIRMAN. All your life.

Mr. BISHOP. I was born there.

The CHAIRMAN. Fine. Thank you very much. Now, might I ask you at the outset, Mr. Bishop, if you will keep your voice up so that all may hear?

Mr. BISHOP. Yes; I shall. I will try.

The CHAIRMAN. Mr. Downey Rice.

Mr. RICE. You say that you are a biographer?

Mr. BISHOP. Yes, sir.

Mr. RICE. And you do a little writing, and you authored several books?

Mr. BISHOP. Yes, sir.

Mr. RICE. Now, you live in Bergen County?

Mr. BISHOP. I do.

Mr. RICE. New Jersey?

Mr. BISHOP. Yes.

Mr. RICE. Going back to 1948, would you tell the committee what experience you had there?

Mr. BISHOP. Yes. I decided that I would like to have some experience in politics. It is a credo among writers that you cannot write about any subject unless you have had some experience in it. And, although as a reporter before I was a biographer I had written about politics, I had no real experience in it.

Senator Elmer Wene, who was State senator in New Jersey—

Mr. RICE. How do you spell that name?

Mr. BISHOP. W-e-n-e.

Mr. RICE. Yes.

Mr. BISHOP. Senator Elmer Wene.

Mr. RICE. He was a State senator?

Mr. BISHOP. State senator, New Jersey.

Mr. RICE. Yes, sir.

Mr. BISHOP. And before that, he had been a congressman.

Mr. RICE. Yes, sir.

Mr. BISHOP. Yes, sir.

Mr. BISHOP. He was running for Governor and had been nominated by the Democratic Party. I saw him several—

Mr. RICE. He was a candidate for the Governor of New Jersey?

Mr. BISHOP. He was the Democratic nominee. And I had seen him several times in my county, and he asked me, after several luncheons, if I would accompany him on his campaign tour throughout the State; if I would assist him with reporters; if I would counsel him on issues.

Mr. RICE. In other words, you acted as an adviser, or consultant, for his campaign?

Mr. BISHOP. That is right. And this was the very thing I had been looking for. So I took it as a volunteer worker and went with him. And we were in Newark, in Essex County, late in September, when the man who assists Colonel Kelly, who was the Democratic leader of Essex County, a man named George Kesselhaut——

The CHAIRMAN. Will you keep your voice up?

Mr. RICE. Let me see if I get that. You say the man who assisted Kelly was named what?

Mr. BISHOP. George Kesselhaut.

Mr. RICE. How do you spell that?

Mr. BISHOP. K-e-s-s-e-l-h-a-u-t.

Mr. RICE. Yes, sir.

Mr. BISHOP. And Kesselhaut did errands and assisted Colonel Kelly, who was the leader of the Democratic Party in the county. And Kesselhaut phoned me. I was with the reporters in a suite of rooms at the Essex House, and he asked me if I could see him immediately, and I asked him where, and was it important. He said it was important, and would I come down to suite 9-0—something in the same hotel.

Mr. RICE. Where is the Essex House?

Mr. BISHOP. In Newark, right in the heart of Newark, on Broad Street.

Mr. RICE. In Newark.

Mr. BISHOP. And the senator was in the hotel at that time, but in another suite of rooms, and I saw George, and he walked over to a window and looked through the venetian blinds, and he stalled and coughed and hemmed and hawed, and said that he had a very important call to make, and that he thought he could make it through me, that I had the ear of the senator. When his campaign was over, I was not so sure about that.

However, I asked him what it was about, and he asked me if I had heard of Longie Zwillman.

The CHAIRMAN. Of Longie Zwillman?

Mr. BISHOP. Yes, Longie Zwillman. And I said I had, because I had done a very short stint on the Newark Ledger, when it was run by Lucius D. Russell in 1932. At that time, I had heard of Mr. Zwillman as a local boss of racketeers, or gangsters, or what have you.

I asked him what the proposition was, and that I would try to relay whatever it was to the senator the following morning at breakfast. And he said, "Well, Zwillman wants to help Wene."

Mr. RICE. Zwillman wanted to help Wene?

Mr. BISHOP. Yes. And he gave the impression—I don't remember the exact quote—but that Zwillman would go for \$300,000 to Senator Wene.

The CHAIRMAN. Now, you say that he gave the impression that Zwillman would go for \$300,000?

Mr. BISHOP. Yes.

The CHAIRMAN. Can you not be a little more specific and tell us——

Mr. BISHOP. He said he would go that high.

The CHAIRMAN. In other words, that he would contribute that much?

Mr. BISHOP. Yes, he would contribute that much to the Wene gubernatorial campaign.

Mr. RICE. Who was the candidate on the other side?

Mr. BISHOP. Alfred E. Driscoll was the Republican candidate.

The CHAIRMAN. The present Governor?

Mr. BISHOP. Yes, the present Governor. And I asked him, as long as I was to relay this message to the Senator, what was expected of the Senator in return, and Kesselhaut said Zwillman does not want the Wene administration to hurt him, or he does not want to be hurt by the Wene administration. That is all he asks.

Mr. RICE. He does not want to be hurt?

Mr. BISHOP. Yes, by the Wene administration. That is, if Wene was elected Governor, he did not want to be hurt. That was what Kesselhaut had to say.

I asked if there was anything further, and he said he would like to have a friend in the State attorney general's office.

Mr. RICE. He would like to have a friend in the State attorney general's office?

Mr. BISHOP. A friend in the State attorney general's office.

The CHAIRMAN. In other words, that he would be willing to contribute that much in the event that he had?

Mr. BISHOP. In the event that he had a friend in the State attorney general's office.

The CHAIRMAN. In other words, did you understand that to mean that he would expect or require the appointment or the designation?

Mr. BISHOP. As I understand it. But here again, I am going into the field of interpretation. I gathered from what Kesselhaut said that Zwillman would like to have a voice in the naming of the attorney general.

The CHAIRMAN. Exactly.

Mr. BISHOP. That was my impression.

The CHAIRMAN. Yes. I realize that it may be difficult to remember the exact words, but can you not be just a little more specific and tell us as nearly as you can in the words that were used then just what was said as to the fact that Zwillman would want to be the one who would name the attorney general?

Mr. BISHOP. As nearly as I can recollect, he said he would want a friend in the attorney general's office. That is as near as I can come to a direct quote.

Mr. RICE. You did a little reading between the lines, though, did you not?

Mr. BISHOP. Oh, yes. There was no doubt in my mind about what he meant.

Mr. RICE. So that your impression was that he would require just a little bit farther than a friend; he actually wanted an appointee?

Mr. BISHOP. Yes, that is rather a common political terminology, to talk to a leader of a county and ask what he wants, and he would say, "Well, I would like to have a voice or a friend in the prosecutor's office." You can take that to mean that he would like to screen perhaps five candidates and select one.

So I was not in doubt as to what he meant. But I relayed the message the following morning at breakfast to the Senator—

The CHAIRMAN. Will you just hold up there for a minute until we get back? There is a question or two.

Mr. BISHOP. Yes.

The CHAIRMAN. In regard to the original conversation, before we come to the second part when it was relayed to the Senator, upon having that mentioned to you, did you make any comment about it, or did you repeat it, or say anything at all to become satisfied yourself that you understood what the proposition was?

Mr. BISHOP. Oh, yes.

The CHAIRMAN. You talked back and forth?

Mr. BISHOP. Oh, yes. I said, "Now let's get this straight." I said that not once, but perhaps three times. I said, "Now, Zwillman is making the offer. You are not making the offer."

He said, "As long as Zwillman is making it—I think the Senator may have heard of him—he will know who it is."

I said, "I know who it is."

The CHAIRMAN. Very well. Now you say the next day you did relay it to the Senator, the candidate for Governor?

Mr. BISHOP. Yes, at breakfast.

Mr. RICE. Before you leave that conversation, did he indicate that in the past Zwillman had been active in any campaign or had assisted anyone?

Mr. BISHOP. Yes. He said, "You can tell the Senator that Zwillman will do more for Wene than he did for Johnny Kenny."

Mr. RICE. He would do more for Wene than he had done in the past for Kenny?

Mr. BISHOP. For Kenny.

Mr. RICE. Did he indicate what he had done for Kenny?

Mr. BISHOP. No, and I did not ask him.

Mr. RICE. But you did mention \$300,000 in connection with Wene?

Mr. BISHOP. The inference there was that Kenny had been elected, and we did that much for Kenny; we will do that much for Wene.

The CHAIRMAN. But there was no specific reference, are we to understand, to any particular contribution that was made?

Mr. BISHOP. No money was mentioned.

The CHAIRMAN. All right.

Now, the next day you repeated or relayed the offer to the Senator?

Mr. BISHOP. Yes.

The CHAIRMAN. Just what did you say to him and what did he say to you?

Mr. BISHOP. I caught him at breakfast. I caught him before breakfast, when he was shaving, and I said, "I will join you at breakfast. I want to talk about something important."

He said, "All right. I will be down there in a half-hour."

I met him in the main dining room. He was already having eggs. And I sat across from him, and I said, "I had a visit last night from George Kesselhaut."

And he knew who Kesselhaut was because Kesselhaut was a sort of lieutenant to the Democratic leader of the county. And he said, "What is it all about?"

I said, "I understand"—I said, "Please get this straight now"—"That Longie Zwillman wants to contribute to your campaign. The figure was mentioned up to \$300,000."

And I didn't get to complete the message because the Senator had eggs half-way to his lips and the eggs froze on the fork right where they were, and he said, "I won't have anything to do with it. I don't want to hear it. When do we get out of this county?"

I said, "We get out today." I said, "Now, just a minute, until I finish it so that you will know what it is, because I want to be able to tell Kesselhaut that I relayed the message."

He said, "I don't want to hear the rest of it," and he said, "If I were you I would have nothing to do with those people."

The CHAIRMAN. As nearly as you can place it, what was the exact date?

Mr. BISHOP. Late September. Perhaps the latest would be the first week in October.

The CHAIRMAN. Of what?

Mr. BISHOP. I think the records of the Essex House will show when we were there.

The CHAIRMAN. Of 1948?

Mr. BISHOP. Of 1948.

Mr. RICE. Did you communicate that back to Kesselhaut, then?

Mr. BISHOP. Yes. George phoned me that same morning and said, "How did you make out?"

Mr. RICE. That was a telephone conversation?

Mr. BISHOP. Yes. "How did you make out?"

I said, "I told the Senator and he never even heard it through. He said, no, he wanted nothing to do with it."

Kesselhaut said, "All right. You gave it a good try."

And the only person who knew about it was—we were to have a Hudson County Day, and I was in touch with Frank Eggers, and I told him, over the phone. This was also from Essex House. And Frank Eggers was—

Mr. RICE. Can you fix the time a little better as to when you talked to Eggers?

Mr. BISHOP. Yes. It was in the afternoon of that same day.

Mr. RICE. Of that same day?

Mr. BISHOP. Yes.

Mr. RICE. And you repeated this deal, or proposition, to Eggers?

Mr. BISHOP. Yes.

Mr. RICE. And that is the only other person you told about that?

Mr. BISHOP. Yes. And Eggers said, "Good God, don't let him have anything to do with those people."

That was all.

Mr. RICE. All right, sir. Thank you.

The CHAIRMAN. Senator Kefauver?

Senator KEFAUVER. No questions.

The CHAIRMAN. Senator Wiley?

Senator WILEY. No questions.

The CHAIRMAN. Thank you very much, indeed.

Mr. BISHOP. Thank you.

The CHAIRMAN. Mrs. Krieger.

Mr. BISHOP. Excuse me. I am awfully sorry. That was 1949, and not 1948.

The CHAIRMAN. We will correct the record. The years was 1949, instead of 1948.

Mr. BISHOP. That is right.

The CHAIRMAN. Thank you.

Mr. BISHOP. Thank you very much.

The CHAIRMAN. The committee would like to make this statement.

It is, of course, the policy of the committee to afford an opportunity to any person whose name is mentioned here to have any reply that he or she may desire. In connection with Abner Zwillman, these facts are being developed, and it had been the hope of the committee that he would be here in person. Every possible effort has been made to locate him and to serve him. For a month, the committee's representatives have sought him. His lawyers have been notified. Telegrams have been sent to his home and to other places where it is thought he might be.

The press has been very cooperative. His picture has appeared in the press, and press notices in virtually every newspaper in the country have carried the information that this committee desires to have him. The FBI has cooperated, the Coast Guard, and others, but he is still missing.

We therefore feel that he certainly cannot complain because he must know that the committee is seeking him, and it is our belief that he is avoiding process.

Mrs. KRIEGER, please.

Mrs. KRIEGER, will you kindly raise your right hand, please? In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mrs. KRIEGER. I do.

The CHAIRMAN. Thank you.

TESTIMONY OF MURIEL KRIEGER, NEW YORK, N. Y.

The CHAIRMAN. Now will you kindly state your full name?

Mrs. KRIEGER. Muriel Krieger.

The CHAIRMAN. Muriel Krieger. And Mrs. Krieger, your address?

Mrs. KRIEGER. 885 West End Avenue.

The CHAIRMAN. West End Avenue, of what city?

Mrs. KRIEGER. New York City.

The CHAIRMAN. Where have you lived previously?

Mrs. KRIEGER. Jersey City.

The CHAIRMAN. Jersey City?

Mrs. KRIEGER. Yes.

The CHAIRMAN. And how long did you reside there?

Mrs. KRIEGER. For 5 years.

The CHAIRMAN. Are you married?

Mrs. KRIEGER. No longer.

The CHAIRMAN. No longer. You were previously married?

Mrs. KRIEGER. Yes.

The CHAIRMAN. And to whom?

Mrs. KRIEGER. To Harold Krieger.

The CHAIRMAN. Harold Krieger. He is the man who has just testified earlier this afternoon and this morning?

Mrs. KRIEGER. I believe so.

The CHAIRMAN. And you have been divorced?

Mrs. KRIEGER. Yes.

The CHAIRMAN. When did that take place?

Mrs. KRIEGER. July 13.

The CHAIRMAN. Of this year?

Mrs. KRIEGER. Yes.

The CHAIRMAN. Now, Mrs. Krieger, might I ask you at the outset if you will keep your voice up, please, in answering the questions?

Mrs. KRIEGER. I will try.

The CHAIRMAN. Thank you very much.

Mr. Moser.

Mr. MOSER. Mrs. Krieger, we had some difficulty locating you, and finally had to serve a subpoena upon you in order to get you here. Are you reluctant to testify?

Mrs. KRIEGER. Not since I have been subpoenaed.

Mr. MOSER. But in any case, you will tell us the whole story, will you?

Mrs. KRIEGER. Everything I know.

Mr. MOSER. A few minutes ago your former husband was testifying here. We asked him a lot of questions, and we want to ask you whether you would give the same answers to some of those questions. But before doing so, I would like to ask you, in connection with your divorce, did you have any trouble getting a lawyer?

Mrs. KRIEGER. Yes, I did.

Mr. MOSER. What was the situation?

Mrs. KRIEGER. Well, every lawyer approached refused to take the case because the pressure was put on the lawyer by Harold Krieger or friends of his.

Mr. MOSER. You finally got one, did you?

Mrs. KRIEGER. Yes, I did.

Mr. MOSER. And has any pressure been put upon you to keep you from testifying here?

Mrs. KRIEGER. Yes, there was.

Mr. MOSER. What kind of pressure?

Mrs. KRIEGER. A lawyer whom I retained called me on the telephone and told me to come to see him, and he told me that for my own good it was best that I didn't testify. When I asked him why, he said, "Your divorce isn't final yet."

I said, "Yes, it is; my divorce decree was granted on July 13."

He said, "But it takes another 3 months, doesn't it?"

I said, "Yes; but my divorce is final, and I believe that I am allowed to testify if I am called."

I didn't want to testify unless I had to.

Mr. MOSER. Was any other pressure put on you?

Mrs. KRIEGER. Yes. Mr. Krieger called members of my family and asked them to call me and tell me—beg me not to testify.

Mr. MOSER. How close a friend of Mr. Krieger is Zwillman?

Mrs. KRIEGER. I don't know how close they are socially—

The CHAIRMAN. We mean Abner Zwillman.

Mrs. KRIEGER. I beg your pardon?

The CHAIRMAN. Abner Zwillman.

Mrs. KRIEGER. Yes, I know who you mean. I don't know how close they are socially. But I do know that they have spoken together. They have seen each other on many occasions, and they have consulted with each other. I know that my husband has consulted with him.

Mr. MOSER. On what kind of things does he consult with him.

Mrs. KRIEGER. I believe labor and politics.

Mr. MOSER. Has he called him often on the telephone?

Mrs. KRIEGER. Mr. Krieger has called Mr. Zwillman, yes.

Mr. MOSER. Very frequently?

Mrs. KRIEGER. At times, quite frequently.

Mr. MOSER. Have you ever heard Mr. Krieger refer to Zwillman as the "big fellow"?

Mrs. KRIEGER. That was the only way he was referred to.

Mr. MOSER. And he referred to Kenny as the "little fellow"?

Mr. KRIEGER. Yes.

Mr. MOSER. Did he do that often?

Mrs. KRIEGER. As many times as I heard him speak of him.

Mr. MOSER. He always referred to them that way?

Mrs. KRIEGER. Yes. He never called him Longie, and very infrequently Abe.

Mr. MOSER. He always called him the "big fellow"?

Mrs. KRIEGER. Yes, and most other people did, too. Everyone who referred to him used his name by calling him the "big fellow."

Mr. MOSER. Mrs. Krieger, it is very important for you to be sure about that, because he testified a few minutes ago under oath that he never used that expression under any circumstances that he could recall.

Mrs. KRIEGER. Well, they were reluctant to use his name over the telephone. And even in conversation, they would refer to him as the "big fellow."

Mr. MOSER. You mean the phrase "big fellow" was sort of a code so that they would not use his name over the telephone?

Mrs. KRIEGER. That is right.

Mr. MOSER. And they used the words "little fellow" as a sort of code to refer to Mayor Kenny?

Mrs. KRIEGER. That is right.

Mr. MOSER. Now, we also asked Mr. Krieger whether Zwillman had been responsible for his obtaining clients in the policy business back in the early thirties. Do you know anything about that?

Mrs. KRIEGER. I don't think he did, but I can't say. I don't think he knew him at that time.

Mr. MOSER. You don't think he knew him. Is it not true that Zwillman was the one who introduced him to one of his first labor union clients?

Mrs. KRIEGER. Which client would that be?

Mr. MOSER. We have information to the effect that Zwillman introduced him to the pipe layers' union. Is that correct?

Mrs. KRIEGER. If I remember correctly, my husband's first union was the news dealers.

Mr. MOSER. The news dealers.

Mrs. KRIEGER. Yes.

Mr. MOSER. And did Zwillman have anything to do with putting him in connection with those?

Mrs. KRIEGER. I am sure that he didn't.

Mr. MOSER. Do you know of any union that Zwillman was responsible for getting him retained by?

Mrs. KRIEGER. Yes, the liquor union.

Mr. MOSER. The liquor union?

Mrs. KRIEGER. Yes.

Mr. MOSER. And you think that Zwillman was directly responsible for that?

Mrs. KRIEGER. I do.

Mr. MOSER. What is your recollection of that? What happened?

Mrs. KRIEGER. I remember that Mr. Krieger at that time—that was about 5 years ago—had shown me a sheaf of papers, and there was a union contract. I believe that a salary was mentioned, and he hoped that he would be retained as their counsel, and he was always very, very much affected by Mr. Zwillman's opinion of him. And I think that it was Mr. Zwillman's say-so that got him the job. He said so.

Mr. MOSER. Mr. Krieger said that it was Zwillman's influence that got him the job as counsel for the union; is that correct?

Mrs. KRIEGER. Yes.

Mr. MOSER. Did Mr. Krieger ever tell you that the policy boys gave him a Nash car one time as a present?

Mrs. KRIEGER. Yes, he did.

Mr. MOSER. He did tell you that?

Mrs. KRIEGER. Yes.

Mr. MOSER. He testified here that that did not happen.

Mr. KRIEGER. Then he wasn't telling the truth.

Mr. MOSER. Either that, or he was not telling us the truth; one way or the other.

Mrs. KRIEGER. Could be.

Mr. MOSER. Now, we also asked him if he ever went to Zwillman's residence to see him, and he testified that he did occasionally. Can you say whether that is true or not?

Mrs. KRIEGER. I think he did visit him frequently.

Mr. MOSER. How frequently?

Mrs. KRIEGER. There were times that he would see him once a week.

Mr. MOSER. How often? Once every Sunday or Saturday, or something?

Mrs. KRIEGER. On Saturdays, generally.

Mr. MOSER. Every Saturday he would go over?

Mrs. KRIEGER. For a period of time, yes; sometimes for 2 months at a time, or a month at a time, and then he didn't seem to be going there for a while. Then he would start going there again.

Mr. MOSER. He would go every week?

Mrs. KRIEGER. Yes.

Mr. MOSER. Was he going there for a specific purpose?

Mrs. KRIEGER. I guess he must have. He would sometimes speak to him before he would go over there.

Mr. MOSER. He told us that he sometimes just happened to drop in because he was in the neighborhood, but he never went there for any specific purpose. What do you say to that?

Mrs. KRIEGER. I would say it wasn't true.

Mr. MOSER. Because he did go there for a specific purpose?

Mrs. KRIEGER. I heard the conversations that transpired. I don't know what they pertained to.

Mr. MOSER. But you do know from those conversations that he was going there for a purpose; is that correct?

Mrs. KRIEGER. Yes.

Mr. MOSER. Would he call up in advance and make arrangements to go?

Mrs. KRIEGER. Generally, yes.

Mr. MOSER. He did not just drop in?

Mrs. KRIEGER. I don't think so.

Mr. MOSER. As far as you know, he made specific arrangements, then?

Mrs. KRIEGER. On several occasions I heard the arrangements being made.

Mr. MOSER. Now, you and Mr. Krieger went to Florida for several weeks, did you not?

Mrs. KRIEGER. Yes.

Mr. MOSER. Did you go in the winter of 1948-49?

Mrs. KRIEGER. Yes, we did.

Mr. MOSER. Was Zwillman there at the time?

Mrs. KRIEGER. He was there for a few years. I don't remember just which the years were.

Mr. MOSER. You mean for several of the years that you went there, he was there at the same time?

Mrs. KRIEGER. That is right.

Mr. MOSER. Was Mr. Krieger down there to attend labor meetings?

Mrs. KRIEGER. Yes, he was.

Mr. MOSER. And was Zwillman there for the same purpose?

Mrs. KRIEGER. That I can't say, but I know that they used to confer almost every afternoon.

Mr. MOSER. They conferred every afternoon. Mr. Krieger said that they did not confer, that he merely met him casually, if he happened to see him at the hotel. Is that correct?

Mrs. KRIEGER. I know that the telephone was constantly in play. He was always being paged at the hotel. Mr. Zwillman would generally ask him to come, or he would call Mr. Zwillman and make arrangements to see him.

Mr. MOSER. They were constantly in touch with each other by telephone?

Mrs. KRIEGER. Yes, they were. Then that generally preceded a visit. And he would spend the afternoons there generally, at the pool.

Mr. MOSER. At the pool, talking to Zwillman?

Mrs. KRIEGER. Yes.

Mr. MOSER. How do you know he was talking to Zwillman?

Mrs. KRIEGER. Well, he said he was going to talk to Zwillman.

Mr. MOSER. And then when he came back, he said he had been talking to him?

Mrs. KRIEGER. Yes, he did.

Mr. MOSER. Did you ever see them talking together?

Mrs. KRIEGER. Yes, I did.

Mr. MOSER. You mean, you went over on some occasions?

Mrs. KRIEGER. On a few occasions I did.

Mr. MOSER. Why did you only go on a few?

Mrs. KRIEGER. Mr. Krieger didn't want me to join him on many occasions?

Mr. MOSER. Did he say why?

Mrs. KRIEGER. No, he didn't say why. His attitude was evident enough.

Mr. MOSER. Did you attend a dinner, a social dinner at a night club at which William Green, president of the A. F. of L., was present?

Mrs. KRIEGER. Yes, I did.

Mr. MOSER. Was Zwillman there?

Mrs. KRIEGER. Yes, he was.

Mr. MOSER. You are definite about that?

Mrs. KRIEGER. Yes, I am.

Mr. Moser. Mr. Krieger said that he was very definite that it was not so.

Mrs. Krieger. It was a rather important event in my life, I think, meeting Mr. Green, and I couldn't help but associate him with Mr. Zwillman and those who were with us that evening. It was pretty important to me, and I remember it.

Mr. Moser. Did you all sit at the same table?

Mrs. Krieger. I don't remember whether or not we did. The table only held room for just so many, and he either was at the same table or directly behind us, with another party.

Mr. Moser. But anyway, were you in the same party?

Mrs. Krieger. Yes, we were.

Mr. Moser. Now I would like to ask you about the election of Mr. Kenny. Did Mr. Krieger take an active part in that?

Mrs. Krieger. Very active, I believe.

Mr. Moser. Did Zwillman take a part in it?

Mrs. Krieger. Probably some part.

Mr. Moser. Did he and Mr. Krieger talk about it?

Mrs. Krieger. (No response.)

Mr. Moser. Did he and Mr. Krieger talk about it?

Mrs. Krieger. The answer to that is "Yes." I can't remember any definite remarks that were made, but I know that they had some discussions with regard to it.

Mr. Moser. Are you sure that Mr. Krieger and Zwillman discussed the campaign?

Mrs. Krieger. Yes, I am sure that they did.

Mr. Moser. And they discussed politics?

Mrs. Krieger. Yes, they did.

Mr. Moser. On many occasions?

Mrs. Krieger. Not on many occasions. •

Mr. Moser. But on some?

Mrs. Krieger. But on some.

Mr. Moser. Were they in constant telephone conversation during the campaign?

Mrs. Krieger. I wouldn't say constant.

Mr. Moser. But frequent?

Mrs. Krieger. But frequently, and not always with regard to the campaign.

Mr. Moser. But with regard to other matters, as well?

Mrs. Krieger. Yes.

Mr. Moser. Did they ever discuss labor matters?

Mrs. Krieger. Yes.

Mr. Moser. They did?

Mrs. Krieger. Yes.

Mr. Moser. Mr. Krieger testified that they did not. Is he wrong about that?

Mrs. Krieger. Well, I would say so.

Mr. Moser. Do you know from the conversations you heard there that they were discussing labor matters?

Mrs. Krieger. Yes.

Mr. Moser. And you also know that they discussed the campaign. How many unions would you say Mr. Krieger had something to do with?

Mrs. Krieger. The number of 27 was quoted to me.

Mr. MOSER. Twenty-seven. You mean he told you he represented 27?

Mrs. KRIEGER. No, he didn't tell me. Others told me. But I know that if it wasn't that, it closely approximated that.

Mr. MOSER. Did anybody tell you that Krieger was the man to see with regard to labor matters?

Mrs. KRIEGER. Yes. Many people told me that. They told me when they couldn't get anything else done, that Harold Krieger could do it.

Mr. MOSER. And did they ever indicate that he consulted Zwillman about it?

Mrs. KRIEGER. No, I am sorry, I can't say that I do remember that.

Mr. MOSER. Did you ever meet a man named Tony Boy in Florida?

Mrs. KRIEGER. Yes, I did.

Mr. MOSER. You did?

Mrs. KRIEGER. Yes.

Mr. MOSER. Did you see him often?

Mrs. KRIEGER. Not too often.

Mr. MOSER. Did Mr. Krieger see him often?

Mrs. KRIEGER. I believe he saw him whenever we went over to the Martinique, and they used to call each other frequently on the telephone.

Mr. MOSER. He called him often on the telephone?

Mrs. KRIEGER. Yes. In fact, we were invited to his wedding.

Mr. MOSER. To Tony Boy's wedding?

Mrs. KRIEGER. Yes.

Mr. MOSER. Would you know Tony Boy's last name?

Mrs. KRIEGER. No.

Mr. MOSER. If I told you it was Biardo, would you say that is right?

Mrs. KRIEGER. It wouldn't mean anything, because he was just referred to in our presence as Tony Boy.

Mr. MOSER. Did you go to the wedding?

Mrs. KRIEGER. No. I was ill. I had an operation.

Mr. MOSER. Did Mr. Krieger go?

Mrs. KRIEGER. No, he didn't. I don't think he did.

Mr. MOSER. Did Mr. Krieger know Charles Witkowski?

Mrs. KRIEGER. Yes, he did.

Mr. MOSER. How well did he know him?

Mrs. KRIEGER. He was over to our house twice. They had several discussions at home pertaining to labor. I don't know whether or not it was with regard to any specific problem.

Mr. MOSER. Would you say that Mr. Krieger and Zwillman are quite close?

Mrs. KRIEGER. Yes, definitely.

Mr. MOSER. Very close?

Mrs. KRIEGER. I think so.

Mr. MOSER. Mr. Krieger said that he never talked to Witkowski about any labor matters or politics. Is that correct?

Mrs. KRIEGER. I wouldn't remember politics. But I would say that they did discuss labor. They discussed the longshoreman problem.

Mr. MOSER. Did Mr. Krieger have any dealings with Jerry Catena in Florida?

Mrs. KRIEGER. As far as I know, it was only social.

Mr. MOSER. Just social. But he did see him?

Mrs. KRIEGER. Yes.

Mr. MOSER. Did you ever meet Abe Lew down there?

Mrs. KRIEGER. Yes; I know Abe Lew.

Mr. MOSER. And did Mr. Krieger have dealings with him?

Mrs. KRIEGER. Yes.

Mr. MOSER. How about Mr. Ellenstein, Meyer C. Ellenstein? Did Mr. Krieger have any dealings with him?

Mrs. KRIEGER. I think he did.

Mr. MOSER. Occasionally or frequently?

Mrs. KRIEGER. I would say occasionally.

Mr. MOSER. Has Mr. Ellenstein ever called on Mr. Krieger for assistance in labor matters?

Mrs. KRIEGER. I couldn't say definitely.

Mr. MOSER. Would you say it was true that Mr. Krieger and Mr. Zwillman engineered the election of Mr. Kenny in 1949?

Mrs. KRIEGER. I would say Mr. Krieger was much more responsible for his election than Mr. Zwillman was. Of course, I don't know what he contributed to the election physically. I know that Mr. Krieger did.

Mr. MOSER. Do you think that Mr. Zwillman contributed any money to it?

Mrs. KRIEGER. That I never heard of.

Mr. MOSER. Do you recall a dinner at the home of Paul Hanley, the son-in-law of Mr. Kenny, a year before the election at which Mr. Krieger said something about being able to throw some votes? Do you remember that?

Mrs. KRIEGER. Yes, I do.

Mr. MOSER. What happened?

Mrs. KRIEGER. I don't remember what started it, but I think that Mr. Hanley mentioned the fact that Mr. Hague and Mr. Kenny were at loggerheads, and there was some difficulty there. Mr. Hanley at that time thought it would be a very, very good idea to do something about getting Mr. Kenny to run as mayor, and Harry said that he would try to swing the vote. He said that he was sure that he would have no difficulty in doing it, and, as a matter of fact, we went out with the mayor's daughter and son-in-law very frequently, and Mr. Hanley would introduce Harold as being the greatest labor lawyer, because in his opinion I think he thought he was, and he probably felt that he could be responsible for swinging the vote.

Mr. MOSER. Did Mr. Krieger ever talk about campaign strategy and policy in connection with—

Mrs. KRIEGER. I don't think so. I think that Mr. Krieger had it pretty well figured out, and that there were others who were handling it quite adequately.

Mr. MOSER. Do you know about the testimonial dinner given for Mr. Krieger on June 26, 1949?

Mrs. KRIEGER. I was there.

Mr. MOSER. He received a gold-plated typewriter, as I understand it?

Mrs. KRIEGER. Yes, he did.

Mr. MOSER. Was he offered a Cadillac?

Mrs. KRIEGER. He told me that that was—in fact, I think they made an announcement of the fact, but I don't remember definitely. But

I do know that he told me that he would be given a Cadillac. But he said that he didn't want it because he didn't have enough money, and also because he thought it would be sort of a political front to the people.

The CHAIRMAN. Mr. KRIEGER, I think, did testify that there had been some newspaper publication of the fact, but that it did not materialize.

Mrs. KRIEGER. He never did get the Cadillac.

The CHAIRMAN. That is what he said, that he never received it himself.

Mrs. KRIEGER. He may have gotten the cash for it. I think he said he did.

The CHAIRMAN. Can you be a little more specific? Do you know definitely whether cash was presented to Mr. Krieger, and if he accepted it?

Mrs. KRIEGER. All I can remember is that he said he was going to get the cash, because he needed it. He said he was broke and that he couldn't afford to get the—

The CHAIRMAN. I beg your pardon. There was some mention made today of the fact that he did receive the difference between the trade-in of his other car and a Buick.

Mrs. KRIEGER. Yes; that is right.

The CHAIRMAN. So the statement is correct?

Mrs. KRIEGER. Yes; that is right.

Mr. MOSER. Did you know a man named David Lieb?

Mrs. KRIEGER. Lieb? Yes; I did know him.

Mr. MOSER. What was his business, do you remember?

Mrs. KRIEGER. I don't know specifically. It was some fine line of building. I just don't know to what extent or what particular department.

Mr. MOSER. Something to do with building?

Mrs. KRIEGER. Yes.

Mr. MOSER. The fact is that he was a mason contractor. Does that help you remember?

Mrs. KRIEGER. It might.

Mr. MOSER. Did he ever visit your home?

Mrs. KRIEGER. No; he never did.

Mr. MOSER. Did you ever hear any business discussions between him and Krieger?

Mrs. KRIEGER. Just twice, I think, and I didn't hear the discussions actually. But there was just some mention made of bricks, or I don't remember.

Mr. MOSER. Did Lieb call Mr. Krieger on the telephone?

Mrs. KRIEGER. Yes, he did; several times.

Mr. MOSER. Several times?

Mrs. KRIEGER. Yes.

Mr. MOSER. Do you ever remember a conversation in which he said that the contract would have to be discussed with the "Big Fellow"?

Mrs. KRIEGER. That I don't remember.

Mr. MOSER. You don't remember that?

Mrs. KRIEGER. No.

Mr. MOSER. Now, do you know Donald Spence?

Mrs. KRIEGER. Yes.

Mr. MOSER. He represented a company called People's Express Co. that made an offer for rental of the Newark Union Truck Terminal.

Do you remember whether that was ever discussed with Mr. Krieger or Mr. Spence?

Mrs. KRIEGER. I don't know anything about it, if it was. I don't know anything about it.

Mr. MOSER. You say it was not discussed?

Mrs. KRIEGER. I say, if it was, I never heard it.

Mr. MOSER. You don't know whether it was discussed or not, then?

Mrs. KRIEGER. The Mutual Trucking Co.?

Mr. MOSER. The People's Trucking Co.

Mrs. KRIEGER. No. No trucking company at all.

Mr. MOSER. People's Express Co., it was called.

Mrs. KRIEGER. No.

Mr. MOSER. Do you remember any discussion about the Port of New York Authority?

Mrs. KRIEGER. I do; yes.

Mr. MOSER. And the difficulty of getting trucks into the terminal?

Mrs. KRIEGER. No; I don't remember that. All I remember is that some mention was made of Harold's being given a commission, something about the port authority, the commissioner of the port authority. I know he wanted it and he discussed it with him.

Mr. MOSER. Yes?

Mrs. KRIEGER. As he discussed it with others.

Mr. MOSER. Now, in regard to the election of Governor Driscoll, did Harold Krieger do any work for Driscoll?

Mrs. KRIEGER. Yes; he did. I think almost equally as much as with Mayor Kenny.

Mr. MOSER. I am sorry. I had an interruption and I did not hear your answer.

Mrs. KRIEGER. Almost as much as for Mayor Kenny.

Mr. MOSER. He worked hard for Driscoll?

Mrs. KRIEGER. Very hard; yes.

Mr. MOSER. Did he make any attempts to swing any labor unions over in favor of Driscoll?

Mrs. KRIEGER. Yes; he certainly did.

Mr. MOSER. He testified that he did not support either party in the campaign; that he sat by and did not support Driscoll or Wene. What is your understanding of that?

Mrs. KRIEGER. I know that he supported Driscoll. As a matter of fact, we met subsequently and Driscoll was called over to me and introduced to me, and I think he felt very, very happy about his election, and he felt very, very proud to be with Harold. I remember the conversations that were made and I remember the campaigning that was done.

Mr. MOSER. Did he work hard for Driscoll?

Mrs. KRIEGER. He was out every night.

Mr. MOSER. Every night. And working with these labor unions trying to swing them over?

Mrs. KRIEGER. Yes; and also the wards and the districts.

The CHAIRMAN. Mrs. Krieger, are you in a position to state whether or not Abner Zwillman participated in any of the activities in connection with the elections?

Mrs. KRIEGER. Frankly, I remember all of this vaguely. I remember spurts of conversation here and there. I can't say specifically

what the conversations entailed, but I do remember that they centered around the election.

The CHAIRMAN. That is, the conversations with Zwillman?

Mrs. KRIEGER. Yes.

Mr. MOSER. You are quite clear, are you, that Zwillman and Mr. Krieger did discuss these elections?

Mrs. KRIEGER. Yes, they discussed it. I don't know whether or not Mr. Zwillman was just partially interested or asked just to be informed or just out of idle curiosity, or how involved he was. I can't say that.

Mr. MOSER. But they did discuss it frequently, did they?

Mrs. KRIEGER. Not too frequently; on occasion.

Mr. MOSER. Now, Mr. Krieger worked very hard for the campaign?

Mrs. KRIEGER. Oh, yes; he did.

Mr. MOSER. Did he contribute any money toward them?

Mrs. KRIEGER. Not that I know of.

Mr. MOSER. And you do not know whether Zwillman did, either?

Mrs. KRIEGER. No; I don't.

Mr. MOSER. Now, Mrs. Krieger, I just want to say that we appreciate your testifying, although we had to get you here by subpoena. I happen to know of your reluctance to testify, and we appreciate your willingness to do so, in spite of the pressure we put on to bring you in.

The CHAIRMAN. Senator Wiley, have you any questions?

Senator WILEY. You said that your husband referred to Zwillman as the "Big Boy"?

Mrs. KRIEGER. The big fellow.

Senator WILEY. The big fellow; who was the little fellow?

Mrs. KRIEGER. Mayor Kenny.

Senator WILEY. What did you understand was implied by the words "big fellow"?

Mrs. KRIEGER. Well, I don't think an implication would be fair at this point. I am not in a position to analyze what he meant by it. I know that was the title he was commonly referred to, and I assumed it was because they didn't want to use his name.

Senator WILEY. Well, that is why I asked you, from your conversation with your husband or from any other source, would it be fair to draw the implication that the words "big fellow" meant that he was running the mayor?

Mrs. KRIEGER. Running the mayor?

Senator WILEY. Yes.

Mrs. KRIEGER. The implication might have been there, and I could have drawn any inference from it, but I don't think it is fair for me to draw an inference. I can't qualify any further.

Senator WILEY. Well, I think that you have answered this, but I think anybody would draw that inference, and if you have not any facts to base that inference on——

Mrs. KRIEGER. That is it.

Senator WILEY (continuing). I think it is well to get the explanation.

Then, do you think it was just a term that was applied in order to stop anyone from listening in to know whom they referred to?

Mrs. KRIEGER. Yes; I think that was it exactly.

Senator WILEY. Have you any information to show that the mayor, the little fellow, was under the domination of Zwillman?

Mrs. KRIEGER. No; I have not.

Senator WILEY. When you talk about your husband engaging in the political activity, do you know what those activities consisted of, except that he went out and spoke? Do you know of anything else?

Mrs. KRIEGER. I know that there were many meetings that were held—conferences.

Senator WILEY. Yes. Well, now, is it right to draw from your statement this inference that because of the fact that he represented some 27 unions, which gave him quite a position of—

Mrs. KRIEGER. Influence and power; yes.

Senator WILEY (continuing). Influence and power, that his voice was necessarily influential? That is what you mean?

Mrs. KRIEGER. Mr. Krieger's voice.

Senator WILEY. Yes.

Mrs. KRIEGER. I think it was most important, most influential.

Senator WILEY. I am trying to get at whether you know of any action on his part in his activities that was wrong.

Mr. KRIEGER. Well, how do you mean wrong? He was just an active campaigner for his party.

Senator WILEY. I think you have answered this then.

In other words, his activities consisted in speaking, seeking to influence by talking. Did he use any kind of force or did he use money of any kind?

Mrs. KRIEGER. He may have. I think he got contributions from friends. I don't know how much money was involved.

Senator WILEY. What was his influence with the unions?

Mrs. KRIEGER. Well, I would say it was most powerful.

Senator WILEY. In what respect; because he was their lawyer?

Mrs. KRIEGER. Well, you would have to ask me more specifically.

Senator WILEY. What did his activity consist of?

Mrs. KRIEGER. I know he was able to settle strikes that no one had apparently been able to settle before him.

Senator WILEY. He represented the union?

Mrs. KRIEGER. Yes; and he was called in as labor arbitrator when there was always much difficulty.

Senator WILEY. Well, settling strikes is an honorable business; is it not?

Mrs. KRIEGER. Yes; I would say so.

Senator WILEY. Do you know of anything dishonorable that he was engaged in?

Mrs. KRIEGER. No; he always made it a point to keep his business from me.

Senator WILEY. You have seen him with Zwillman a number of times?

Mrs. KRIEGER. Yes; I have.

Senator WILEY. Did Zwillman dominate him or did he dominate Zwillman?

Mrs. KRIEGER. Oh, no; Zwillman dominated him.

Senator WILEY. He did?

Mrs. KRIEGER. Oh, yes.

Senator WILEY. Now, that is a conclusion. Can you tell me of any instances—

Mrs. KRIEGER. Well, he would consult with him and ask his opinion, and if Zwillman said something, I believe that was done.

Senator WILEY. That probably was one of the indications that Zwillman was the big fellow, do you think?

Mrs. KRIEGER. It might be.

Senator WILEY. Did you see Zwillman in contact with the mayor any time?

Mrs. KRIEGER. No; I never did.

Senator WILEY. You know of no instance where he was able to influence the mayor one way or the other, do you?

Mrs. KRIEGER. Well, I don't know what he could have influenced the mayor in.

Senator WILEY. Have you any recollection of any wrong conduct or misconduct that you witnessed between your husband and Zwillman?

Mrs. KRIEGER. No. As I mentioned before, they were very, very careful to avoid discussing their labor problems or their business problems, and they tried to avoid doing it in front of me.

Senator WILEY. What was Zwillman's general reputation?

Mrs. KRIEGER. Well, people liked him. I know that when his reputation came to my attention, and I heard of his past associations and past misconduct, I questioned my husband's affiliation with him, and he laughed them off. He said that those things were never true.

Senator WILEY. That is all.

The CHAIRMAN. Senator Kefauver?

Senator KEFAUVER. Mrs. Krieger, I thought that we might try to clear up one matter. We have always known, and I know Mr. William Green to be a man of fine character and good standing, and an honorable man, and I am sure that you did not mean any adverse inference in his having a meal with your husband—your husband invited him, I take it, to have a meal with you, is that it?

Mrs. KRIEGER. I don't think it was Mr. Krieger's party. I think it was Mr. Zwillman's party, but it was a social evening, and we merely sat and passed the evening together in a night club.

Senator KEFAUVER. And a good many people were there; is that right?

Mrs. KRIEGER. Oh, many people there; yes.

Senator KEFAUVER. About how many?

Mrs. KRIEGER. I would say about 30, perhaps.

Senator KEFAUVER. You do not know for sure who gave the party?

Mrs. KRIEGER. I wouldn't say for sure, but I think it was Mr. Zwillman.

Senator KEFAUVER. So you all were just there, and you do not know what the connection with Mr. Green or anything else about it was?

Mrs. KRIEGER. No.

You see, everyone in the labor field was there. It was the American Federation of Labor, and most of the people were very, very good friends.

Senator KEFAUVER. So it was during a time of a convention in Miami?

Mrs. KRIEGER. That is right.

Senator KEFAUVER. All right; that is all.

The CHAIRMAN. I suppose, Mrs. Krieger, there was a lot of fraternizing and good fellowship there? There was not anything particu-

larly objectionable or which would reflect discreditably upon Mr. Green?

Mrs. KRIEGER. Not at all; definitely not.

The CHAIRMAN. Thank you very much. We are very much obliged to you indeed. Thank you for your cooperation.

Senator WILEY. I would like to ask one more question.

You spoke about the general reputation of Zwillman. Do you know of any of his activities on the State level?

Mrs. KRIEGER. Such as?

Senator WILEY. In connection with State politics.

Mrs. KRIEGER. Yes; I think there were many.

Senator WILEY. For instance, what?

Mrs. KRIEGER. Well, I remember that during the time that ex-Mayor Hague was seeking to become nominated—I don't remember what the specific position was, and you might refresh my memory on that—there were talks of meetings, and Mayor Meyer Ellenstein and Thouroth were mentioned, and Dave Wilentz was mentioned, and there were a series of these meetings held. I believe that this was public knowledge. It was in the paper, I think, or maybe some of it wasn't, but I know that Zwillman was consulted about it, and he very often was called in.

Senator WILEY. Was that the Democratic National Committee—

Mrs. KRIEGER. It might have been. It was just sort of Hague's last stand.

The CHAIRMAN. That is all, Mrs. Krieger. Will you just step aside?

Mr. Krieger? Mr. Krieger, will you just come around? Mr. Krieger, the committee does not desire to require you to come back, but the committee felt it might only be fair and proper to afford you an opportunity to come back if you so desired.

FURTHER TESTIMONY OF HAROLD KRIEGER

Mr. KRIEGER. Thank you, Senator.

The CHAIRMAN. In other words, it is a matter that would be entirely up to you. We do not wish to order it or to suggest it, but, on the other hand, we do not prevent it, and if you desire to say anything in view of the testimony, you are at perfect liberty to do so.

Mr. KRIEGER. Frankly, I did not hear all of the testimony. I was downstairs trying to make some reservations to leave.

Needless to say, I was surprised at much that I did hear. I don't think anything I could possibly say could explain it, except that it is a matter of common knowledge of people when husband and wife have the position that we have in that the child presently is with me, some people become vindictive and will go to any ends in that respect.

I don't think there is anything further I can add. I regret very much this incident happening. I am sure it was not with the knowledge of the members of the committee. I don't think they would be a party to anything like that.

I have got a daughter 16 years old, and I would not want her to know anything about it.

The CHAIRMAN. That is all. We just thought you would have a right to reply.

Mr. Witkowski, will you please raise your right hand?

In the presence of Almighty God, will you swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

Mr. WITKOWSKI. I do, sir.

Mr. MOSER. Mr. Chairman, I would like to ask Mr. Frisch to proceed with the questioning of Mr. Witkowski.

Senator KEFAUVER. You are Mr. Charles Witkowski?

**TESTIMONY OF CHARLES S. WITKOWSKI, COMMISSIONER OF
PUBLIC WORKS, JERSEY CITY, N. J.**

Mr. WITKOWSKI. Yes, sir.

Senator KEFAUVER. Are you a commissioner of Jersey City?

Mr. WITKOWSKI. Commissioner of public works.

Senator KEFAUVER. Commissioner of public works?

Mr. WITKOWSKI. Formerly of the department of public safety, formerly police commissioner.

Mr. MOSER. Mr. Witkowski, do you mind if I ask you to raise your voice? It is a little hard to hear you.

Mr. WITKOWSKI. Yes, sir.

Senator KEFAUVER. Let us get what you are now and what you were previously. You are now the commissioner of public works?

Mr. WITKOWSKI. Yes, sir.

Senator KEFAUVER. As such you have charge of streets, buildings, and things of that sort, I take it?

Mr. WITKOWSKI. No, sir.

Senator KEFAUVER. What do you have charge of?

Mr. WITKOWSKI. My department has been stripped down to the lighting system of the city of Jersey City.

Senator KEFAUVER. You just take care of the lights?

Mr. WITKOWSKI. That is all.

Senator KEFAUVER. What do you mean by "stripped down"?

Mr. WITKOWSKI. When we first went into office we had certain departments allocated to each commissioner. There are five commissioners, and in the form of government which we have in Jersey City, and the department of public works included at that time streets, sewers, lighting, various motor vehicles, and sundry other departments—they are the more important of the various departments that comprised the department of public works.

After December 5, 1950, I was transferred from the department of public safety, where I had the police and fire departments under my supervision, into this department, and all those other departments which were previously in the department of public works were distributed between the three majority commissioners who voted to strip the two minority commissioners, that is, Commissioner Murray and myself were stripped at that particular time, and from that time on have been identified as the majority and minority groups.

Senator KEFAUVER. So you are a minority commissioner, with nothing but lights left?

Mr. WITKOWSKI. Yes, sir.

Senator KEFAUVER. Then, previously you were commissioner of public safety? How long were you commissioner of public safety?

Mr. WITKOWSKI. I was commissioner of public safety from May 17, 1949, to December 5, 1950.

Senator KEFAUVER. A little more than a year and a half.

Mr. WITKOWSKI. Eighteen months it was.

Senator KEFAUVER. While you were commissioner of public safety, were you a majority commissioner?

Mr. WITKOWSKI. Well, we are all, the five—the five were in harmony.

Senator KEFAUVER. All right. I did not mean to take over the questioning.

Mr. FRISCH. Commissioner, when you came into your position as director of public safety, were you asked by the mayor to allow him to appoint the members of your gambling squad, your confidential squad?

Mr. WITKOWSKI. No. When I first went into the department I inherited the gambling squad from the regime which we defeated. I had them in operation for about 6 weeks, during which time my best recollection at the present time is they didn't make any arrests. So I had a talk with the mayor, and he suggested various names to comprise a new gambling squad, so he suggested two superiors and about seven patrolmen.

We put them into plain clothes and gave them city-wide jurisdiction to clean up the gambling situation, and they were in operation for a period of about seven months, during which time they had only made one arrest.

I became considerably concerned about the fact that they had only made one arrest, because the prosecutor's office, which has county-wide jurisdiction, has a department of about six men who go out and ferret out gambling activities and try to suppress it, and they were making arrests.

Now, just because I had a gambling squad did not mean that the job of ferreting out the gambling activities was confined to that squad itself. That squad was placed there theoretically to keep the rest of the department on its toes, and to implement the activity to ferret out the gambling element. So in view of the fact that the prosecutor's men were making those arrests, they having only about six men to go out and do a job where I had about 800 men under my supervision, I became considerably concerned, so I went to the superiors of the department, and I told them that by virtue of the presence of the gambling squad they may be under the impression that gambling was taken out of their jurisdiction.

Of course, I had met with them on several occasions prior thereto, but this—I am leading up to the situation now where I created the new gambling squad.

I told them that they were responsible for their precincts, and it was up to them to apprehend anyone who may be inclined to engage in gambling activities.

I told them that I would give them a reasonable time within which to clean the situation up, and if they didn't do it, I would create a personal gambling squad which would operate out of my office under my supervision with floating powers, and they would be able to go into any section of the city without notifying any captain or any superior; and when they would make an arrest, the captain in that particular precinct would be answerable thereto, and punished if necessary.

So, after waiting about 6 weeks, there may have been one or two arrests that were made by the various captains throughout the city of Jersey City, but I was dissatisfied, and I then proceeded to inquire into the department to find out whom I might be able to depend upon, and all my inquiries with the superiors in the department led me to Detective Brooks.

I had him working quietly to observe various sections of the city of Jersey City, at which time he reported to me and gave me the names of various individuals who were in action at the Journal Square area of Jersey City, and after making such an observation for about a period of a month, on about May 1, 1950, I appointed three men to the gambling squad, and I immediately found favorable results.

I supplemented that squad up until it reached a number of about seven or eight men, so that up until the time that I was stripped of my powers and transferred from the department they had made in the neighborhood of about 180 arrests.

Mr. FRISCH. That would be approximately a 7-month period, May until December?

Mr. WITKOWSKI. That was a period comparable to the period of time which the previous confidential squad was in operation, or the gambling squad, I should call it.

Mr. FRISCH. And your new squad made 180 arrests in that period, approximately, whereas the former one had only made one arrest in that period?

Mr. WITKOWSKI. That is right, sir.

Senator WILEY. How many convictions did you get?

Mr. WITKOWSKI. The convictions were very high. I don't think there were any more than about 5 percent that—well, I would say—were released.

You see, at that particular time in the State of New Jersey there was some question about double jeopardy.

In the city of Jersey City we have what is called a Disorderly Persons Act. You take him before a magistrate, and there they enter a plea—usually they enter a plea of guilty and are fined, and a maximum fine is \$175, and then they are held for the grand jury on the gambling activity phase of the charge.

Now, I understand that recently there has been some question about double jeopardy, and in some cases the plea of double jeopardy prevailed, but nevertheless, they were convicted in the lower court.

Mr. FRISCH. Commissioner, after you got into the position of police commissioner, you began to move into the water front, is that not right?

Mr. WITKOWSKI. That is right, sir.

Mr. FRISCH. Would you tell us the situation there, please?

Mr. WITKOWSKI. Well, in the year 1949 there was a strike on the water front for a period of about 7 weeks; and then in the year 1950, in the summertime, again there was another strike for a period of about 8 or 9 weeks.

In the year of 1950 the same reasons for the strike as in the year 1949—there was a quarrel over who was to take over the loading on the piers, piers D and F in the city of Jersey City, and because of the quarrel over loading, all the longshoremen were out on strike.

Now, at this particular time, one of the men who was doing the loading at the time the strike broke out was beaten by several men,

and there was considerable publicity in the newspapers about it, and the mayor came to me and he said, "There may be some difficulty on the water front tomorrow. I think it would be best if you sent a couple of uniformed men down there to clean the situation up."

Senator KEFAUVER. Mr. Commissioner, I want to have you make it clear what mayor you are talking about.

Mr. WITKOWSKI. Mayor Kenny.

Senator KEFAUVER. When did he go in as mayor?

Mr. WITKOWSKI. The same time as I went in, May 17, 1949.

Senator KEFAUVER. All right, sir.

Mr. FRISCH. Go ahead.

Mr. WITKOWSKI. So I immediately formed a water-front squad. I screened a group of young GI's, and I put them under the direction of a Captain Gordon; gave them specific instructions as to what to do, to go down and patrol the water front, watch out for gambling, loan sharking, and make sure that there were no fights, and if anybody tried to take the law into their own hands, they were to immediately apprehend them, arrest them, remove them from the piers, but to make sure there would be no water-front warfare whatsoever.

When I created that water-front squad, the mayor came to me and he said, "Between the gambling squad and the water-front squad, you are hurting our friends."

I told him that I was not interested in how my friends felt; that I did not want my friends to hurt me.

Mr. FRISCH. Excuse me for a moment. To whom do you think the mayor was referring when he said that you were hurting his friends?

Senator KEFAUVER. Not who you think he was referring to, but who he was, if you know.

Mr. WITKOWSKI. When I created the gambling squad, the first thing he objected to was the placing of Detective Brooks in charge of the gambling squad. He said at that time I may just as well have appointed Malone.

Now, Malone was the deputy mayor under Hague for years, and he was generally regarded as the whiplash boy for the Hague regime, so that he was in disfavor, and that insofar as Brooks and the water-front squad was concerned, that they were going about their job a little too strenuously, and the same thing with the water front.

It is generally believed at that time that the longshoremens in the election of 1949 were favorably disposed toward the Freedom ticket—that would be our ticket—and by creating the water-front squad down there they probably didn't look like we were repaying them for the support which they rendered to us.

Mr. FRISCH. Did you learn in advance of your stripping that you would be stripped?

Mr. WITKOWSKI. There were various rumors throughout the town at that particular time and, as a matter of fact, on one occasion at a social function, the mayor was asked outright whether or not there was anything to those rumors, and he said no, he could not be bothered answering rumors, because if he did that all his time would be taken up just explaining away those situations. But nevertheless my gambling squad came back to me and told me that they were informed by various members of the gambling fraternity that I would be stripped.

They named the date, December 5, and that they were laying odds as high as 4½ to 1, and 5 to 1, that I would be transferred and stripped of my department. They guessed correctly.

Mr. FRISCH. You felt that, and you know, that that stripping occurred because of the enforcement of the gambling laws and the water-front situation?

Mr. WITKOWSKI. They gave no further explanation of my stripping down to this date.

Mr. FRISCH. How did that stripping occur, Commissioner? Were you taken into Kenny's private office, or how was it done?

Mr. WITKOWSKI. We went to a regular commission meeting one day, and at the conclusion of all the business on the agenda, this resolution was suddenly read by the city clerk, and put to a vote.

Of course, Commissioner Murray voted against; I voted against. Spence, Kenny, and Massano voted for it, so by a majority vote of one vote, we were stripped of all our power.

Mr. FRISCH. Commissioner, going back to the 1949 election of Mayor Kenny and the Kenny ticket, have you any knowledge of the role possibly played in that campaign by Abner Zwillman?

Mr. WITKOWSKI. I don't know of any role that Abner Zwillman may have played in it besides hearing the rumors, the various rumors, throughout the town that have been prevailing since the victory of 1949 down to the present time.

Mr. FRISCH. What are those rumors, please?

Senator KAFAUVER. Well, unless he knows something of his own information, I, as presiding—

Mr. FRISCH. Do you know a man named George Creegan?

Mr. WITKOWSKI. Yes, sir.

Mr. FRISCH. Who is George Creegan?

Mr. WITKOWSKI. He is a friend of mine; he is the former secretary to Mayor Kenny.

Mr. FRISCH. Is he presently connected, or does he presently have any connection with city hall?

Mr. WITKOWSKI. No; he has been removed.

Mr. FRISCH. Did Creegan participate in the Kenny campaign?

Mr. WITKOWSKI. Very much so.

Mr. FRISCH. Was he not in fact Kenny's campaign manager?

Mr. WITKOWSKI. Well, he was not his campaign manager. A man by the name of Devlin was the campaign manager, but he was very close to Mr. Kenny.

Mr. FRISCH. Did Creegan ever tell you anything about money for the election or the campaign coming into Jersey City?

Mr. WITKOWSKI. After our election to office, in response to many of these rumors, I discussed the matter with Mr. Creegan on a number of occasions, to which he stated that up until about a day or two before election, Mr. Kenny was considerably concerned about how he was going to raise a fund to pay the workers on election day, but that about a day or two before election, he didn't have anything to worry about; that he had enough money to pay the workers.

Mr. FRISCH. Did he give you any idea what was the source of that money?

Mr. WITKOWSKI. There was considerable speculation.

Mr. FRISCH. But you have no knowledge, yourself?

Mr. WITKOWSKI. No.

Mr. FRISCH. Did he tell you that on the night before the election someone came in and gave Kenny money at the Second Ward Club?

Mr. WITKOWSKI. I don't know whether he was there or not, but the rumors have it that the money was passed out at the Second Ward Club.

Mr. FRISCH. Commissioner, do you know of the application made to build a race track in Secaucus, N. J.?

Mr. WITKOWSKI. I had a conversation with Mr. Fabrikant about the race track. I would say it was about a month after I was stripped, which would be about January 1951.

Mr. FRISCH. Who were interested in building a race track there, do you know?

Mr. WITKOWSKI. From what Mr. Fabrikant told me—

Mr. FRISCH. Yes.

Senator KEFAUVER. Who was Mr. Fabrikant?

Mr. FRISCH. We have an affidavit from Mr. Fabrikant. Will you tell us who Mr. Fabrikant is, please?

Mr. WITKOWSKI. Mr. Fabrikant is a jeweler in the city of New York, and he was a friend of Mayor Kenny's.

Mr. FRISCH. He is not any longer?

Mr. WITKOWSKI. I don't think so.

Mr. FRISCH. Do you know of any reason why he is not any longer?

Mr. WITKOWSKI. Judging from the conversation he told me, that he gave me, he said that Mr. Kenny ran out on a promise that he made to him.

Mr. FRISCH. What was that promise?

Senator KEFAUVER. Do you have an affidavit of Mr. Fabrikant?

Mr. FRISCH. Yes, we do.

Senator KEFAUVER. Well, we have here two affidavits, one by Ben Fabrikant, and the other by Gustave Drescher. Counsel Moser tells me they have been subpoenaed to come down, but because we are trying to cut the hearings short, they were not brought down.

These affidavits seem to be in form, and they relate to a meeting at the 21 Club in New York City with four other gentlemen, these two men being present, to discuss the financial arrangements and underwriting of a horse race track at Secaucus.

Present at the conference were Hugh J. Strong, Hugh Mehorter of the New Jersey Racing Commission, Mayor John B. Kenny of Jersey City, and Ben Fabrikant. The affidavits are to the same purport. They will be put into the record; but insofar as saying what Mr. Fabrikant knew about rumors he had, and which he related to you, I think—let the commissioner tell what Mr. Fabrikant told him about what he, Mr. Fabrikant, was going to do, but as to what he said about somebody else, I do not think you should testify to.

(The affidavits referred to were received by the committee and are on file with the committee.)

Mr. WITKOWSKI. He told me that he attended a luncheon at the 21 Club with the people whose names you read off that affidavit, and he told me essentially the story about how a track was contemplated in Secaucus, N. J., and that he was assured by Mayor Kenny that he would be the one who would be able to obtain the track, and that he told me what to do in order to set the wheels in motion, and that he immediately set out to acquire the land where the track was contemplated, only to find out that somebody else had obtained it a day

before he attempted to obtain it, and his attempt was made 2 days after the luncheon was supposed to have taken place.

As a result of that, Mr. Fabrikant became angry at Mr. Kenny.

Senator KEFAUVER. All right. These affidavits have been filed and made a part of the record.

You were asked a little while ago, and you stated when you were doing something about the waterfront, and some of you men there, that you were told to cool off your efforts. Did you finish your testimony about that matter?

Mr. WITKOWSKI. Yes. I tried to tell you that he did not particularize as to who he meant. He spoke in general terms, didn't mention any names.

Senator KEFAUVER. That you were going to "hurt our friends"?

Mr. WITKOWSKI. Our friends.

Senator KEFAUVER. Then, following that, you were stripped of your power, or something like that?

Mr. WITKOWSKI. Well, that took place about September; then it was an election in November, and the stripping did not take place until December 5. That would be a couple of months later.

Senator KEFAUVER. Did you call off your men on the waterfront?

Mr. WITKOWSKI. No, sir; they are still there.

Senator KEFAUVER. The waterfront involved shipping in and out of—

Mr. WITKOWSKI. Longshoremen, loading, stevedoring.

Senator KEFAUVER. In and out of Jersey City?

Mr. WITKOWSKI. On the west side of the Hudson River.

Senator KEFAUVER. All right, Mr. Frisch. Do you have anything else?

Mr. FRISCH. I just wanted to refer back to the stripping. Did Mayor Kenny send anybody to you to tell you the same thing, to lay off, "You are hurting our friends"?

Mr. WITKOWSKI. Commissioner Murray came to me and told me, he spoke to the mayor about the situation, and the mayor said—

Senator KEFAUVER. Commissioner Murray is here?

Mr. WITKOWSKI. Yes; he is here.

Senator KEFAUVER. Why don't you let him testify about that, Mr. Frisch, if he knows the conversation?

Mr. FRISCH. Very well, Senator. That is all I have.

Senator KEFAUVER. Senator Wiley?

Senator WILEY. I have no questions.

Senator KEFAUVER. I believe that is all, commissioner, unless you have something else you want to say.

Mr. WITKOWSKI. I believe I covered the topic.

Senator KEFAUVER. Thank you very much.

The committee will have a 10-minute recess, and we will resume after that time.

(Short recess.)

The CHAIRMAN. The hearing will please come to order.

James Murray.

Will you raise your right hand?

In the presence of Almighty God, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth in the testimony you are about to give this committee?

Mr. MURRAY. I do.

TESTIMONY OF JAMES F. MURRAY

The CHAIRMAN. Your full name?

Mr. MURRAY. James F. Murray.

The CHAIRMAN. Mr. Murray, your position is what?

Mr. MURRAY. Well, my position is commissioner of parks and public property without the parks and public property at present.

The CHAIRMAN. You are a member of the commission?

Mr. MURRAY. I am.

The CHAIRMAN. For what period of time have you been connected with the city government?

Mr. MURRAY. Since May 17, 1949.

The CHAIRMAN. Prior to that, had you any position with either the city or State government?

Mr. MURRAY. I was for a while appointed, for an ad interim term, by Governor Edison, as county register of Hudson County.

The CHAIRMAN. Mr. Moser, will you carry on?

Mr. MOSER. Mr. Murray, it is my understanding that a group of five commissioners were elected at the same time in 1949; is that correct?

Mr. MURRAY. That is correct.

Mr. MOSER. That the five of you took office and your powers were assigned to you by resolution.

Mr. MURRAY. Yes.

Mr. MOSER. And that at a later date, in December 1949 or 1950—

Mr. MURRAY. 1950.

Mr. MOSER. December 1950 you and Mr. Witkowski were stripped of your powers?

Mr. MURRAY. That is correct.

Mr. MOSER. Did anybody explain to you why you were stripped of your powers?

Mr. MURRAY. No, nobody ever explained to me why.

Mr. MOSER. Did anyone ever say to you anything that would indicate why, from which you could draw the inference?

Mr. MURRAY. There were plenty of what you might call Mayor Kenny's close followers who said that I did not go along under the domination of Mr. Kenny.

Mr. MOSER. Who said you did not go along under the domination of Mr. Kenny? Did he ever give you any message to convey to Mr. Witkowski about enforcement of gambling laws?

Mr. MURRAY. Yes, he did. He said to me that Commissioner Witkowski by his actions with the water-front squad and the antigambling squad was making enemies of our friends.

Mr. MOSER. Who did he mean by "our friends"?

Mr. MURRAY. I asked him, "Whom do you mean?"

He said, "For instance, the longshoremen."

I asked, "You mean the longshoremen, or so-called leaders of the longshoremen?"

Then he said, "Many other fellows who worked for us throughout the city are being molested unnecessarily by these squads that Commissioner Witkowski has."

Mr. MOSER. What do you mean by the "friends" who worked for you? Were they being arrested?

Mr. MURRAY. It was clear to me that what he meant was people who wanted to carry on gambling propositions in the city.

Mr. MOSER. He said those gambling people were "your friends" and were helping you; is that it?

Mr. MURRAY. They had helped us in the campaign, yes.

Mr. MOSER. Had they given money? Do you know, or don't you know?

Mr. MURRAY. I do not know whether they gave money or not. He particularly referred, though, to the water-front gang and the leaders of them, like this fellow Biff Di Lorenzo, who is known up there as a racketeer.

Mr. MOSER. Did Mr. Kenny say anything about opening up the city and letting syndicates come in?

Mr. MURRAY. He did not say anything to me in so many words.

Mr. MOSER. Did he say anything about that?

Mr. MURRAY. My deductions from what he said—

The CHAIRMAN. It would be possible and preferable to tell us what he said.

Mr. MURRAY. I told you what he said. If you want me to repeat, I will repeat.

He wanted me to see Witkowski and tell Witkowski, because he thought Witkowski would listen to reason from me more than from him. So I spoke to Witkowski and Witkowski told me what these squads were doing. They were going out after the racketeers along the water front. I said, "If that is hurting our friends, those are the kind of friends that should be hurt, in my opinion, too. I think you are doing a good job and, as far as I am concerned, you should continue to do that."

Mr. MOSER. Did you know very much about how the campaign was conducted in which you and the other men were elected?

Mr. MURRAY. In what respect?

Mr. MOSER. Was Mr. Krieger active in it?

Mr. MURRAY. He was very active in it.

Mr. MOSER. He said that he was. What parts do you remember he played in it?

Mr. MURRAY. I remember that he wanted everything focused over to his office. He wanted everything directed over to his office. So much so that during the last week of the campaign I told Mr. Kenny that from then on he need not count on me appearing in Mr. Krieger's office at all for anything—pictures and conferences, meetings with reporters and so on.

Mr. MOSER. What was the objection to going to Mr. Krieger's office?

Mr. MURRAY. Because, in my estimation, it was not any help to us to have Mr. Krieger connected closely with us.

Mr. MOSER. What did Mr. Kenny say in answer to your statement that you would not go over there and you objected to having that office used?

Mr. MURRAY. He said that Mr. Krieger was most instrumental, in fact, almost solely instrumental, in getting a labor parade which was a very big parade there, during our campaign and that he did that job almost alone.

Mr. MOSER. Did you object to his doing that?

Mr. MURRAY. That was after. No, I did not object. I did not think that Mr. Krieger did it. There were thousands of people throughout the city whom I saw in that parade, whom I knew were

working and knew that one man could not do that. He might have induced some leaders of certain locals or certain labor outfits to get into it with banners, but that election was a general uprising of the people of Jersey City against a rule that had prevailed there for 36 years.

The CHAIRMAN. Have you finished?

Mr. MURRAY. Yes.

The CHAIRMAN. Did you get the impression that Mr. Krieger was probably trying to either claim credit or to appear perhaps more influential than you thought?

Mr. MURRAY. Absolutely. That was the purpose that was very evident to me.

Mr. MOSER. Did you hear about a cavalcade or parade that came over from Newark in connection with that election?

Mr. MURRAY. No; only insofar as I have told you that the mayor, Mayor Kenny, told me that Krieger was almost solely instrumental in having that parade gotten up the way it was.

Mr. MOSER. Do you know who Joe Stacher is?

Mr. MURRAY. No; I do not.

Mr. MOSER. Also known as Dr. Rosen?

Mr. MURRAY. No; I do not know him.

Mr. MOSER. So your objection to having Krieger's office used was you felt that Krieger was claiming more credit than he was entitled to for the election?

Mr. MURRAY. Not only that. It was generally known around and talked about in the city that he was connected with certain labor people whom I considered we did not need, we did not want, and we do not need. As far as I am concerned, we do not want today in Jersey City. That was some of those fellows like Lucy and Brown in the unions, and Di Lorenzo. Some of them have records as long as your arm, and they should be in jail instead of going around the waterfront and any part of Jersey City. What is more, I think the present police commissioner of Jersey City, Commissioner Mesano, could put them where they belong if the effort was made.

Mr. MOSER. Do you know Abner Zwillman?

Mr. MURRAY. I do not know him. I only know of him.

Mr. MOSER. Did you ever observe any efforts on his part, although not knowing him directly and personally, did you ever see any traces of his work, or is that something that you know nothing of?

Mr. MURRAY. That is something of which I know nothing. I did not know anything. If I did, I would have objected to any help he could have given me if he did give any.

Mr. MOSER. I did not want to put the question as though it was a fact. We have heard of certain things, but you never observed anything?

Mr. MURRAY. I never heard of him in any connection with our campaign until long after we were elected and in office. Then there were rumors around that he had contributed a great deal of money to our campaign.

Mr. MOSER. Were you yourself without any knowledge about that at all? You did not know anything about that?

Mr. MURRAY. No.

Mr. MOSER. Commissioner Spence is also one of the commissioners, is he not?

Mr. MURRAY. That is correct.

Mr. MOSER. Has he told you anything about the National Insurance Agency?

Mr. MURRAY. Yes. At one time he told me that a fellow—I do not recollect his name now—who formerly worked with him before he was a commissioner in the insurance company had formed an insurance company.

Mr. MOSER. Might his name be Mercer?

Mr. MURRAY. Yes; that is the name.

Mr. MOSER. They formed an insurance agency?

Mr. MURRAY. An insurance agency. They were up in Journal Square and he was a half partner in it.

Mr. MOSER. Has that agency done any business with the city?

Mr. MURRAY. I think that it has done some.

Mr. MOSER. What commissioner is Mr. Spence? What position does he occupy?

Mr. MURRAY. When he went in there, he was the commissioner of finance.

Mr. MOSER. Is he still?

Mr. MURRAY. Now he has taken over, since the stripping, most of the bureaus that were under my jurisdiction at that time. By so doing, he comes into a position where he can give him more insurance.

The public buildings all come under my jurisdiction. The water front, as far as any property that we own was concerned operated by the city, came under my jurisdiction. Pier B came under my jurisdiction. I distributed the insurance around to different friends of the administration and friends of my own while I was there.

Mr. MOSER. Have you any information as to how much of the city's insurance has gone to Mr. Spence's agency?

Mr. MURRAY. I haven't got any positive information; no.

Mr. MOSER. Was there a march of longshoremen on your office at one time?

Mr. MURRAY. There was a march of longshoremen on my office in February 1950.

Mr. MOSER. What was the reason for that?

Mr. MURRAY. As I said, pier B was under my jurisdiction. A friend of Mayor Kenny's, by the name of McGrath Stevedore & Co. was interested in getting a lease and they wanted me to give them a lease for over a year, which was against the law. I would not do it. I figured that the city should keep the upper hand and not any lessee. We negotiated a lease for 3 months without an option. They wanted an option for a year after the expiration of the 3 months, which I would not consent to. Besides, I insisted that pier B be insured for what I considered an adequate amount in case of fire or damage. McGrath Stevedore & Co. wanted insurance amounting to \$250,000.

I insisted upon \$1,100,000. He said it would cost him \$25,000 to \$29,000 more, if I insisted upon that. I did. It was insured not for a quarter of a million, but insured for \$1,100,000. About a month before the expiration of this 3 months' lease, McGrath was in to see me and he urged again that I renew the lease for a longer period. I said "You have a month or so to go yet, and there is lots of time."

He said, "The leaders of the longshoremen, Murray, won't like this if they hear it."

Mr. MOSER. Who said this?

Mr. MURRAY. John McGrath of the McGrath Stevedore Co. in my office at the city hall. I said, "I do not give a damn for all the leaders of the longshoremen from Maine to Florida if I think I am doing right."

I did not see why I should do anything illegal to please him or people like Di Lorenzo or people of that ilk, and I told him I would not do it.

On February 6, I think it was, without any notice, 400 longshoremen under the leadership of Di Lorenzo marched on my office, came right up to my office. They sent no delegates with any grievance. They sent no committee. But they stormed up to my office. I told them to go to the assembly chamber and I would talk to them, which I did later.

The first thing out of the box was that they got talking about this lease.

Mr. MOSER. In other words, they were supporting the McGrath Co.?

Mr. MURRAY. They were supporting McGrath and their argument was that they wanted work. That day there was a ship in there and when they left that ship, they left work and they left that ship unloaded.

Mr. MOSER. Mr. Murray, I do not think that is quite within the jurisdiction of this committee. We are concerned with interstate crime.

Mr. MURRAY. You ask me why the march was made on me by the longshoremen, and it was because I would not give them the lease.

Mr. MOSER. I think that covers it. You have answered the question.

I have no more questions.

The CHAIRMAN. No further questions. Thank you, Mr. Murray.

Mayor KENNY?

Will you raise your right hand?

In the presence of Almighty God do you swear the testimony you will give the committee will be the truth, the whole truth, and nothing but the truth?

Mr. KENNY. I do.

TESTIMONY OF JOHN V. KENNY

The CHAIRMAN. Your full name; please, for the record?

Mr. KENNY. John V. Kenny.

The CHAIRMAN. And, Mr. Kenny, you are the mayor of Jersey City?

Mr. KENNY. That is right.

The CHAIRMAN. And you have been holding that office for how long?

Mr. KENNY. Since May 17, 1949.

The CHAIRMAN. Prior to that time, what, if any, connection had you with the municipal government?

Mr. KENNY. I was one of the leaders, ward leaders.

The CHAIRMAN. Had you been a commissioner at any time?

Mr. KENNY. Some years back I was a tax commissioner and a freeholder of Hudson County.

The CHAIRMAN. Mr. Kenny, there have been certain references during the course of the testimony, and the committee felt that it was

only fair to you that an opportunity be given to you to make any statement pertaining to those references, and you did indicate your willingness to come.

Mr. KENNY. Definitely.

The CHAIRMAN. You came down voluntarily.

Mr. KENNY. That is right.

The CHAIRMAN. All right, Mr. Moser.

Mr. MOSER. Mr. Kenny, previous witnesses have testified with regard to the stripping of Witowski and Commissioner Murray of their power and indicated that Commissioner Witowski may have been stripped of his powers because he was too vigorous in the enforcement of gambling laws, and also it has been indicated that no explanation has ever been given as to why they were removed.

Would you like to tell us why they were removed?

Mr. KENNY. That is a definite lie, as far as the vigorous prosecution of gambling is concerned.

The CHAIRMAN. In other words, Mr. Mayor, the question may be divisible into two sections, if you wanted to take them up separately.

Mr. KENNY. I just want to say this, Mr. Senator: Shortly after we took office I caused a statement to be issued in the public press that gambling in Jersey City and racketeering in Jersey City was at an end. In every statement that Commissioner Witowski issued up until the time of the stripping he publicly stated that he had the full cooperation of the mayor of Jersey City in this endeavor to clear Jersey City of the taint of organized crime in our municipality.

Mr. MOSER. We understand from previous testimony that the racket squad which was operating prior to the appointment of Brooks as head of the racket squad made practically no arrests, whereas there was a very great increase in arrests on the books.

Mr. KENNY. That is true.

Mr. MOSER. It is so?

Mr. KENNY. Yes, sir.

Mr. MOSER. Have you any objection to the way Brooks was operating?

Mr. KENNY. I had no objection and, when Mr. Witowski was stripped and Brooks was brought into my office, he was instructed to go ahead and continue his good work.

Mr. MOSER. Why is Brooks under suspension now?

Mr. KENNY. Because he was involved in an episode in the southern part of the State while on vacation, a shooting match. Two shots were fired by Brooks, according to press reports and according to the reports in the commissioner's office, they were shot at a young lady or at the hostess of a tavern in which he was visiting at that particular time.

Mr. MOSER. You know, don't you, that the grand jury down there has failed to report a true bill, has not indicted him, and the matter has been dropped? You know that, do you not?

Mr. KENNY. I read that in the papers.

Mr. MOSER. Why, in view of that, would you still have him under suspension?

Mr. KENNY. Because the case is under investigation by the commissioner at the present time. A departmental trial will be held in the near future.

Mr. MOSER. Was Brooks ever notified of the reasons why he was suspended?

Mr. KENNY. I think he was familiar with the reasons from his own actions, conduct unbecoming an officer.

The CHAIRMAN. What interval of time was there between the so-called stripping—I use that term because it has been referred to—of Witowski and the charges against Officer Brooks?

Mr. KENNY. Brooks only became involved while on vacation recently. While on vacation he is alleged to have gotten into a rumpus in some tavern down at the Jersey shore and fired two shots at either the girl he was with or the hostess of the tavern in which he was visiting.

Mr. MOSER. The interval of time?

Mr. KENNY. I think 3 weeks.

The CHAIRMAN. The stripping of Witowski was when?

Mr. KENNY. December 1950.

Mr. MOSER. During the time that Brooks has been off the squad, we understand the squad is divided into two parts.

Mr. KENNY. I would not know about that.

Mr. MOSER. One squad under Curtis, effects practically no arrests and the other part effects a great many.

Mr. KENNY. No; you will have to check with Commissioner Messano of the police department on that.

Mr. MOSER. At the time Witowski was appointed commissioner of public safety, did you ask him if he would let you go ahead and designate the racket squad?

Mr. KENNY. No, sir.

Mr. MOSER. You did not?

Mr. KENNY. No, sir.

Mr. MOSER. The one that was appointed was entirely selected by him without suggestions from you?

Mr. KENNY. After a consultation.

Mr. MOSER. You and he talked it over?

Mr. KENNY. Definitely.

Mr. MOSER. Did you talk over who the personnel would be?

Mr. KENNY. Definitely.

Mr. MOSER. And you put in personnel that you and he agreed to?

Mr. KENNY. That is right.

Mr. MOSER. Did you object to his removing that racket squad and getting another one?

Mr. KENNY. I never said a word to the man. When he said to me they had not done a good job, that he was going to get rid of them, I said, "Get rid of them."

Mr. MOSER. Did you have any conversation with your son-in-law, Mr. Handley, with regard to the labor support Krieger might give in connection with your campaign?

Mr. KENNEY. No, sir.

Mr. MOSER. No conversations at all?

Mr. KENNY. None whatsoever.

Mr. MOSER. Krieger was very active in support of the campaign?

Mr. KENNY. He was active.

Mr. MOSER. Was he more active than anyone else?

Mr. KENNY. No. There was a lot of activity by various people in that campaign. There were a lot of active people.

Mr. MOSER. Do you feel he contributed a great deal in that campaign?

Mr. KENNY. He worked very hard.

Mr. MOSER. Was his office used as a central point for publicity?

Mr. KENNY. No, sir.

Mr. MOSER. Was it used for taking press pictures?

Mr. KENNY. Just on election night.

Mr. MOSER. Just one time?

Mr. KENNY. Not more than that.

Mr. MOSER. Did Murray object to the use of Krieger's office?

Mr. KENNY. Not that I know of.

Mr. MOSER. I see.

Mr. KENNY. It was used only that night for 30 minutes.

Mr. MOSER. Just that one occasion?

Mr. KENNY. Yes.

Mr. MOSER. We want to ask you about the Secaucus Race Track situation.

Mr. KENNY. Yes, sir.

Mr. MOSER. You were present at that meeting at the 21 Club?

Mr. KENNY. I definitely was.

Mr. MOSER. Do you remember when that was?

Mr. KENNY. No; I do not.

Mr. MOSER. It was in April 1950, I believe. Does that sound right?

Mr. KENNY. It could have been; yes, sir.

Mr. MOSER. Who was making the application for the race track at the time?

Mr. KENNY. No one at that time.

Mr. MOSER. What was the purpose of the meeting?

Mr. KENNY. Mr. Fabrikant and Mr. Steel and, I think, a banker whose name I do not recall—

Mr. MOSER. Our information is that at that meeting besides yourself were Mr. Hugh J. Strong—

Mr. KENNY. That is right.

Mr. MOSER. Mr. Hugh Mehorter, one of the members of the New Jersey Racing Commission. You were also present as was Mr. Gustav Drescher.

Mr. KENNY. That is the banker.

Mr. MOSER. An officer of the Marine Midland Trust Co.

Mr. KENNY. That is right.

Mr. MOSER. And Mr. Ben Fabrikant, of New York.

Mr. KENNY. That is right.

Mr. MOSER. What did you discuss at that meeting?

Mr. KENNY. There were rumors of another track being located in Hudson County.

There are three now.

Mr. MOSER. Secaucus is in Hudson County?

Mr. KENNY. Yes.

They wanted to know the procedure if they did bid for the privilege. Mr. Strong and Mr. Mehorter told them about the steps that had to be taken in filing the application and that a hearing had to be held before the State racing commission. He told them about other features about filing bonds, and so forth, in connection with the racing plans.

Mr. MOSER. What was your interest in that?

Mr. KENNY. Fabrikant at that time was a friend of mine. I thought he was a very responsible citizen. He was the head of the Diamond Center in New York City. He had spoken about this Mr. Drescher as his banker and he had, I think, at that meeting, a Mr. Steele, who was either the president of the Coca-Cola Co. or the president of the Pepsi-Cola Co., who, Mr. Fabrikant said, was desirous of obtaining a permit, if possible, for that location in Secaucus.

Mr. MOSER. As I understand it, the Secaucus race track was not in Jersey City?

Mr. KENNY. No.

Mr. MOSER. What city was it in?

Mr. KENNY. Secaucus.

Mr. MOSER. Who is the mayor of Secaucus?

Mr. KENNY. Mayor Kane.

Mr. MOSER. The thing I do not understand, Mr. Kenny, is why the mayor of Jersey City would be participating in a conference with regard to a race track to be put in another city.

Mr. KENNY. You would if you realized that I happen to be the county leader.

Mr. MOSER. You are the county leader?

Mr. KENNY. Yes.

Mr. MOSER. You mean the Democratic county leader?

Mr. KENNY. Yes.

Mr. MOSER. Therefore, you would be influential in getting permission?

Mr. KENNY. I would not be influential in getting a permit because the racing commission comprises four members, two Republicans and two Democrats.

Mr. MOSER. These two that were present were the Democrats?

Mr. KENNY. The two Republicans.

Mr. MOSER. The two Republicans?

Mr. KENNY. Yes.

Mr. MOSER. Why were the members of the racing commission itself conferring with somebody considering a race track?

Mr. KENNY. They were trying to give information as to the method that would have to be pursued if anyone interested was desirous of obtaining a permit or application.

Mr. MOSER. They were just talking about the procedure?

Mr. KENNY. That is right.

Mr. MOSER. They did not talk about the financing of it?

Mr. KENNY. No financing at all.

Mr. MOSER. No discussion of the financing?

Mr. KENNY. No.

Mr. MOSER. We asked Mr. Drescher, vice president of the Marine Midland Trust, about that. He gave us an affidavit. We would have asked him to come down but we thought we would be crowded for time with too many witnesses.

He says the purpose of the conference was to discuss the financial arrangements and underwriting of a horse race track at Secaucus, N. J.

Is Mr. Drescher mistaken about that?

Mr. KENNY. I think he is. As a matter of fact, if my memory serves me right, at that particular meeting, which was arranged by Mr. Fabrikant, Mr. Drescher was very much opposed to taking any interest whatsoever in racing and race tracks in Hudson County or in the State

of New Jersey because he said they had taken an interest in the Monmouth track down at Oceanport and that he had gotten into some difficulty with the bank.

MR. MOSER. The bank did not like his having gone into that?

MR. KENNY. I do not know whether the bank liked it or what the difficulty was.

MR. MOSER. Why was he at this meeting?

MR. KENNY. Because Fabrikant invited him and said this man was his banker and would be interested in the proposal if it was possible to obtain a permit and all the necessary applications were filed.

MR. MOSER. Even though he was a banker, there was no occasion for his being there because the purpose of the meeting was not to discuss financial arrangements.

MR. KENNY. It was to discuss the procedure.

MR. MOSER. Just the procedure?

MR. KENNY. Definitely.

MR. MOSER. We also have an affidavit from Fabrikant. He says that the purpose of the conference was to discuss the financial arrangements and underwriting of a horse track in Secaucus, N. J.

Is he also wrong?

MR. KENNY. It may have been discussed with Mr. Drescher, but not in my presence.

MR. MOSER. So the purpose of the meeting was not what they say it was?

MR. KENNY. That is right. I might say, in discussing with Mr. Fabrikant, I put him out of my office because, in talking about Commissioned Witkowski and gambling in New Jersey, he made a proposition that he would be the man who could handle Witkowski and he wanted an O. K. for gambling. I put him out of the office. He has never returned to Jersey City as far as I know.

MR. MOSER. May I have permission to introduce this supplemental affidavit from Fabrikant in which he states that after the conference he went to see Mayor Kane, of Secaucus, on the advice of Mr. Kenndy?

MR. KENNY. Not on the advice of Mr. Kenndy. After the dinner at the 21st Club about 3 weeks later he came into my office with a set of plans for a race track, and I said, "What have you got?"

He said, "plans for a race track."

I said, "I think you are too late because the property has been sold."

He said, "Will you call the mayor of Secaucus and see if you can arrange an appointment?"

I did. I called Mayor Kane and asked him to meet this gentleman, and he did. Mayor Kane called me back and said, "This man is a lunatic. Don't ever send him out here again."

MR. MOSER. After talking to you he went to see Mayor Kane, according to his affidavit.

MR. KENNY. That is right. That is what I just told you.

MR. MOSER. He said he learned at that time that the property was sold.

MR. KENNY. He knew it when he left my office because it was in the local press.

MR. MOSER. Mr. Kenndy, did you at any time tell Mr. Murray to tell Witkowski that he objected to the formation of the water-front squad and the antigambling squad because it was hurting your friends?

Mr. KENNY. No; but I spoke to Witkowski at one time because I had received a report that these men who were in this water-front squad were stopping longshoremen and searching them and giving them a hard time, and when they got finished they would say to them, "Well, you wanted Kenny and now you have him."

I went in to see Witkowski about it and he said, "No."

He said if it were so, he would remove any officer who said that.

Mr. MOSER. Did you ever say anything to Murray?

Mr. KENNY. Not that I recall.

Mr. MOSER. So this affidavit that Murray filed in this particular proceeding is false?

Mr. KENNY. I don't recall ever talking to Murray about the water-front squad.

Mr. MOSER. You have read the affidavit he filed in this proceeding?

Mr. KENNY. I have not.

Mr. MOSER. The proceeding to which I refer is a civil action brought by James S. Murray against John V. Kenny, Louis J. Mesano, and Donald Spence.

Mr. KENNY. I think that action was decided by the court in Hudson County.

The CHAIRMAN. With what results?

Mr. KENNY. Their appeal was denied.

Mr. MOSER. But in this verified complaint Murray made that statement.

Mr. KENNY. If he did, I think Commissioner Murray is under a misapprehension.

Mr. MOSER. You think that is incorrect?

Mr. KENNY. I certainly do.

Mr. MOSER. There was a newspaper report with which you are probably familiar to the effect that in 1950 a man named Patty Marshello, who was a bus supervisor in Jersey City, was discovered carrying \$15,000 in cash in a box to Newark. When Spence was asked for an explanation he said that a man named Andy Witreick had mishandled funds of an estate for which he had been disbarred and he needed from 10 to 12 thousand dollars to straighten it out, and Witreick had telephoned you and you had relayed the request to Spence, and Spence had sent his chauffeur to Van Riper with the money; is that correct?

Mr. KENNY. That is absolutely wrong.

Mr. MOSER. That did not happen?

Mr. KENNY. It did happen, but not in that fashion.

Mr. MOSER. Will you tell us how that happened?

Mr. KENNY. Mr. Witreick, who is a very able lawyer and one of the hardest workers in our campaign, having practically closed his law office for 3 months prior to that campaign, became involved in some transaction. Commissioner Witkowski, who shared Mr. Witreick's office or had space in his office, came into my office and said that Andy Witreick is in a jam and that we must do something to help him. I agreed that I would help him. I called Mr. Van Riper's office after I had gotten the report from Commissioner Witkowski in the early part of the week and ask Mr. Van Riper what the settlement would be. I believe he said \$14,000 and he wanted \$1,000 for himself as the lawyer.

I said, "If you will wait until the end of the week, I will see that the money is sent to you."

I want to state here and now and as emphatically as I can that Commissioner Spence at no time had anything to do with this transaction. I went to the bank where I keep a safe-deposit box, and which I have kept a number of years. The record will prove that. I took from that box \$15,000 in cash. I wrapped it up in wrapping paper and brought it over to the second precinct, Jersey City, I believe, on a Thursday afternoon, and I gave it to Captain Long, who was the captain at that time. I asked him to hold it in a safe until Saturday.

On Saturday morning I called my own office and I asked Deputy Mayor Flannagan if there was anybody around with a car, because mine was in the repair shop. The only one around at that time, who got there a few minutes later, was Mr. Marshello.

I said, "Send him over to the second precinct."

He came over and I gave him the package. I said, "Bring this out to Walter Van Riper's office in Newark, and see that he gets it personally."

He left the second precinct and went out to Newark and delivered the money.

I believe that not only did Witreick do a great job for the freedom ticket, but he had also represented my son-in-law without fee, and I was indebted to him, and if I could help him in this particular instance, I was obligated to help him, and I am glad I did.

Mr. MOSER. Was this money a loan?

Mr. KENNY. No, sir; it was an outright gift for the work that he had performed, that I had felt he performed in practically closing his office for 3 months prior to our campaign and for the fact that he had represented my son-in-law, who had been dismissed from his job by the Hague organization to get a crack at me.

Mr. MOSER. Did you file a Federal gift tax return in connection with that gift?

Mr. KENNY. No; I did not.

Mr. MOSER. Are you planning to?

Mr. KENNY. I believe that money was tax free. I had made my income tax and I felt that it was practically a fee that Mr. Witreick earned and not a gift, but I did not consider it a gift in the sense in which you mentioned.

Mr. MOSER. It was sort of compensation?

Mr. KENNY. At that time Commissioner Witkowski would gladly, if he had the money, have added whatever he could, because he was more interested than any commissioner on the city commission, except myself.

Mr. MOSER. In other words, this money was sort of a compensation or a reward?

Mr. KENNY. For service rendered.

Mr. MOSER. In connection with the campaign?

Mr. KENNY. That is right.

Mr. MOSER. Did that money come out of a campaign fund or your own funds?

Mr. KENNY. No. It came out of my private account. I might add, if the same situation existed today under the same circumstances, I would do the same thing over again.

Mr. MOSER. Mr. Kenny, that payment of \$15,000 seems to be a rather substantial amount. I would like to ask you whether your means are such that you can afford to make a gift or a reward of that kind?

Mr. KENNY. I would say yes.

Mr. MOSER. Is this a substantial part of your assets?

Mr. KENNY. It wouldn't be a very substantial part.

Mr. MOSER. It would not?

Mr. KENNY. I have conducted very handsome business for many years.

Mr. MOSER. What is that business?

Mr. KENNY. Contracting for the Penn Railroad.

Mr. MOSER. Would you mind telling us whether you had a lot of cash in that safe-deposit box?

Mr. KENNY. Right now I think there is only a deed for some property that I own.

Mr. MOSER. So there is no cash there now?

Mr. KENNY. That is right.

Mr. MOSER. At the time this was taken out, what percentage was this of what you had there?

Mr. KENNY. I couldn't say offhand.

Mr. MOSER. Perhaps most of it?

Mr. KENNY. I wouldn't say that.

Mr. MOSER. There was more still?

Mr. KENNY. Yes.

Mr. MOSER. What date was this in relation to the campaign?

Mr. KENNY. This was after the campaign.

Mr. MOSER. How long after?

Mr. KENNY. I couldn't say, maybe 6 or 7 months.

The CHAIRMAN. Mr. Kenny, during the course of the hearing, the name of Abner "Longy" Zwillman has been mentioned on many occasions. Do you know him?

Mr. KENNY. I am glad you brought that up, Senator. I do not. I have never seen him.

The CHAIRMAN. Is the committee to understand that you had no contact with him?

Mr. KENNY. I had none, and have none.

The CHAIRMAN. I think it is only fair that you be afforded the opportunity to bring that up.

Mr. KENNY. I am glad you brought that out, Senator.

The CHAIRMAN. Was there anything at all about his operations which tied in with the municipal operations under your direction?

Mr. KENNY. Not that I know of.

The CHAIRMAN. I meant to your knowledge and with your consent or approval?

Mr. KENNY. None whatsoever.

Mr. MOSER. Do you know Joe Stacher?

Mr. KENNY. Never heard of the man, but I read his name recently in the paper.

Mr. MOSER. He also had an alias of Doc Rosen. Does that mean anything?

Mr. KENNY. No.

Mr. MOSER. How about Jerry Catena?

Mr. KENNY. Never saw him. Don't know him.

Mr. MOSER. The same with "Niggy" Rutkin?

Mr. KENNY. Don't know him.

The CHAIRMAN. Senator Kefauver.

Senator KEFAUVER. Mayor Kenny, I was interested in one thing you said. You said you couldn't influence anybody to help get a racing permit, racing track permit, because the board was composed of two Democrats and two Republicans. You mean by that, you might have some influence with the Democrats?

Mr. KENNY. I had none whatsoever. They were Hague appointees.

Mr. MOSER. I see why you worked with the two Republicans.

Mr. KENNY. I knew Commissioner Strong when he was a policeman in Newark. I have known him for a great many years. I only knew Commissioner Mehorter a short time.

Mr. MOSER. Are they county commissioners?

Mr. KENNY. They are State racing commissioners.

Mr. MOSER. You say Strong was a policeman for many years in Newark?

Mr. KENNY. He was.

Mr. MOSER. How did he happen to leave the department? Do you know?

Mr. KENNY. I wouldn't know. I think he resigned to take a position with Twentieth Century Fox, with which firm he is now connected.

Mr. MOSER. Did he resign at the time of the ballot-box scandal in the third ward in Newark?

Mr. KENNY. I wouldn't know about that.

Senator KEFAUVER. Fabrikant was a commissioner, too?

Mr. KENNY. No. He is a diamond merchant in New York.

Senator KEFAUVER. There was only one commissioner?

Mr. KENNY. Commissioner Mehorter and Commissioner Strong.

Mr. MOSER. Both Republicans?

Mr. KENNY. That is right.

Mr. MOSER. Do you have any influence over them?

Mr. KENNY. I do not have influence with them, but I have been friendly with Commissioner Strong for many years.

Mr. MOSER. Did you arrange the meeting?

Mr. KENNY. I may have, although I am not certain.

Mr. MOSER. If you arranged the meeting, you did not invite the two Hague members because they were political enemies, I suppose?

Mr. KENNY. I would judge they would be considered political enemies.

Mr. MOSER. So you invited the others who you thought were more friendly?

Mr. KENNY. I invited Strong. I have lunch or dinner occasionally with him. I had lunch with him 10 days ago. I may have lunch with him in a few days. It depends on how busy he is. If he calls me and says he would like to have lunch, we go and have lunch. On this occasion Fabrikant had heard the rumors and they wanted to know the necessary steps to be taken in the event they obtained the necessary loan and tried to get a permit for a race track.

The CHAIRMAN. Was there an attempt to carry on the meeting in secrecy?

Mr. KENNY. No. It was out in an open restaurant. The 21 Club is not a night club. It is a restaurant.

Mr. Moser. This application that Mr. Fabrikant was talking about was filed by a man named Colt, was it not?

Mr. KENNY. I do not believe so. I do not believe Mr. Colt was in the original application that was filed in 1950. He may have been, but I do not believe so.

Mr. Colt filed an application about that time. I understand it was rejected. I think by the racing commission.

Mr. Moser. There were two applications filed. I do not know whether Colt was in on one or the Mori group from Camden in on the other. Both applications, as I understand, were not rejected, but postponed because of the Korean situation.

Mr. KENNY. I believe Colt has filed the one that was dropped because of the Korean situation at the present time.

Senator KEFAUVER. Mayor Kenny, I think it should be made clear whether or not you were going to be personally interested in the race track.

Mr. KENNY. I was in favor of a race track in Hudson County because it would bring business to Secaucus and bring ratables to Hudson County and help to relieve the tax situation throughout Secaucus and Hudson County. As a matter of fact, Senator, I wrote a letter to the racing commission in which I said I was in favor of a race track, but I didn't care which group obtained a permit.

Senator KEFAUVER. My question was, in order to clarify the matter entirely, whether you were going to have any financial interest in it yourself or not?

Mr. KENNY. I haven't that kind of money, Senator.

Senator KEFAUVER. You just had \$15,000.

Mr. KENNY. That would be small. You wouldn't be able to buy a peanut stand at a race track with that kind of money.

Mr. Moser. Mr. Frisch, do you want to ask some questions?

Mr. FRISCH. Mr. Kenny, in reference to a Jersey City housing project built at Bowles 30 Acres, I understand it will be called Montgomery Homes.

Mr. KENNY. I do not know what name has been designated. The city commission has nothing to do with that. It is the Housing Authority.

Mr. Moser. It is the Federal Housing Authority?

Mr. KENNY. Yes, Federal funds.

Senator KEFAUVER. About this race track, Mr. Fabrikant was expecting to file the application, was he?

Mr. KENNY. He expected to file one if he was able to buy the land that was available.

Senator KEFAUVER. Did he file an application?

Mr. KENNY. Not that I know of.

Senator KEFAUVER. Some other group got the permit just a few days after?

Mr. KENNY. The other group bought the land. There were two groups—the Mori group and the Colt group—the Colt group being the one the counselor just referred to. They were the people who bought the land that Mr. Fabrikant was desirous of purchasing, but which was bought from under his nose.

Senator KEFAUVER. Did you endorse them?

Mr. KENNY. Endorse what?

Senator KEFAUVER. The second group?

Mr. KENNY. I endorsed both groups. I said I was in favor of a race track and I wasn't particularly anxious who obtained the permit as long as the race track was located in Hudson County.

Mr. MOSER. I understand that subsequently another application was filed.

Mr. KENNY. That was just withdrawn.

Mr. MOSER. By the Colt group?

Mr. KENNY. By the Colt interests.

Mr. MOSER. Why did they withdraw it?

Mr. KENNY. Because Governor Driscoll said on account of the serious Korean situation it would be impossible to consider an application for a race track at this time.

Senator KEFAUVER. Mayor Kenny, we have had a good deal of trouble in waterfront activities of an interstate nature—gambling and alleged hijacking, and what not. It is on that basis, I take it, that the committee is particularly interested in what took place on the water front. It is interesting—and I think you should say something about it—that Mr. Witkowski gave the inference that up to the time he took over in May 17, 1949, there hadn't been a single arrest made in a certain number of months in Jersey City and that then he came to you and you recommended a racket or a gambling squad of six or eight people and they went out and operated for about 6 months and only made one arrest.

Mr. KENNY. That was a gambling squad, not a water-front squad.

Senator KEFAUVER. And the people you recommended were not satisfactory for the purpose of breaking up gambling, were they?

Mr. KENNY. That is absolutely so. They were not recommended by me, Senator. This squad was selected after consultation with Witkowski.

Senator KEFAUVER. He left the impression that you did the naming of them.

Mr. KENNY. I recommended some names and I believe Commissioner Witkowski did likewise.

Senator KEFAUVER. Why do you take it they were unable to do any business?

Mr. KENNY. On the gambling?

Senator KEFAUVER. Yes, sir.

Mr. KENNY. I believe now, most of the bets that are made, from information that we receive, are mental bets and until you get the evidence, the written evidence, documentary evidence, as you call it, there is no sense bringing a prisoner in before a judge.

I might say this, Senator—

Senator KEFAUVER. There are a good many bookie joints operating in Jersey City.

Mr. KENNY. There is no organized gambling in Jersey City. Nobody has an o. k. On the water front I had every executive of every shipping firm in Jersey City in my office and I asked them to contact us as soon as possible upon the appearance of any racketeers or any gamblers or any agitators, and I told them that we would send every member of the police department to the water front and arm them with night sticks to bash in heads, if necessary.

Senator KEFAUVER. But then the squad that came on immediately after this group had not done any good, he said, in the same period of time had made about a hundred arrests and he thought 95 percent of them were sustained by the court.

MR. KENNY. That is absolutely right.

SENATOR KEFAUVER. The question is: How do you account for the difference in what the two groups did accomplish?

MR. KENNY. Let me say this. The first group that went out got the same instructions that the second group did, or any group got from me. It was simply this: "If you get them with the evidence, bring them in. I want no fixes and I want no frames."

We know in Jersey City how these arrests by Brooks and the rest of them have taken place. It is one group putting the finger on the other. Maybe when our investigation of certain phases of that gambling situation are unveiled, it might not be healthy for some of the people who are now reaping a lot of glory and a lot of publicity.

SENATOR KEFAUVER. Mr. Mayor, I shall not press this question, but I thought perhaps you might want to make a statement about it. It is not correctly in the province of this committee, but Mr. Witkowski and Mr. Murray have testified, at least inferentially, if not directly, that they were stripped of their powers because of Mr. Witkowski's desire to enforce the gambling laws, while you wanted him and his group to go light on it. You said that wasn't true.

MR. KENNY. That is absolutely a lie.

SENATOR KEFAUVER. What was the difficulty? Just a political squabble?

MR. KENNY. You might call it a family squabble.

SENATOR KEFAUVER. You just wanted somebody else put in?

MR. KENNY. No; I wanted people to work together as a team and not as individuals, for the best interests of Jersey City.

SENATOR KEFAUVER. And are their statements—

MR. KENNY. I have Commissioner Murray's statement about pier B. I was away at the time of the march of the longshoremen. It is my recollection that that march was brought about not because of any lease, not because of any friendship on the part of the McGrath Stevedore Corp. and myself—and I might say, Senator, that the McGrath Corp. is the oldest stevedoring company in the port of New York with an outstanding record—but that the difficulty with the longshoremen was brought about by a man named George Eagan, who was chief of the park police and who went down to pier B and, because there was a sign on pier B, endorsing Al Sieminski for Congress, George Eagan caused that sign to be ripped down, saying it was on city property. He started a lot of agitation with the longshoremen. He was a troublemaker. The longshoremen resented him. They said if he wasn't taken away from there and stopped from interfering with their work, they were going to go to the city hall and protest, and that was what they did.

MR. MOSER. In other words, the basic reason for removing Mr. Witkowski—

MR. KENNY. I might say the commissioner's son was the opposition to Mr. Sieminski.

MR. MOSER. Did you support him?

MR. KENNY. I supported Sieminski.

MR. MOSER. Did you ask Commissioner Murray to persuade his son to withdraw from the race?

MR. KENNY. I did not.

MR. MOSER. Did the fact that Commissioner Murray's son ran against your candidate for Congress have anything to do with his removal?

Mr. KENNY. Not exactly, but it may have be one of the reasons, because Mr. Murray and I and every other candidate on our ticket had fought against the dynasty, the Hague-Eggerts dynasty. I thought it was unfair and unjust 6 or 7 months after we had gained office on that slogan and in that fight, that we should create a new dynasty, a father and son dynasty.

The CHAIRMAN. That was what you meant a moment ago when you said it involves family trouble?

Mr. KENNY. Partly.

Mr. MOSER. Family political problem?

Mr. KENNY. Yes.

Senator KEFAUVER. You started off on the same team and had a falling out about something?

Mr. KENNY. That is right.

Mr. Moser, it was a violation of the principle on which we went into office.

Mr. Moser. These people on the water front, Mr. Murray objected to because he said they were a group of criminals. Is one of them George Donohue?

Mr. KENNY. Yes; he was against us in 1949.

Mr. MOSER. Is he for you now?

Mr. KENNY. Not that I know of. Right now he is in the Hudson County Penitentiary.

The CHAIRMAN. He couldn't do you much good there.

Mr. KENNY. I don't think so.

Mr. MOSER. Mr. Kenny, we understand that with respect to Mr. Donohue, there is a story that he is in the penitentiary for protection.

Mr. KENNY. That could be without our knowledge. He pleaded guilty to concealed weapons in the common pleas court and was sentenced to the penitentiary, I believe, by Judge Duffy.

Mr. MOSER. He is now in the county jail?

Mr. KENNY. County penitentiary. I believe he is there, unless he has been transferred in the last few days.

Mr. MOSER. We understand he is allowed to go out every afternoon; is that true?

Mr. KENNY. If he is, he is allowed out for exercise in the quarry, slinging a sledge hammer.

Mr. MOSER. He is not allowed in the streets?

Mr. KENNY. If he is, someone will be indicted by the Hudson County grand jury.

Mr. MOSER. Is one of the men in this crowd Morris Manna?

Mr. KENNY. He is connected in some way. When we found that Morris Manna, Ralph Forgnow, Donohue, Brown, and other gentlemen were connected with the operation of this local, I obtained their records in the police department and I made an appointment with Mr. Joseph Ryan, the ILA head. I showed him those records and I said, "These men have to get off the water front and must be driven out of the 1247 local."

Mr. MOSER. Manna was one of those?

Mr. KENNY. He was.

Mr. MOSER. How about Albert Ackilites?

Mr. KENNY. I do not know him. I never saw him. I believe he is in a New York State Penitentiary.

Senator KEFAUVER. Some of the newspapers, I remember, started saying that racketeers and gangsters had gotten a foothold in Jersey City at about the time the longshoremen headquarters was bombed.

Mr. KENNY. It may have come before that, Senator.

Senator KEFAUVER. I have seen some news stories and also editorials. As I remember, the longshoremen headquarters was on Grant Street.

Mr. KENNY. That is right.

Senator KEFAUVER. And a man named Di Lorenzo was involved in the problem?

Mr. KENNY. I am glad you brought that up, Senator. I would like to make a statement for you.

Senator KEFAUVER. The headquarters was bombed, also, and Di Lorenzo got a bomb in his car, didn't he?

Mr. KENNY. It was Donohue who had the bomb in his car.

Senator KEFAUVER. And some people were arrested, but what happened to the cases?

Mr. KENNY. It is like all cases of that nature. The police have taken about 450 statements, but when you get to the men whom you need to talk, they refuse to talk.

Senator KEFAUVER. You mean nobody has been convicted?

Mr. KENNY. That investigation has been pursued as diligently as any police department in the country could possibly pursue it.

I just want to say this to you, Senator: I am glad you brought that up and I am glad you brought up Donohue.

Senator KEFAUVER. That came about since Mr. Witkowski was out as commissioner?

Mr. KENNY. The preliminaries took place while Mr. Witkowski was commissioner. That was why I said I wanted to make a statement to this committee pertaining to the events leading up to the bombing. Sometime prior to the bombing a gentleman was shot. His alias was Joe Palooka. He was shot in front of the union headquarters. Witkowski was commissioner at that time. Maybe 2 or 3 weeks or a month later, he came into my office and he said, "Do you know who shot Palooka?"

I said, "No."

He said, "Well, I do."

I said, "Who was it?"

He said, "George Donohue."

I said, "Go out and lock him up."

He never moved. Donohue was never arrested for that shooting. Shortly thereafter Mr. "Biff" Di Lorenzo and Mr. Slim Lucy, who were delegates and secretary-treasurer of 1247, respectively, were taken into the union headquarters, according to police reports, and one had a gun put to his head. I believe that was Di Lorenzo. The other fellow got his feet burned. Lucy's feet were burned and he was confined to a hospital for several days. That happened at the time Commissioner Witkowski was in charge of the police department and rumor has it that at the time of this alleged offense or crime within a hundred feet of the union headquarters were three uniformed policemen. The inference has been that Commissioner Witkowski was making overtures to Mr. Ryan and other people in New York to obtain compensation cases for his law firm and because

of that he was a little lax in the activity that had taken place regarding the events preceding this bombing.

Senator KEFAUVER. Any way, what has happened to the people who were involved in it?

Mr. KENNY. The people involved were held in very high bail. Some were held in \$30,000 bail by our police magistrate and by the prosecutor's office of Hudson County. The case is still under investigation by the grand jury of Hudson County.

Senator KEFAUVER. Have any of them been convicted?

Mr. KENNY. Not as yet. They won't be unless we can get those people to open up and talk, which is a very difficult matter.

The CHAIRMAN. That will conclude, Mr. Kenny, with you.

The committee will now recess until 10 o'clock tomorrow morning. At that time further witnesses will be heard.

Also, tomorrow there will be taken up the unfinished matter which has been scheduled when Senator Kefauver was the chairman, on the Maryland situation, at which time Charles E. Nelson was requested to produce certain dates, which will be taken up at that time.

Mr. WITKOWSKI. I would like to refresh the mayor's recollection. At the time the incident took place, the burning of the feet, I was out as commissioner by approximately a month. The reporter who broke that story is sitting right here at the table and he refreshes my recollection that I was out of office as police commissioner when this incident took place.

Mr. KENNY. I said the events leading up to the holding of the gun and the burning of the feet took place after Commissioner Witkowski had informed me that George Donohue had shot Joe Palooka and I said, "If he did, go out and arrest him." He never moved on his charge on George Donohue.

Mr. MURRAY. I would like to refresh the mayor's memory too. The occasion of the march of the longshoremen had nothing to do with taking down Sieminski's sign. Sieminski was not a candidate announced by the mayor until around March 1. The march of the longshoremen on Murray was on February 6. When they came to the assembly chamber, the spokesman, Di Lorenzo, represented them. I asked them what they wanted and the first thing they said was they wanted work and they asked why I put McGrath off the pier. He wasn't put off, as I told them. He was still on there.

So the dynasty affair had nothing to do with it.

Mr. KENNY. James, that was my recollection.

Mr. MURRAY. I just wanted the record to be clear.

Senator KEFAUVER. I think Mr. Witkowski ought to be asked one or two questions because there was rather adverse testimony by the mayor.

Mr. WITKOWSKI. I would like to be afforded an opportunity.

Senator KEFAUVER. The mayor said he heard rumors that you were doing some business with Mr. Ryan in New York to get some concession—I have forgotten what it was.

Mr. KENNY. Compensation cases from pier accidents.

Senator KEFAUVER. Compensation cases. You had two or three policemen in front of this place at Grant Street. Is that what you said, Mr. Mayor?

Mr. Mayor, did you say two or three policemen in front of the longshoremen headquarters?

MR. KENNY. According to rumor.

SENATOR KEFAUVER. Let me get the place.

MR. KENNY. And according to the report of the gentleman to whom Mr. Witkowski just referred, Mr. Green, the eminent journalist from the Jersey Journal. He said to me in a conversation that he heard the same story about three policemen being within a hundred feet of the headquarters when the events took place.

SENATOR KEFAUVER. The rumor that the mayor testified about was that you were doing business with Mr. Ryan in New York, trying to get some compensation cases for your firm or somebody you had some connections with and that therefore you were lax in enforcing the law and that evidence of that was that at the time the Grant Street headquarters was bombed——

MR. KENNY. Not bombed, Senator.

SENATOR KEFAUVER. Some disturbance took place there——

MR. KENNY. Yes; a shooting had taken place.

SENATOR KEFAUVER. You had two or three policemen there. Because of the lack of interest on your part, these policemen did not do anything about it.

MR. WITKOWSKI. Mr. Senator, first I want to say that Mr. Joseph Ryan is the president of the ILA and he is located in New York City. Any Jersey City lawyer knows that we cannot handle any New York cases in Jersey City. Those cases come under the United States Commission. That is located in New York. I say that in all the prosecutions, the activities of the gambling squad and the water-front squad, never once did Mayor Kenny utter one word in support of those squads and in commendation of the work of those squads. As far as the shooting was concerned, I was trying to find out who did shoot that man down there. It was very difficult to get any information. Rumors had it that this fellow did the shooting. I went to the mayor and said, "You know the water front better than I. Have you heard about Donohue being involved in this shooting?"

He said, "I do not."

I asked him to help me to ferret out the person who did the shooting and he refused to give me any help whatsoever.

SENATOR KEFAUVER. The mayor's version was that you came to his office and you said that Donohue did the shooting and the mayor said, "Go ahead and arrest him," and you never arrested him. It is probably a misunderstanding between the two of you.

MR. WITKOWSKI. There was a beating that took place on the water front where a loading boss was beaten up. I had a conversation with him and I said I had picked up information as to who these people were. One was named Corbitt. The other two names escape me. After telling him about this, I left him at the city hall. Some time later, maybe an hour or two, he called me up and said, "Lock them up."

I had those fellows locked up. I was immediately served with a letter from an attorney in Hoboken saying that they were going to institute suit against me, the clerk and the captain who arrested them. That was the action I took as a result of the positive order that he gave me. That was the incident he has reference to.

MR. KENNY. That is altogether different. The matter the commissioner refers to now is that somebody was arrested on the Hoboken pier and was brought before a United States commissioner and these

would-be tough guys and racket guys rode around in an automobile defying everybody. When Commissioner Witkowski told me about that, I said, "Drive them out of the city. Let the cops use their night sticks."

I say he came to me with the definite assertion that he knew who shot this fellow Joe Palooka. He said it was Donohue. I said, "Go and lock him up." Yet Donohue was never locked up.

Mr. WITKOWSKI. If Donohue shot him, the statute of limitations has not run yet, have your police commissioner arrest him now.

Mr. KENNY. You supply the information and we will have him arrested.

The CHAIRMAN. The committee will be adjourned until tomorrow at 10.

(Whereupon, at 5:50 p. m., the committee adjourned, to reconvene at 10 o'clock a. m., Friday, August 17, 1951.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, AUGUST 17, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE
TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10:20 a. m., in room 318, Senate Office Building, Senator Herbert R. O'Connor (chairman) presiding.

Present: Senators O'Connor, Kefauver, and Hunt.

Also present: Richard Moser, chief counsel; Downey Rice, associate counsel; Robert Frisch, assistant counsel; and John J. Winberry, special consultant.

The CHAIRMAN. The hearing will please come to order.

As we have on each of the days of the hearing, I would like to call the name of Abner Zwillman. There is no response, let the record show.

I feel there will be no response until the committee is out of existence and then, as in other cases, he will return from his trip. There is no doubt in our minds that he knows that the committee is seeking him, but so far has eluded the process servers.

The first witness now is Donald Spence.

Will you raise your right hand?

In the presence of Almighty God, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth?

Mr. SPENCE. I do.

TESTIMONY OF DONALD SPENCE, DIRECTOR OF REVENUE AND FINANCE, JERSEY CITY, N. J.

The CHAIRMAN. Your full name, please.

Mr. SPENCE. Donald Spence.

The CHAIRMAN. And your address?

Mr. SPENCE. Jersey City.

The CHAIRMAN. And your position?

Mr. SPENCE. Director of revenue and finance.

The CHAIRMAN. For what period of time have you held that position?

Mr. SPENCE. Since May 17, 1949.

The CHAIRMAN. Previously had you been connected with the municipal administration?

Mr. SPENCE. In no way.

Mr. MOSER. We would like to interrogate you principally with regard to the Port of New York Authority truck terminal, called the Newark Union Truck Terminal, which we understand cost the Port of New York Authority \$8,300,000. Are you acquainted with that terminal?

Mr. SPENCE. Not very well, Mr. Moser. I would like to explain just what my position in that was, as nearly as I can give it to you and as thoroughly as I can, so as to relieve you of any doubt where I stand on it.

I have been interested and have had meetings many times with the Governor and the port authority on various Jersey City projects, particularly a terminal which the port authority proceeded to build in Jersey City. It was quite well known to everybody that I had been working on this sort of a project in the city. My business is in Newark. My office is still there.

Mr. MOSER. What is your business, Mr. Spence?

Mr. SPENCE. Life insurance. I was a member of the Newark Athletic Club and ate around in various restaurants near my office. Over the last 10 or 11 years I became acquainted in a casual way with Mr. Damio. I didn't know much about his business, but we used to meet occasionally in the Newark Athletic Club where he sat in one of the corner tables. When I was alone I used to go there and join a group of men. One day, when I went there, I met Mr. Damio. He was finishing his lunch and he said, "Don, do you know anything about this truck terminal that is being built at port Newark?" I said, "Frankly, I do not know a thing about it."

He said, "Do you mind if I talk to you about it, because I know you are interested and have worked with the port authority?"

Mr. MOSER. May I interrupt you?

Mr. SPENCE. Yes.

Mr. MOSER. You said you were taking an interest in this. Were you at that time city commissioner?

Mr. SPENCE. Yes.

Mr. MOSER. This is the Newark terminal. What was your interest in it in view of the fact that you were city commissioner in Jersey City?

Mr. SPENCE. I had no interest in it at all. I said we were working with the port authority in Jersey City in considering a plan which the port authority had put before Jersey City for the building of a marine terminal. It was well known in the papers that I had been active in that capacity for Jersey City.

Mr. Damio came over and sat down with me while I finished my lunch and told me at that time the terminal had been—nobody was interested in it—and the port authority had apparently invested some millions of dollars. I believe he said \$8 million. He explained to me, at the same time, that the port authority had apparently made a big mistake in building the truck terminal in New York which, at that time, was very, very sparsely filled with truckers.

He said that as near as he could find out, the New York truck terminal only had about 28 percent of its capacity after about a year and a half of operation. He said this was due to be a flop, too, because interstate truckers were not going to want to put their trucks alongside of a competitor. Further than that, we have a union out here in Essex County, which is very difficult to do business with.

Mr. MOSER. Is that local 478 of the teamsters union?

Mr. SPENCE. I wouldn't know that, Mr. Moser. I had no contact at all with that. I know in the truckers' welfare business, where I have written some of this insurance, I have heard of them. I do not know the number of it, but I do know it has been a very strong union and one which has very high pay, one which has a pension benefit which very few truckers have, and very, very attractive welfare plan.

The point was that very few truckmen would want to put their drivers alongside men of this union because of the dissatisfaction it might cause.

Mr. MOSER. Isn't it true that that union about that time adopted a union rule which forbade unloading more than 5,000 pounds on any one dock in any one day?

Mr. SPENCE. I wouldn't have the slightest idea.

Mr. MOSER. The fact is that the union did adopt such rule and since most of the big trucks carry about 20,000 pounds, I should think that would be a very good reason why the terminal was not getting any business; isn't that possible?

Mr. SPENCE. It is possible. I do not know whether that would apply in New York or not. The same situation confronts New York. Whether they have such a rule in New York unions, I do not know. But they have a very, very small part of their New York terminal rented at this time. I know that to be a fact, because I have ridden by many times lately and have seen gates not opened. I know from personal conversation with members of the port authority board that it has been a failure. Whether the reasons are the same, I do not know.

I don't know anything about the internal policy of this local in Newark.

Mr. MOSER. You would agree, if you had a 5,000-pound rule like that, no large trucks would use it?

Mr. SPENCE. I haven't studied it. I do not know.

Mr. Damio, for no reason other than the fact that these things seemed to be true, said, "Will you see what you can do about it?"

Mr. MOSER. You knew that Mr. Damio was connected with Peoples' Express?

Mr. SPENCE. I did not know that.

Mr. MOSER. You did not know that?

Mr. SPENCE. I did not know that. My contact with Mr. Damio was just a very casual one, as you would have in a club where you would see a man occasionally sitting at the same table with a group of other men. I never went out with him socially. I had not been in his place of business. I did not know where it was located.

Mr. MOSER. Never had dealings with him before you went to the club?

Mr. SPENCE. No.

Mr. MOSER. Never had any business dealings with him?

Mr. SPENCE. No.

Mr. MOSER. None whatever?

Mr. SPENCE. No.

Mr. MOSER. You did not know what his business was?

Mr. SPENCE. No.

It was about 3 weeks after that that I was down to Trenton to see the Governor and we were discussing and had discussed—by the way,

just that afternoon—with the port authority—we had some members of the port authority there—the Jersey City marine terminal, and it grew quite late in the afternoon and the Governor said, about a quarter to 6, “Can you stay over and have dinner with me?”

We went down to Washingtons Crossing and in the course of the dinner I brought up the subject and discussed it with him. He said it sounded to him as if it might be something worth discussing with the port authority itself.

Mr. MOSER. When you say this would be something worth discussing, what proposition was it?

Mr. SPENCE. I am really getting ahead of my story a little bit because Mr. Damio said he would be willing to make an offer for the rental of the entire terminal.

Mr. MOSER. Did he tell you in what capacity he was making that offer?

Mr. SPENCE. No.

Mr. MOSER. You said you did not know what his business was.

Mr. SPENCE. I knew what his business was then. He told me that day.

Mr. MOSER. He said he was in the Peoples' Express?

Mr. SPENCE. No, just in the trucking business.

Mr. MOSER. You didn't know the name of the company?

Mr. SPENCE. No. When I talked to the Governor about it, I didn't know then that it was the Peoples' Express.

Mr. MOSER. All right.

Mr. SPENCE. The Governor, when we came back to his office, rang up Russell Watson, who is the Jersey City counsel for the port authority. He asked him if he would try to make a date with one of the members of the board, Horace Corbin, to discuss this proposition with him. Mr. Watson told me over the phone, when I talked to him in the Governor's presence, that he was going to Florida on a vacation and there would be no rush about it. So he would ring me when he got back. I dropped the matter and paid no more attention to it until a month later when I got a call from him.

Mr. MOSER. From whom?

Mr. SPENCE. Russell Watson. He said there is to be a meeting of the port authority the next afternoon and he asked if I could come over there 15 minutes earlier and sit down with Horace Corbin.

In the meantime, he asked what the proposition was.

I said, “I do not know what their offer might be.”

He said, “I would suggest you get something in writing.”

So I rang Mr. Damio the next morning, and I said, “If you can do it, please get something in writing over to me.”

He said, “My counsel will give you something tangible in the way of an offer, so you will have it to take with you.”

I didn't see the offer, Mr. Moser. It was in a sealed envelope. I gave it to Mr. Corbin at the port authority. I went over with it. I went over with the idea that I would help the port authority out of what apparently was a very bad piece of judgment.

Mr. MOSER. Mr. Spence, I would like to ask you why you were taking an active part in this. Were you expecting to get any compensation for your services?

Mr. SPENCE. Mr. Damio said, “If we can get this terminal, I will be glad to give you consideration in a welfare plan in one of my plants.”

He has apparently a number of trucking companies.

Mr. MOSER. He agreed to help you get insurance through one of the welfare plans if you did this for him?

Mr. SPENCE. When they put one in, he said they might put one in one of their plants.

Mr. MOSER. Was that the only compensation you would get?

Mr. SPENCE. That is right.

Mr. MOSER. Did you get any business from him?

Mr. SPENCE. No, I didn't.

Mr. MOSER. Was that because it had not gone through?

Mr. SPENCE. I never saw Mr. Damio since then. I talked to him on the phone and told him about the outcome of the conversation I had. It appeared at that time that this terminal was restricted solely—which I did not know at the time—to interstate truckers, and he is an interstate trucker and a local trucker, I understand now.

Mr. MOSER. What did you know about Damio's background?

Mr. SPENCE. Not a thing.

Mr. MOSER. Did you know that Gerald Catena owned an interest in the Peoples Express Co.?

Mr. SPENCE. I never knew about it until I read it in the Star Ledger.

Mr. MOSER. You know about it now?

Mr. SPENCE. From what I read in the papers.

Mr. MOSER. Do you know Milton J. Liss?

Mr. SPENCE. No.

Mr. MOSER. Anthony Cusano?

Mr. SPENCE. No.

Mr. MOSER. You do not know that Catena has a majority interest in that company and controls it?

Mr. SPENCE. I do not know anything.

Mr. MOSER. Why was it you were willing to go to the Governor of New Jersey—

Mr. SPENCE. I did not go to the governor on that at all.

Mr. MOSER. Here is a man, Damio, about whom you know nothing except you have seen him at the club. You know nothing about his background. You do not know the name of his company. You do not know whether the company would be a responsible company and able to pay the rent they offered to pay. Yet you take the matter up with the Governor and you go to the trouble to go over to the Port of New York Authority to discuss it with them. You do not know what his proposition is and, as far as I can see, you are just acting as a contact man for somebody you do not know; is that correct?

Mr. SPENCE. I wouldn't say that I didn't know him.

Mr. MOSER. You knew him superficially.

Mr. SPENCE. A man you met at a club over a period of 10 or 12 years, you wouldn't think was nobody. I had done equal things for other people. As a city official I have gone to the port authority and battled with the port authority for Westinghouse Co. in Jersey City. You might ask why did I want to do that.

Mr. MOSER. For Westinghouse Co.?

Mr. SPENCE. Yes.

Mr. MOSER. You know that Westinghouse is a big company and a responsible one.

Mr. SPENCE. Westinghouse happens to be a Jersey City industry. I am interested as a public official in trying to promote Jersey City

and trying to help the port authority, which should be, in turn, trying to help Jersey City.

Mr. MOSER. After the port authority turned down the offer, did you talk to Governor Driscoll again about it?

Mr. SPENCE. No, I didn't. I told him it was out of line and nothing was going to happen about it. He did ask me.

Mr. MOSER. When did you learn how much the Peoples Express had offered to rent the terminal for?

Mr. SPENCE. I learned that from Walter Hedden from a letter he wrote to me. Walter Hedden is the chief engineer of the authority.

Mr. MOSER. Were you surprised at the low offer?

Mr. SPENCE. I wasn't too surprised. I thought the port authority's figure of \$2 a foot was an excessively high one.

Mr. MOSER. Their carrying charges were about \$500,000 a year.

Mr. SPENCE. Regardless of that, Mr. Moser, the going rate for the rental of truck space was far lower than that.

Mr. MOSER. They got it from the Air Force.

Mr. SPENCE. That is from doing business with the Government, Mr. Moser.

Mr. MOSER. Isn't it true that you met Damio through Harold Krieger?

Mr. SPENCE. It is not true.

Mr. MOSER. That is not true?

Mr. SPENCE. No, that is not true. As far as I know, I never discussed this with Mr. Krieger.

Mr. MOSER. You did not discuss it?

Mr. SPENCE. Never discussed it at all.

Mr. MOSER. Did you discuss the Port of New York Authority at all with Mr. Krieger?

Mr. SPENCE. When Mrs. Krieger started to talk about the port authority yesterday, it was true that Harold Krieger was interested in becoming a port authority commissioner.

Mr. MOSER. That is true?

Mr. SPENCE. That is true, yes. He was interested in that. He wished me to promote him with the Governor for an opening, I think, about a year or a year and a half ago. That was on the board.

Mr. MOSER. Why do you suppose the Peoples Express Co. was willing to go into that terminal if the union rule was such that no one else could use it?

Mr. SPENCE. Mr. Moser, I do not know anything about the union rule. You are telling me that for the first time. I never bothered myself with it. This was a casual presentation.

Mr. MOSER. Do you know Milton Rosenblum?

Mr. SPENCE. Yes, sir.

Mr. MOSER. How well do you know him?

Mr. SPENCE. I know him as counselor in Jersey City. He was the counselor for the Peoples Express Co. He was the one who brought to my office that day the proposal from the People's Express.

Mr. MOSER. As far as you know, has he any connection with Harold Krieger?

Mr. SPENCE. None that I know of.

Mr. MOSER. They have their offices in the same building, I understand.

Mr. SPENCE. I think that is true. I have never been in Milton Rosenblum's office. I assume it is in the same building.

Mr. MOSER. In your talks with Damio, did he ever mention Gerald Catena?

Mr. SPENCE. No.

Mr. MOSER. Did he ever tell you who any of the other officers of the company were?

Mr. SPENCE. No.

Mr. MOSER. As you indicate, you knew nothing about his outfit and who was connected with it?

Mr. SPENCE. That is right.

Mr. MOSER. And you went ahead with this thing practically blind, as far as his background is concerned; is that correct?

Mr. SPENCE. I feel that a thing like that is entirely in the hands of the port authority. I was merely presenting it. They could do as they pleased with it. It made no real difference to me.

Mr. MOSER. Did you speak to the Governor more than on this one occasion when you had dinner with him on this matter?

Mr. SPENCE. No.

Mr. MOSER. That was the only occasion you discussed it with the Governor?

Mr. SPENCE. Yes.

Mr. MOSER. Do you have an interest in the National Insurance Agency?

Mr. SPENCE. I do not. I highly resent the remark that was passed here yesterday to the effect that I have an interest. I never have had an interest. I have never received one penny of compensation from the National Agency in any way, shape, or form.

Mr. MOSER. Mr. Murray, I believe, said you did tell him you had an interest in it.

Mr. SPENCE. I think Mr. Murray is laboring under a very grave misapprehension. I did say to him that I was interested in Bill Mercer, who has the National Agency. Mercer and I were associated for 8 years in Newark. He was the general agent of the company I represented. Bill decided to retire and his wife, being a former Jersey City girl, and he moved to Jersey City, and he opened this agency. I believe the incorporators are his wife and himself.

As a friend, Mr. Moser, I would like to add, I did try to do everything I could to help Bill along, and Bill, in turn, did a great many things to help me.

Mr. MOSER. That agency was organized early in 1950, was it not?

Mr. SPENCE. I do not remember, Mr. Moser. It might be about that.

Mr. MOSER. It was organized in Harold Krieger's office. It was incorporated in Harold Krieger's office. It was incorporated early in 1950. That was about the time you were elected, was it not?

Mr. SPENCE. May 1949.

Mr. MOSER. May 1949?

Mr. SPENCE. That is right.

Mr. MOSER. And Mr. Mercer organized this business and, when he did so, did he ask you if you would be able to give him some business if he organized it?

Mr. SPENCE. Oh, yes. I told him I would do everything I could to help him.

Mr. MOSER. Before he organized it, he talked to you?

Mr. SPENCE. That is right. I would like to explain this, too. My own business, because of the amount of time I have to devote to the business of City Hall, has made it almost impossible to give adequate attention to my own clients. For some months Mr. Mercer took care of my clients for me and I was having to divide my commissions with him equally. It got to be a very unprofitable operation for me because the amount of business I could do under the circumstances was less and less.

Mr. MOSER. Do you still divide commissions with him?

Mr. SPENCE. No; I do not, because I have been able to help him. That was only in life insurance, mind you, because that is the only kind of business I do.

Mr. MOSER. You get no commissions from any insurance except life insurance?

Mr. SPENCE. I just do life insurance, welfare plans, and pension plans.

Mr. MOSER. Do you have anybody now who helps you get life insurance with whom you divide commissions?

Mr. SPENCE. No; I do not.

Mr. MOSER. How long did you do that?

Mr. SPENCE. I did that from, I suppose, June or July of 1949, when I found I just couldn't adequately take care of my own clients.

Mr. MOSER. And you can now, can you?

Mr. SPENCE. I cannot now.

Mr. MOSER. What do you do now?

Mr. SPENCE. Mr. Mercer takes care of most of my work for me.

Mr. MOSER. He takes care of your life insurance company work?

Mr. SPENCE. Yes.

Mr. MOSER. Don't you get compensation?

Mr. SPENCE. I get the compensation myself. I place the business through my own office, not through the national agency.

Mr. MOSER. In other words, Mr. Mercer acts as an agent for you in obtaining life-insurance business, but you take the whole compensation; is that correct?

Mr. SPENCE. That is correct. The way we usually work it is I go to see the client and I actually start the plan going and then Mr. Mercer takes it over for me and finishes up the medical examination and the delivery of the contract. If there are trust agreements to go into that, he does that for me.

Mr. MOSER. In other words, he renders services for you in connection with your life-insurance business without compensation?

Mr. SPENCE. Yes; that is right.

Mr. MOSER. And he is rewarded for that by the insurance of the city that you are able to throw to the national agency?

Mr. SPENCE. There is not too much city business. I would like to explain something to you about city business, the little bit of city business that I consider he has. I do not know how much, but it has been a very insignificant amount. I would say it was probably in the fall of 1949 that the board of education, which is somewhat under my jurisdiction, my supervision, in the way of finances—I am on the board of estimate on it—it appeared that their insurance was in a terrible muddle, as was all the city insurance, by the way. I asked Mr. Mercer if he would come over and make a survey of the board of education, which he did. It was an exhaustive survey,

which took about 4 weeks. He rendered to the board of education a very, very substantial and a very helpful report, which has already saved them quite a few thousand dollars.

In return for this, he got a piece of business, Mr. Moser, which gave him something like \$370, which was absolutely insignificant. But he wouldn't take any more because he felt it was a contribution to me to be able to do this.

MR. MOSER. That is one contribution that he made to you. Another is that he handled all of this life insurance for you without compensation.

MR. SPENCE. That is right.

MR. MOSER. Why is he willing to do so much for you, Mr. Spence?

MR. SPENCE. I will tell you. We are very dear friends; extremely dear friends. Aside from being business friends, we are very dear friends.

MR. MOSER. I understand that.

MR. SPENCE. On top of all that, Mr. Mercer is independently fixed. He could retire tomorrow. So he is perfectly willing to add what he can to help me do a good job. I wish I had more people like him.

MR. MOSER. So he does all this work without compensation, just because he is a good friend?

MR. SPENCE. He gets his compensation. I am able to refer him to various clients of mine for general insurance business. I write just life-insurance business. He is in the general insurance business.

MR. MOSER. You compensate him not by giving him city insurance, but by getting your life-insurance clients to give him other types of insurance; is that correct?

MR. SPENCE. That is right.

MR. MOSER. So the two of you work together on that?

MR. SPENCE. I might point out, just in passing, one of the things that I wish to have you clear in your mind. We had a situation in Commissioner Yanowski's office where they found there were vehicles in there that were not covered by any insurance at all. We found other vehicles that had four and five policies covering the same identical risk. We had fire engines going around the streets without any insurance at all. The insurance in the Hague administration had been parceled out to every Tom, Dick, and Harry around. Commissioner Yanowski cooperated with me and we made a survey of all police and fire department vehicles, put blanket coverage on and we were able to save the city 49 percent in the cost of the insurance of those vehicles. I wanted to do the same thing with all the insurance in the city.

MR. MOSER. When you say "we," you mean Mr. Mercer's efforts?

MR. SPENCE. No; I am speaking of the administration. I am talking about the mayor and the other commissioners and myself.

MR. MOSER. I am interested in the connection with Mr. Mercer.

MR. SPENCE. Mr. Mercer was one of those who promoted this idea of the blanket coverage in the police and fire departments.

MR. MOSER. You say you did not give any city insurance business to Mercer except the small amount you described. Does the same apply to National Insurance Agency, his corporation?

MR. SPENCE. Pardon me?

MR. MOSER. Does the same apply to his National Insurance Agency, which is a corporation?

Mr. SPENCE. I don't understand you, Mr. Moser.

Mr. MOSER. You said you did not give Mercer any business. Did you give National Insurance Agency any business from the city?

Mr. SPENCE. National Insurance Agency?

Mr. MOSER. National Insurance Agency is the corporation under which Mr. Mercer does his insurance business.

Mr. SPENCE. No.

Mr. MOSER. You treat them as the same?

Mr. SPENCE. I speak of them as one and the same, Mr. Moser.

Mr. MOSER. Yesterday, Mayor Kenny gave testimony with regard to the \$15,000 that was transported to Mr. Van Riper's office by Patti Marshello. Who is Patti Marshello? What is his connection with you?

Mr. SPENCE. He is bus supervisor.

Mr. MOSER. Has he ever acted as your chauffeur and driver?

Mr. SPENCE. Yes; he drives me, too.

Mr. MOSER. He is your regular chauffeur?

Mr. SPENCE. Yes.

Mr. MOSER. He is your regular chauffeur and bus supervisor?

Mr. SPENCE. Yes; he serves in a dual capacity.

Mr. MOSER. What is his compensation as bus supervisor?

Mr. SPENCE. I believe it is \$6,000.

Mr. MOSER. \$6,000?

Mr. SPENCE. I believe so.

Mr. MOSER. What is your explanation of this \$10,000 in cash, which was taken over to Van Riper?

Mr. SPENCE. I have no explanation at all.

The CHAIRMAN. Did you figure in it at all?

Mr. SPENCE. No; I did not have anything to do with it. I did not figure in it at all.

The CHAIRMAN. Therefore you had nothing to do with it?

Mr. SPENCE. I know nothing about it.

Mr. MOSER. The only connection was that your chauffeur took it over?

Mr. SPENCE. That is right.

Mr. MOSER. He did not do so at your request?

Mr. SPENCE. No.

Mr. MOSER. We have received a letter from a man who describes himself as a bus operator in Jersey City. To be fair with you, I will tell you that the letter is anonymous. He says that the Bus Operators Association wanted to expand their system to Journal Square and each of the 30 members of the association had to pay \$1,000 to Ralph Messano, lawyer for the association and brother of Commissioner Messano, and that this money was intended for you.

Mr. SPENCE. That I know nothing about.

The CHAIRMAN. Frankly, I do not think that is entitled to very much weight. If it is an anonymous letter and the person isn't ready to come forward and back it up, I do not think any inference against this witness ought to be drawn, and I do not think any should be drawn against the lawyer.

Mr. MOSER. No inference should be drawn at all from it. I wanted to ask you if you knew anything about it.

Mr. SPENCE. I do not know anything about it.

The CHAIRMAN. No further questions. That is all.

Hugh Strong, will you raise your right hand?

In the presence of Almighty God, do you solemnly swear the testimony you will give this committee shall be the truth, the whole truth, and nothing but the truth?

Mr. STRONG. I do.

TESTIMONY OF HUGH J. STRONG, KENNILON BOROUGH, N. J.

The CHAIRMAN. Your full name, please?

Mr. STRONG. Hugh J. Strong.

The CHAIRMAN. And your address?

Mr. STRONG. Kennilon Borough, N. J.

The CHAIRMAN. How long have you lived there?

Mr. STRONG. I have lived in Kennilon since 1935.

The CHAIRMAN. What is your position?

Mr. STRONG. I am employed by Twentieth Century Fox Films.

The CHAIRMAN. Mr. Moser.

Mr. MOSER. Mr. Strong, you are mayor of Kennilon Park, are you not?

Mr. STRONG. Yes, I am.

Mr. MOSER. Were you formerly a policeman?

Mr. STRONG. Yes; I was a detective.

Mr. MOSER. A detective in the Newark police force?

Mr. STRONG. Yes, I was.

Mr. MOSER. Do you know anything about the third ward in Newark?

Mr. STRONG. Yes, I do.

Mr. MOSER. Do you know what is referred to as the third ward mob?

Mr. STRONG. Yes.

Mr. MOSER. They consist of whom?

Mr. STRONG. They consisted of many, many characters at the third ward when I was in that police department.

Mr. MOSER. They included Gerry Catena?

Mr. STRONG. No; I do not think he was in the third ward. He was down in the east side of Newark.

Mr. MOSER. How about Joe Stacher?

Mr. STRONG. Yes.

Mr. MOSER. And Niggy Rutkin?

Mr. STRONG. No; he wasn't in the third ward. He probably frequented the third ward, but he wasn't associated in the third ward.

Mr. MOSER. How about Zwillman?

Mr. STRONG. Yes.

Mr. MOSER. He was one of them?

Mr. STRONG. Yes.

Mr. MOSER. Was Zwillman active in politics in the third ward?

Mr. STRONG. I would say "Yes."

Mr. MOSER. Was he head of the Third Ward Club at all?

Mr. STRONG. Yes, he was.

Mr. MOSER. When was that?

Mr. STRONG. That was sometime, I would say, in the twenties and thirties. That is my recollection. He might have been there before.

Mr. MOSER. During the prohibition era, then?

Mr. STRONG. Yes; that is true.

Mr. MOSER. Did you know about Pop Handler's saloon?

Mr. STRONG. Yes, I did.

Mr. MOSER. Is he related to Charles Handler, the corporation counsel?

Mr. STRONG. Yes, he is.

Mr. MOSER. Is he the father?

Mr. STRONG. No; I think he was a brother.

Mr. MOSER. Of Charles Handler?

Mr. STRONG. Yes.

Mr. MOSER. And did this third ward mob hang out in that saloon pretty much?

Mr. STRONG. Yes, they did.

Mr. MOSER. That was their informal meeting place?

Mr. STRONG. It was a hang-out and meeting place for those fellows.

Mr. MOSER. That was the place where they built up their associations in the early days?

Mr. STRONG. I believe so.

Mr. MOSER. Did they have the Third Ward Political Club right next door to it?

Mr. STRONG. I couldn't say that. I do not know. They could have.

Mr. MOSER. Do you recall the election in which Meyer C. Ellenstein was elected city commissioner in 1937?

Mr. STRONG. Yes, I do.

Mr. MOSER. Do you know a man named Buzzard?

Mr. STRONG. No, I do not.

Mr. MOSER. Did you ever hear of a man who was beaten up by Zwillman in Pop Handler's saloon?

Mr. STRONG. I do not know the name, but I recall that story. I know that Zwillman was prosecuted for that.

Mr. MOSER. And convicted, was he not?

Mr. STRONG. That is right.

Mr. MOSER. For atrocious assault?

Mr. STRONG. That is true.

Mr. MOSER. Isn't it true afterward he said he wished he had killed him?

Mr. STRONG. I couldn't say that.

Mr. MOSER. You do not recall that?

Mr. STRONG. No.

Mr. MOSER. With regard to this election, was that the time Mr. Ellenstein was elected mayor?

Mr. STRONG. I do not know whether he was elected mayor, but I believe he was elected at that time.

Mr. MOSER. Do you recall there was a scandal with regard to the handling of the ballots?

Mr. STRONG. Yes; I do.

Mr. MOSER. Was that in the third ward?

Mr. STRONG. Yes; it was.

Mr. MOSER. Was Zwillman active in that?

Mr. STRONG. I couldn't say.

Mr. MOSER. You do not know whether he was or not?

Mr. STRONG. No, I did not know.

Mr. MOSER. Was the third ward mob working for Ellenstein in that election.

Mr. STRONG. I would say they were; yes.

Mr. MOSER. Working extra hard for him?

Mr. STRONG. I would say yes.

Mr. MOSER. What was your connection with it?

Mr. STRONG. Not a thing.

Mr. MOSER. Were you on duty in that area?

Mr. STRONG. No; I was not.

Mr. MOSER. How did you know about it?

Mr. STRONG. I was a detective and that was my business, to know about those things.

Mr. MOSER. In that election, five men were elected, of course, to the city commission. The records show that Ellenstein received 75,181 votes, Michael Duffy received 65,358, Reginald Parnell received 54,077, Pierce Franklin received 51,187, and Anthony Minisi received 40,731.

I also have a record of the vote in the third ward, which indicates that Ellenstein received 4,423 votes from that ward, which is more than twice as much as any other person received. Duffy received 2,064; Parnell received 2,336; Franklin received 2,380; and Minisi received 1,960.

The CHAIRMAN. There is a slight inaccuracy in your statement. You said he received twice as much as the next candidate. One received 2,380 and the other received 4,423. That is not quite twice as much.

Mr. MOSER. Almost twice as much.

The fact that Ellenstein received only a few thousand votes really over the city-wide election more than his nearest opponent and nearly twice as much in the third ward indicates the third ward was working pretty hard for Ellenstein, doesn't it?

Mr. STRONG. I imagine it would; yes. Ellenstein is Jewish. That is a Jewish settlement up there. That might be—I do not know—the cause of the vote there. The third ward is definitely a ghetto section of Newark.

Mr. MOSER. Isn't there any possibility that the third-ward mob was taking an interest in politics for protection purposes?

Mr. STRONG. I couldn't say that, but I know that they were definitely in politics. They were definitely in politics.

Mr. MOSER. Have you had any dealings with Zwillman since then?

Mr. STRONG. No; I have not.

Mr. MOSER. None whatever?

Mr. STRONG. None whatever.

Mr. MOSER. Have you ever talked to him on the telephone?

Mr. STRONG. No, I haven't.

Mr. MOSER. What is your telephone number?

Mr. STRONG. It is Butler 9-0319.

Mr. MOSER. Did you ever have Butler 9-1121-J?

Mr. STRONG. Yes, I did; years ago.

Mr. MOSER. That was your number at one time?

Mr. STRONG. Yes.

Mr. MOSER. Was that your number back in 1946?

Mr. STRONG. Yes, I believe it was.

Mr. MOSER. You were a member of the New Jersey State Racing Commission? Are you not a member?

Mr. STRONG. Yes, I am.

Mr. MOSER. I would like to ask you something with regard to this Secaucus race track application or with regard to several race-track applications. I believe you heard the testimony yesterday on the subject.

Mr. STRONG. Yes; I did.

Mr. MOSER. Did you attend that meeting at the 21 Club referred to?

Mr. STRONG. It wasn't a meeting. It was a dinner.

Mr. MOSER. What time of day was it?

Mr. STRONG. It was at night, about 8 o'clock.

Mr. MOSER. And who was present?

Mr. STRONG. There was a Hugh Mehorter, who was also a member of the racing commission, a Mr. Drescher, a vice president of a bank, a gentleman by the name of Fabrikant, and there was some other gentleman whom I cannot recall the name of, and Kenny.

Mr. MOSER. Was the other person an accountant?

Mr. STRONG. No; I do not think so. I believe that he was president of some soft drink company.

Mr. MOSER. Do you know Mr. J. J. Colt?

Mr. STRONG. No; I do not. I met him at a public hearing that we had in Hudson County when he put his application in for a race track in Hudson County.

The CHAIRMAN. Mr. Strong, who is responsible for the meeting? Who set it up?

Mr. STRONG. Kenny.

The CHAIRMAN. Who invited you?

Mr. STRONG. John Kenny.

The CHAIRMAN. Mayor Kenny?

Mr. STRONG. Mayor Kenny, that is true.

The CHAIRMAN. He suggested the meeting as far as you know and arranged for the attendance?

Mr. STRONG. Yes, he did. We did not know who was at the meeting. He asked me to have dinner with him and Hugh Mehorter, who had business in New York that day, joined me, and we just had dinner at the 21. That was all.

Mr. MOSER. What was the purpose of the meeting?

Mr. STRONG. The purpose of the meeting was to get the procedure as to how to apply for a race track in Hudson County.

Mr. MOSER. Of course, you heard my statement yesterday that we had affidavits from Mr. Drescher and Mr. Fabrikant in which both said, "The purpose of the conference was to discuss the financial arrangements and underwriting of a horse race track in Secaucus." You say that is wrong?

Mr. STRONG. Yes; I do.

Mr. MOSER. You say that is wrong?

Mr. STRONG. Yes; I do. I say that in this respect: If it was discussed, it wasn't discussed in my presence. I did not hear any of that discussion, if it was held.

Mr. MOSER. Did part of the dinner take place while you were not present?

Mr. STRONG. No; I was there from about 8 to 9.

The CHAIRMAN. Would it have been unusual for two members of the racing commission to have met with a prospective applicant to discuss the financial arrangements? Would that have been unusual?

Mr. STRONG. No; we would do that with anyone. I would do that with anyone. That is the procedure that must be gone through for a track.

The CHAIRMAN. I believe you did not hear my entire question. I wanted to include in the question the statement that it would be for financial arrangements rather than the procedure of filing the application.

Mr. STRONG. No, Senator; that isn't so.

The CHAIRMAN. I am not asking you if it is so. I am asking you whether it would have been unusual for two of the members of the racing commission to have met with a prospective applicant to discuss with him the application and the financial arrangements. It occurs to me, frankly, that would have been something odd that members of the commission would be meeting——

Mr. STRONG. It would be unusual if it occurred.

The CHAIRMAN. Yes. I am not saying it occurred. I am asking you whether it would have been unusual. My point is: Would you have recalled that?

Mr. STRONG. If it happened, I would have recalled it.

Mr. MOSER. How much were they going to spend for this race track?

Mr. STRONG. I do not know, Mr. Moser, but I know from my personal experience that anyone erecting a race track in the State of New Jersey would have to spend from eight to ten million dollars to do that.

Mr. MOSER. Eight to ten million?

Mr. STRONG. Yes, that is right. When you talk about finances, Mr. Drescher did speak about his financial status in Monmouth, the Monmouth track.

Mr. MOSER. Did he say that his bank had lent money there?

Mr. STRONG. Yes; he did.

Mr. MOSER. Did he say anything about how much would be involved in this track? Was there some discussion on a figure of \$18,000,000?

Mr. STRONG. I cannot recall. He might have said that it would cost so much to build a track at Secaucus.

Mr. MOSER. Did they indicate that his bank would not put up any money for this one or that they might?

Mr. STRONG. That wasn't discussed.

Mr. MOSER. How about the purchase of the land, was there any discussion of that?

Mr. STRONG. I didn't know anything about that at all. I wasn't interested in that, Mr. Moser.

Mr. MOSER. Who was the attorney for the applicant?

Mr. STRONG. I don't know. You see, they didn't apply for a race track, Mr. Moser. There was no permit.

Mr. MOSER. They never actually applied, actually filed an application?

Mr. STRONG. No, they haven't actually filed. There were two associations that filed for a race track in the State of New Jersey at that time. Incidentally, I was the one who offered the resolution to turn both applicants down after public hearings.

Mr. MOSER. You recommended that they both be turned down?

Mr. STRONG. Yes; I did.

Mr. MOSER. Has Mr. Colt been involved in these discussions at all?

Mr. STRONG. No; he has not. He was involved in the public hearing. When anyone makes application for race tracks, of which there is one more to be issued by law in the State of New Jersey, we must give them a public hearing in the municipality or the county.

Mr. MOSER. I understand that. I want to find out who was involved in this meeting. Was there any discussion of Morris A. Cohen?

Mr. STRONG. No.

Mr. MOSER. You know him?

Mr. STRONG. No, I do not.

Mr. MOSER. He was the lawyer for Colt, as I understand it? Did he appear at the public hearing?

Mr. STRONG. He may have appeared at a public hearing. If he did, that is a matter of record.

Mr. MOSER. Wasn't there another application filed also?

Mr. STRONG. Yes.

Mr. MOSER. Did he represent that application, too?

Mr. STRONG. No, he did not.

Mr. MOSER. There was a good deal of pressure from residents and ministers and people like that that turned the applications down?

Mr. STRONG. That is true.

Mr. MOSER. Why do you suppose Mr. Drescher was at this meeting if they weren't going to discuss finances?

Mr. STRONG. I couldn't say why he was at that meeting. That was Mr. Kenny's doing, Mr. Moser. That wasn't our doing. We had not any intention of discussing any financial or any other arrangements, only the procedure, at our meeting. That was all.

Mr. MOSER. Did you ever discuss any race-track matters with Zwillman?

Mr. STRONG. Never. I haven't talked to Zwillman in years.

Mr. MOSER. How many years?

Mr. STRONG. I haven't anything to do with Zwillman. Zwillman hasn't anything I need.

Mr. MOSER. How many years?

Mr. STRONG. I met him at a prize fight where he said, "Hello," to me. It was maybe 5 or 6 years ago.

Mr. MOSER. Five or six years ago?

Mr. STRONG. Yes, that is true.

Mr. MOSER. Did he talk to you on the telephone at that time?

Mr. STRONG. No; he did not.

Mr. MOSER. Are you sure you haven't talked to him?

Mr. STRONG. That is true.

Mr. MOSER. The telephone company has furnished us with records showing four telephone calls made to your number from Zwillman's phone, one on May 5, 1946, one on May 12, 1946, one on May 15, 1946, and one on June 8, 1946. Can you explain those telephone calls?

Mr. STRONG. Yes I can, Mr. Moser. I was in the dog business. I had a kennel, registered with the AKC. I will have to go back a little bit farther.

The CHAIRMAN. Maybe it would be unnecessary to go into all the detail and tell us what the purpose is, if it has no bearing.

Mr. STRONG. It has no bearing at all. Mary Mendells called me and asked me if I would sell her a dog. I knew Mary Mendells 10 years before she ever married Zwillman.

Mr. MOSER. Those telephone calls in 1946 were with regard to a dog?

Mr. STRONG. Yes, I sold her a dog and she called me several times asking me how she could housebreak the dog.

The CHAIRMAN. We won't go into the details.

Next question.

Mr. MOSER. Did Zwillman have anything to do with your getting your job at Twentieth Century-Fox?

Mr. STRONG. No, he did not. I will explain that to you, Mr. Moser, if you wish. When I joined the police department, I do not drink or smoke or go into saloons. I took up golf, and in 1926 or 1927 I was playing golf on one of our country clubs in New Jersey. A golf professional, by the name of James Dandy, asked me if I would join a threesome. In the threesome was Sidney Kent and J. A. Sisto and Jim Dandy. I played with them. From that time on I played with Sidney Kent and Sisto for about 7 years on week ends. In the interim Mr. Kent was vice president of Paramount Pictures.

The CHAIRMAN. I think you have explained it.

Mr. STRONG. No, there is something else. In 1933 Mr. Kent was made president of Fox Film Corp. He asked me if I would work for him. I took a leave of absence from the police department of Newark and I joined him. I went to Hollywood. I was in Hollywood.

The CHAIRMAN. Let me interrupt. Counsel, is there anything to indicate that the witness received it in any other manner than a legitimate manner, as apparently he did from his own testimony?

Mr. MOSER. I would like to ask you how Mr. Sisto was connected with your getting that job?

Mr. STRONG. Nothing at all.

Mr. MOSER. Nothing whatever?

Mr. STRONG. Only that Mr. Sisto and Sidney Kent and Bob Kane are married to three sisters. They are married to three sisters and I was working for Sidney Kent. That was when I had my leave of absence. I finally made a deal with Mr. Kent where he set up a trust fund to take care of the pension that I would lose by resigning from the Newark Police Department.

Mr. MOSER. Mr. Kent set up a pension fund?

Mr. STRONG. A trust fund.

Mr. MOSER. Trust fund?

Mr. STRONG. For me.

Mr. MOSER. Where did the money come from?

Mr. STRONG. From Mr. Kent.

Mr. MOSER. He gave it to you?

Mr. STRONG. Yes, he did.

Mr. MOSER. As a gift?

Mr. STRONG. Yes, that is true.

Mr. MOSER. As compensation for going over to his company?

Mr. STRONG. That is true.

Mr. MOSER. Did Zwillman ever play in those golf games?

Mr. STRONG. No, I wouldn't play with Zwillman.

Mr. MOSER. Did you ever see Mr. Sisto and Zwillman together?

Mr. STRONG. No, I haven't. But I know they are together. I know they are friends now. I haven't been with Sisto since 1938.

I haven't done much with Sisto since 1938. He calls me, Sisto's wife calls me. I have given her dogs, and so forth.

Mr. MOSER. How do you know that Zwillman and Sisto are friends?

Mr. STRONG. Just from the papers, general information.

Mr. MOSER. General information?

Mr. STRONG. Yes, that is right.

The CHAIRMAN. That is all.

Mr. STRONG. May I make a statement?

The CHAIRMAN. Yes, indeed.

What is it about?

Mr. STRONG. About my appearance here.

Mr. Chairman and members of the committee, I wish to thank you for your courteous treatment of me during my appearance before you. I have testified to the best of my ability and recollection and hope that I have now convinced you that at no time was I associated with undesirable elements. I have known many undesirables as a result of my occupation as a detective in the Newark Police Department. It was my job to know of and about them. My reputation as a policeman covering a period of 16 years was unblemished. I never became involved in any scandal. I resigned voluntarily and with honor. My associates in the department saw fit, upon my leaving it, to designate Chief John Harris to act for them and present me with numerous gifts and wish me good fortune in the business world.

This is a statement of facts and appeared in many newspapers of the communities.

I was designated as one of the group of detectives in the State of New Jersey by Governor Harry Moore to work on the Lindbergh case. I engaged in investigating and contributing toward the conviction and electrocution of 12 men. I feel I have been successful in the business world. I have strived to build and maintain a good reputation in it for the past 15 years.

However, my appearance before you and the early publicity which led to it has caused me tremendous embarrassment. My future and reputation are at stake. I would like, therefore, to request that, if you are convinced of my absolute and complete innocence, I be given a clean bill of health, so that the residents of my communities, in which I live and work, shall know that your committee has given me vindication and a fair deal.

The CHAIRMAN. I think it is the duty of the committee to state publicly that there is nothing here that reflects on your good name and on your integrity, and the committee not only feels it is a duty to bring out unfavorable things, but, when there are favorable things, it is its duty to state them. Accordingly, and as the record now stands, there is nothing that reflects on your name.

Mr. STRONG. Thank you.

The CHAIRMAN. Joseph Bozzo.

Will you raise your right hand?

In the presence of Almighty God, do you solemnly swear the testimony you will give will be the truth, the whole truth, and nothing but the truth?

Mr. Bozzo. I do.

TESTIMONY OF JOSEPH G. BOZZO

The CHAIRMAN. Will you give your full name?

Mr. BOZZO. Joseph G. Bozzo.

The CHAIRMAN. And your residence is?

Mr. BOZZO. Patterson, N. J.

The CHAIRMAN. How long have you lived in Paterson?

Mr. BOZZO. I have lived there practically all my life in the suburbs.

The CHAIRMAN. Are you a man with a family?

Mr. BOZZO. That is right.

The CHAIRMAN. What family do you have?

Mr. BOZZO. One sister.

The CHAIRMAN. What business are you in?

Mr. BOZZO. Clothing manufacturing.

The CHAIRMAN. Where is your manufacturing business?

Mr. BOZZO. Passaic.

The CHAIRMAN. How many employees do you have, approximately?

Mr. BOZZO. Right now about 75 or 80.

The CHAIRMAN. How long have you been engaged in that business?

Mr. BOZZO. I have been there since April.

The CHAIRMAN. What kind of business were you engaged in before that?

Mr. BOZZO. I was in the real estate business.

The CHAIRMAN. Where?

Mr. BOZZO. In Paterson.

The CHAIRMAN. Mr. Moser.

Mr. MOSER. Do you take a part in politics in New Jersey?

Mr. BOZZO. I do, sir.

Mr. MOSER. What is your connection, sir?

Mr. BOZZO. As a worker for the party.

Mr. MOSER. Worker for the party?

Mr. BOZZO. That is right.

Mr. MOSER. In Passaic?

Mr. BOZZO. Passaic County, yes, sir.

Mr. MOSER. How active a worker are you?

Mr. BOZZO. Well, that is a hard question to answer. I do the best I can for any candidates I may support.

Mr. MOSER. Are you a club leader?

Mr. BOZZO. No, sir.

Mr. MOSER. County committeeman?

Mr. BOZZO. No, sir.

Mr. MOSER. You occupy any office in any political organization?

Mr. BOZZO. I do not.

Mr. MOSER. You are just an individual worker?

Mr. BOZZO. That is right.

Mr. MOSER. Do you know Charles K. Barton?

Mr. BOZZO. I do, sir.

Mr. MOSER. How well do you know him?

Mr. BOZZO. I know him very well.

Mr. MOSER. Is he from your same territory?

Mr. BOZZO. Yes, from Paterson, N. J.

Mr. MOSER. What is his position?

Mr. BOZZO. He is vice president of the United States Trust Co. in Paterson.

Mr. MOSER. Was he at one time a State Senator from Paterson?

Mr. BOZZO. Yes, sir.

Mr. MOSER. What year was that?

Mr. BOZZO. I believe he finished his term in 1947.

Mr. MOSER. 1947?

Mr. BOZZO. I think so. I am not certain of that. I think the term expired in 1937.

Mr. MOSER. Thirty-seven?

Mr. BOZZO. Forty-seven.

Mr. MOSER. Forty-seven?

Mr. BOZZO. Forty-seven. I am terribly sorry.

Mr. MOSER. Was he ever majority leader of the senate?

Mr. BOZZO. He was, sir.

Mr. MOSER. Was that in 1946?

Mr. BOZZO. It may have been. I am not sure of that. I am not sure of the date he was the majority leader.

Mr. MOSER. He was elected in 1942, too, was he not, first?

Mr. BOZZO. He possibly was.

Mr. MOSER. Did he occupy a position as clerk of the supreme court?

Mr. BOZZO. He does now.

Mr. MOSER. He still does?

Mr. BOZZO. Yes, sir.

Mr. MOSER. And he is also in private business?

Mr. BOZZO. Yes, sir, he is vice president of the United States Trust Co.

Mr. MOSER. Do you have a criminal record?

The CHAIRMAN. Mr. Moser, I do not think you should do that, not until there is something shown about the man that indicates that there is some connection or a predicate is laid for another matter.

Mr. MOSER. Do you know Frank Costello?

Mr. BOZZO. Frank Costello?

Mr. MOSER. Yes.

Mr. BOZZO. I suppose I know him if I saw him.

The CHAIRMAN. So we may make it clear, we do not believe that every witness who comes ought to be asked at first as to his past, because that could expose a man unfairly and unjustly. If there is anything that links the witness with interstate crime or with others who are in that, it may, of course, be developed subsequently, but we think you should develop the other things first and then bring in the record, if that is relevant.

Mr. MOSER. Do you know Frank Costello?

Mr. BOZZO. No, sir.

Mr. MOSER. You do not know him?

Mr. BOZZO. No, sir.

Mr. MOSER. You have never seen him personally?

Mr. BOZZO. Not to my recollection.

Mr. MOSER. How about Willie Moretti?

Mr. BOZZO. Yes, sir.

Mr. MOSER. How well do you know him?

Mr. BOZZO. I have known him already for possibly 25 years.

Mr. MOSER. Do you know James Cearce?

Mr. BOZZO. Yes, sir, I do.

Mr. MOSER. You do know him?

Mr. BOZZO. I do.

Mr. Moser. What is his business?

Mr. Bozzo. I couldn't answer that, sir.

Mr. Moser. You do not know?

Mr. Bozzo. No, sir.

Mr. Moser. Do you know whether he is in the gambling business?

Mr. Bozzo. I heard he has been. I don't know. I would not want to say "Yes" or "No" to that question.

Mr. Moser. How about Anthony Sabio, known as "Fat" Sabio?

Mr. Bozzo. He is a Patersonian.

Mr. Moser. He lives in Paterson?

Mr. Bozzo. Yes, sir. He did live in Paterson. He has now passed on.

Mr. Moser. He is dead. He was in the gambling business?

Mr. Bozzo. Not to my knowledge.

Mr. Moser. How about Frank Perone?

Mr. Bozzo. Frank Perone?

Mr. Moser. Yes.

Mr. Bozzo. Yes, sir.

Mr. Moser. You do know him?

Mr. Bozzo. Yes, sir.

Mr. Moser. How long have you known him?

Mr. Bozzo. Possibly 20 or 25 years.

Mr. Moser. And has he been in the gambling business?

Mr. Bozzo. Not to my knowledge.

Mr. Moser. Has Willie Moretti been in the gambling business?

Mr. Bozzo. I would not answer that, sir.

Mr. Moser. You do not know whether he has or not?

Mr. Bozzo. I could not answer that. I am not in a position to answer.

Mr. Moser. Do you know?

Mr. Bozzo. No, I do not.

Mr. Moser. You do not know. How about Joe Adonis?

Mr. Bozzo. Yes, sir.

Mr. Moser. How long have you known him?

Mr. Bozzo. I would say possibly 10 or 12 years.

Mr. Moser. And he is in the gambling business?

Mr. Bozzo. I couldn't answer that, sir.

Mr. Moser. You do not know?

Mr. Bozzo. No, sir.

Mr. Moser. You know that he was recently convicted, do you not?

Mr. Bozzo. I do, sir.

Mr. Moser. Do you know what that was for?

Mr. Bozzo. Yes, sir.

Mr. Moser. What was it?

Mr. Bozzo. Gaming.

Mr. Moser. Gaming? Gambling?

Mr. Bozzo. Gaming; gambling.

Mr. Moser. I see. But you do not know whether he is in the gambling business or not?

Mr. Bozzo. I have no direct knowledge of it, if that is what you mean.

Mr. Moser. How long did you say you had known him?

Mr. Bozzo. I would say possibly 10 or 12 years.

Mr. Moser. Ten or twelve years. What are your dealings with Joe Adonis?

Mr. Bozzo. I have had no dealings directly with him.

Mr. Moser. No dealings directly with him?

Mr. Bozzo. No, sir.

Mr. Moser. How about Zwillman?

Mr. Bozzo. I know Mr. Zwillman.

Mr. Moser. How long have you known him?

Mr. Bozzo. Possibly 15 years or more.

Mr. Moser. And in what connection?

Mr. Bozzo. No connection.

Mr. Moser. No connection at all?

Mr. Bozzo. No.

Mr. Moser. Just personally?

Mr. Bozzo. Yes, sir.

Mr. Moser. Did you ever have any political dealings with him?

Mr. Bozzo. Yes, sir.

Mr. Moser. What were they?

Mr. Bozzo. In 1946, I believe, in the campaign in New Jersey—

Mr. Moser. When? In 1946?

Mr. Bozzo. Yes, sir.

Mr. Moser. Yes.

Mr. Bozzo. We solicited Zwillman's help.

Mr. Moser. You solicited his help?

Mr. Bozzo. I believe I talked to him at that time. I am not sure if I talked to him personally, that is, originally, but I know I talked to him in that campaign.

Mr. Moser. And the campaign was for what?

Mr. Bozzo. It was a gubernatorial campaign.

Mr. Moser. Governor?

Mr. Bozzo. Yes, sir.

Mr. Moser. Driscoll was running?

Mr. Bozzo. Driscoll was one of the candidates.

Mr. Moser. And you sought Zwillman's support for Driscoll, did you?

Mr. Bozzo. No, sir.

Mr. Moser. Whose support did you seek?

Mr. Bozzo. Harold Hoffman.

Mr. Moser. You asked for his support for Harold Hoffman?

Mr. Bozzo. That is right.

Mr. Moser. Did he give it to you?

Mr. Bozzo. There was a very bad job done in Newark. I don't know how much help we got there.

Mr. Moser. Were you asking him to help you in the third ward in Newark?

Mr. Bozzo. No particular ward. We just asked for help.

Mr. Moser. All the help he could give you?

Mr. Bozzo. That is right.

Mr. Moser. Did he give you any money?

Mr. Bozzo. No, sir.

Mr. Moser. Did he give the campaign any money?

Mr. Bozzo. Not to my knowledge.

Mr. Moser. Did you talk to him often about it?

Mr. Bozzo. I would say quite often; yes.

Mr. Moser. What is your connection with Lloyd Marsh?

Mr. Bozzo. We have been brought up together, as boys.

Mr. Moser. You were brought up together. Did he propose you as secretary for the New Jersey State Racing Commission?

Mr. Bozzo. Not to my knowledge. I was not a candidate for the secretaryship.

Mr. Moser. Did he put you up for it?

Mr. Bozzo. Not to my knowledge. If he did, I don't know.

Mr. Moser. Did you read in the paper that you had been put up for it?

Mr. Bozzo. Yes.

Mr. Moser. And didn't Marsh speak to you about it?

Mr. Bozzo. That is a long time ago. I know at that time when we talked, I told him I was not interested in the job, and, well, I didn't get the job. I wasn't interested in it. I didn't seek it, if that is what you want to know.

Mr. Moser. Yes. All right. Now, you said that you talked to Zwillman about this 1946 campaign?

Mr. Bozzo. Yes, sir.

Mr. Moser. Was that a primary campaign?

Mr. Bozzo. It was.

Mr. Moser. A primary campaign between Hoffman and Driscoll running for the Republican nomination?

Mr. Bozzo. Governor Driscoll; that is right.

Mr. Moser. And you asked Zwillman's help in Newark?

Mr. Bozzo. That is right.

Mr. Moser. What time of year was that? April, was it not? March and April?

Mr. Bozzo. If my memory serves me correctly, I believe primary day was May or June. I don't recall.

Mr. Moser. Isn't primary day in April in New Jersey?

Mr. Bozzo. Not all the time. I think that primary day fell in June. I am not certain, but if the records check, I think you will find that that primary day fell in June.

Mr. Moser. Did you spend any time in Trenton with Senator Barton?

Mr. Bozzo. I went to Trenton, yes, sir, with Senator Barton, occasionally.

Mr. Moser. What were you doing down there?

Mr. Bozzo. Nothing in particular at that time. I was in the legislature for some years.

Mr. Moser. You mean, you were a member of the legislature?

Mr. Bozzo. No. I was a clerk. I was calendar clerk, I believe. I just don't recall the titles, but—

Mr. Moser. And you went down in a minor official capacity; is that correct?

Mr. Bozzo. At that time; yes.

Mr. Moser. And you spent some time with Barton, and he was majority leader?

Mr. Bozzo. Yes, sir.

Mr. Moser. And did you talk to Zwillman at the time that he was majority leader?

Mr. Bozzo. Never.

Mr. Moser. You never did?

Mr. Bozzo. Not to my knowledge. I say never. Not to my knowledge.

Mr. Moser. If you did talk to him, what would be the occasion for it?

Mr. Bozzo. I don't know of any occasion. I don't know of anything that I would talk to Zwillman about, aside from that campaign. I am certain that since that campaign was over, I don't think I ever talked to him, to my knowledge.

Mr. Moser. Would Zwillman have any occasion to call you when you were in Trenton with Senator Barton?

Mr. Bozzo. With Senator Barton?

Mr. Moser. Yes.

Mr. Bozzo. Not to my knowledge, unless it was in that Hoffman campaign, in that campaign of 1946.

Mr. Moser. Mr. Bozzo, you have been quite helpful. I think that what you have told us is consistent with the records. In March of 1946, Zwillman made three calls to your house, one on March 16, one on March 17, and one on March 18. In April, he made four calls, one on April 14, one on April 6, one on April 19, and one on April 24.

Mr. Bozzo. Yes.

Mr. Moser. In May, he made 11 calls to you, one on May 5, two on May 10, one on May 21, one on May 22, one on May 25, three on May 26, one on May 30, and one on May 31.

Mr. Bozzo. That is right.

Mr. Moser. And then he also called you again on June 9?

Mr. Bozzo. Yes, sir; that is right.

Mr. Moser. Now, were they all in connection with the Hoffman campaign?

Mr. Bozzo. Yes, sir.

Mr. Moser. That is a total of 20 calls made from Zwillman to you?

Mr. Bozzo. If you say so, there is no question.

Mr. Moser. On March 26, he telephoned you at the Stacy-Trent Hotel at the room of Senator Barton, and asked for you in Senator Barton's rooms; is that correct?

Mr. Bozzo. I don't recall the call, but it may; yes, sir. I wouldn't deny it.

Mr. Moser. Then on April 9, Zwillman called Senator Barton at the Stacy-Trent?

Mr. Bozzo. Zwillman called Senator Barton?

Mr. Moser. The record indicates that he called Senator Barton.

Mr. Bozzo. Naturally, I am not certain, but I don't think Zwillman even knows Senator Barton. If that call was made, I want to take the responsibility for that. I think the call was made to me and not to Senator Barton. I don't think Senator Barton would even know Mr. Zwillman.

Mr. Moser. All right. That is all I have.

The CHAIRMAN. Senator Kefauver?

Senator KEFAUVER. No questions.

The CHAIRMAN. That is all, Mr. Bozzo.

The committee will now take a recess for 10 minutes.

(A short recess was taken.)

The CHAIRMAN. The hearing will please be in order.

Mr. Moser, is there anything further that you have in regard to the New York-New Jersey matters?

MR. MOSER. Mr. Chairman, I have a telegram addressed to you with regard to Mr. Strong setting forth his police record when he was in the police department of Newark. That is offered in evidence.

The CHAIRMAN. That will be admitted in evidence.

(The telegram referred to was made a part of the record and will be found in the files of the committee.)

MR. MOSER. Next I would like to offer in evidence a record of telephone calls from Zwillman's home to Bugsy Siegel's number, Frank Costello, Mayer Lansky, J. M. Bozzo, Joseph Stacher, E. J. Catena, and Mrs. Catena, back in 1945 and 1946.

The CHAIRMAN. Mr. Moser, as a preliminary to that, has it been proven what number was Zwillman's? Is it certain that it is his telephone?

MR. MOSER. There is no question about it whatever.

The CHAIRMAN. Very well. That will be admitted, then.

(The tabulation referred to was made a part of the record and will be found in the files of the committee.)

MR. MOSER. Next I would like to offer in evidence the testimony of Joseph H. Reinfeld in the case of *United States v. Rutkin*. It consists of 400 pages of testimony.

The CHAIRMAN. Mr. Moser, that does seem to be quite voluminous. Is it not possible to submit a summary of it so that the pertinent portions of the testimony that may bear upon the matters with which this committee will be available to us without having the entire record included?

MR. MOSER. Mr. Chairman, we have a summary of six pages made of the entire testimony, which could be used as a substitute if that would be acceptable.

The CHAIRMAN. That would be preferable. And those particular pages will be admitted in evidence.

(The document referred to was made a part of the record and will be found in the files of the committee.)

MR. MOSER. That is all.

Senator KEFAUVER. Mr. Chairman, I understand that this is a public record in a case that was tried in Newark, N. J.; is that the one?

MR. MOSER. That is correct.

The CHAIRMAN. Yes. The entire record, of course, would be available to the committee, but because of the space that would be occupied, we felt it advisable just to include those particular pages to which you have referred, and they will be admitted.

Now, Mr. Moser, does that end the New York and New Jersey matters?

MR. MOSER. That is correct.

The CHAIRMAN. We will consider that as closed.

Senator KEFAUVER, would you take over?

Senator KEFAUVER (presiding). Mr. Chairman, I understood that an effort had been made to get Mr. Nelson, that a diligent search had been made for him, but that he had not been located as yet, and perhaps he would be later on this morning, or anyway, during the day. Is that correct? Mr. Rice, can you inform us about the matter?

MR. RICE. Senator, we sent a staff member yesterday afternoon to Mr. Nelson's farm to notify him to be here, and he was informed by the caretaker that Nelson had gone fishing.

Senator KEFAUVER. Maybe Mr. Nelson is here. Is Mr. Nelson in the hearing room?

(No response.)

Mr. RICE. Since that time, we have made every effort to locate him, and even to ask the State police's cooperation to notify him that we would like to have him here.

Senator KEFAUVER. He said that he would be willing to come back. So perhaps he will be in later this morning.

Do you have some other witness, Mr. Rice, in connection with this matter?

Mr. RICE. Yes. In the meantime, I would like to talk to Mrs. Weightman, who is a bookkeeper, I understand.

Senator KEFAUVER. Is Mrs. Weightman here?

Mrs. WEIGHTMAN. Here.

Senator KEFAUVER. Mrs. Weightman, do you swear that the testimony you give the committee will be the whole truth, so help you God?

Mrs. WEIGHTMAN. Yes.

Senator KEFAUVER. Will you have a seat, Mrs. Weightman.

TESTIMONY OF MRS. LEONA WEIGHTMAN

Senator KEFAUVER. Mrs. Weightman, what is your first name?

Mrs. WEIGHTMAN. Leona.

Senator KEFAUVER. Mrs. Weightman, if you do not mind, will some member of the staff fix the microphone so that we can hear better? Or would you move over in the other chair?

I did not understand that.

Mrs. WEIGHTMAN. Leona. [Spelling] L-e-o-n-a.

Senator KEFAUVER. And you are certified—are you a bookkeeper?

Mrs. WEIGHTMAN. I am Mr. Nelson's stenographer.

Senator KEFAUVER. You are Mr. Nelson's stenographer. And where do you live, Mrs. Weightman?

Mrs. WEIGHTMAN. I live in Cheverly, Md.

Senator KEFAUVER. Now, gentleman, this is a lady, and let us take the pictures and then give her space to testify.

Mr. RICE. Mrs. Weightman, how do you spell your name?

Mrs. WEIGHTMAN. W-e-i-g-h-t-m-a-n.

Mr. RICE. And where do you live?

Mrs. WEIGHTMAN. Cheverly, Md.

Mr. RICE. At what address in Cheverly?

Mrs. WEIGHTMAN. 3014 Parkway.

Mr. RICE. Parkway. Now, how long have you been connected with Charles E. Nelson? You know him, do you not?

Mrs. WEIGHTMAN. Since last December.

Mr. RICE. Of 1950?

Mrs. WEIGHTMAN. 1950, yes, sir.

Mr. RICE. And how did it happen that you became associated with him, or employed by him?

Mrs. WEIGHTMAN. My husband had been in the hospital, and I had to go back to work.

Mr. RICE. I see.

Mrs. WEIGHTMAN. Mr. Nelson asked me if I would like to work for him, and I told him yes.

Mr. RICE. Had you known him before that?

Mrs. WEIGHTMAN. Not very much. My husband had worked for him before.

Mr. RICE. Your husband had?

Mrs. WEIGHTMAN. Yes.

Mr. RICE. How long had your husband worked for him?

Mrs. WEIGHTMAN. I really don't know exactly.

Mr. RICE. About 10 years?

Mrs. WEIGHTMAN. I would say about 7 or 8 years.

Mr. RICE. And does he still work for him?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Your husband is ill, you say?

Mrs. WEIGHTMAN. Yes, sir, he was. He just went back to work about a month ago.

Mr. RICE. Is he working for Nelson now?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Is he working some place else?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Now, then, during the 10 years or more that Mr. Weightman worked for Mr. Nelson, what has his job been with him?

Mrs. WEIGHTMAN. He was a bondsman.

Mr. RICE. He was a bondsman?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And what do you mean by that? That he had a bonding company?

Mrs. WEIGHTMAN. They had a bonding company. My husband was manager of it.

Mr. RICE. He was the manager of this?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And it was a partnership, was it not?

Mrs. WEIGHTMAN. No. He worked for him. He got so much for each bond.

Mr. RICE. What was the name of the company?

Mrs. WEIGHTMAN. Main & Nelson.

Mr. RICE. Main & Nelson. And who was Main?

Mrs. WEIGHTMAN. Mr. Main lives over in Seat Pleasant.

Mr. RICE. What is his first name?

Mrs. WEIGHTMAN. Irving.

Mr. RICE. Irving Main?

Mrs. WEIGHTMAN. Yes, sir.

Mr. MAIN. So that it was Main & Nelson, and your husband was the manager for them?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Now, then, you knew Mr. Nelson during that time, did you not? You had met him occasionally?

Mrs. WEIGHTMAN. I think that I met Mr. Nelson once during that time.

Mr. RICE. And then in December of 1950, you commenced being a stenographer, or taking care of his books; is that right?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Now, then, when you did that, where did you work? Where was the office?

Mrs. WEIGHTMAN. I worked then in Mr. Nelson's home. He has his office out at his home.

Mr. RICE. Out at the farm at Ritchie?

Mrs. WEIGHTMAN. Yes, sir; Ritchie, Md.

Mr. RICE. Did you work every day for him?

Mrs. WEIGHTMAN. Five days a week, from 10 to 2.

Mr. RICE. Five days a week. And you are on a regular salary basis?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. What are your duties, briefly?

Mrs. WEIGHTMAN. I keep the books on Mr. Nelson's horses, and I keep the farm payroll.

Mr. RICE. You keep the farm payroll and you keep books on his horses?

Mrs. WEIGHTMAN. Yes, sir; and write any letters that he wants written.

Mr. RICE. Does he have an office there, with filing cabinets and desks in his home?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And is that where you work?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. That is an air-conditioned place, is it not?

Mrs. WEIGHTMAN. It has an air conditioner in it. That is the only one, though.

Mr. RICE. I see.

Now, then, who keeps his general books? Does he have other books?

Mrs. WEIGHTMAN. That I wouldn't know.

Mr. RICE. Now, you work with him every day there? You answer the phone—

Mrs. WEIGHTMAN. That is the only books I have seen; yes, sir.

Mr. RICE. The only books you have seen are the ones that you keep?

Mrs. WEIGHTMAN. That is right; yes, sir.

Mr. RICE. And what accounts would you say you make entries in?

Mrs. WEIGHTMAN. If he sells a horse—

Mr. RICE. If he sells a horse, you would enter that in what? Charles E. Nelson Associates' account?

Mrs. WEIGHTMAN. That is right.

Mr. RICE. Now, he has some other accounts. I think he has an account that was called Nowland Associates.

Mrs. WEIGHTMAN. That I don't know anything about.

Mr. RICE. That is in the same book with the—

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. You never saw that?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Any other accounts?

Mrs. WEIGHTMAN. Not since I have been down there; no, sir. I haven't seen them.

Mr. RICE. How about P. & N. Amusement Co.?

Mrs. WEIGHTMAN. I have heard him mention that, but I don't know anything about it.

Mr. RICE. You do not keep any records on it?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Who kept the records for the P. & N. Amusement Co.?

Mrs. WEIGHTMAN. That I truthfully don't know.

Mr. RICE. How about the North Beach Amusement Co.?

Mrs. WEIGHTMAN. I don't have anything to do with that, either.

Mr. RICE. Have you ever heard of it?

Mrs. WEIGHTMAN. What is it?

Mr. RICE. What is it?

Mrs. WEIGHTMAN. Uncle Billy's?

Mr. RICE. It is what?

Mrs. WEIGHTMAN. Uncle Billy's.

Mr. RICE. That is Uncle Billy's. And how about the accounts for Uncle Billy's? Who keeps those?

Mrs. WEIGHTMAN. I think they are kept down there. I have nothing to do with that.

Mr. RICE. Does Mrs. Brady keep those?

Mrs. WEIGHTMAN. I think so.

Mr. RICE. Down at the beach?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Now, the other day, Mr. Nelson was in, and the committee asked him to prepare a net-worth statement. Did you help him with that?

Mrs. WEIGHTMAN. No, sir. I just checked it over to make sure that he had the figures. He made a copy for himself, and I just checked the two to see that they were both exactly the same.

Mr. RICE. You proofread it with him?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Who actually prepared it?

Mrs. WEIGHTMAN. Mr. Nelson, and Mr. Huey helped him.

Mr. RICE. Mr. Huey helped him?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And you were there when that happened?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Where did they get the figures from, Mrs. Weightman?

Mrs. WEIGHTMAN. I think off Mr. Nelson's farm books and his personal things that he owns.

Mr. RICE. Off the books he had right in the home?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Did they have to call the banks to get some of the figures?

Mrs. WEIGHTMAN. I don't think so. I think he got them all off his bankbooks.

Mr. RICE. Now, then, did you write the letter sending the material?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. I do not know whether you can see this or not, but does this look like a copy of what was prepared?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. In whose writing is this?

Mrs. WEIGHTMAN. That is Mr. Nelson's.

Mr. RICE. In Mr. Nelson's writing?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And he did keep a copy of this?

Mrs. WEIGHTMAN. Yes, sir, for his own records, in case that got lost.

Mr. RICE. Was that a carbon copy?

Mrs. WEIGHTMAN. I think it was just like that one.

Mr. RICE. Another copy?

Mrs. WEIGHTMAN. Yes, sir, in pencil.

Mr. RICE. I see on here——

Senator KEFAUVER. Mr. Nelson sent this in pursuant to a request by the committee, I think, that he send in a net-worth statement, and this letter seems to be signed by Mr. Nelson. That is his signature?

Mrs. WEIGHTMAN. Yes, sir.

Senator KEFAUVER. August 16. It is addressed to me:

Enclosed please find my net-worth statement as promised you. Tried to get in touch with you to deliver same in person but was advised you were out of town.

Respectfully yours,

CHARLES E. NELSON.

And then attached to this letter was this yellow sheet.

Mrs. WEIGHTMAN. Yes, sir.

Senator KEFAUVER. The letter and the yellow sheet may be made exhibit No. 1 for purposes of identification.

(The letter and the yellow sheet referred to were marked "Exhibit No. 1" and will be found in the files of the committee.)

Mr. RICE. When was that mailed in? Do you know?

Mrs. WEIGHTMAN. It was mailed in yesterday morning.

Mr. RICE. And did you mail it?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Where was Mr. Nelson then?

Mrs. WEIGHTMAN. I don't know. He told me that he was going away and asked me if I would mail it, and I told him yes.

Mr. RICE. When did he tell you he was going away?

Mrs. WEIGHTMAN. I think it was Wednesday.

Mr. RICE. Wednesday? The day before?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Now, was that in the evening?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And what did he say about going away?

Mrs. WEIGHTMAN. He told me he was going fishing.

Mr. RICE. And did he say where he was going?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Did he say who he was going with?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Did he say when he was coming back?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Didn't he understand that the committee had directed him to remain under subpoena?

Mrs. WEIGHTMAN. That he didn't say.

Mr. RICE. He didn't talk about that?

Mrs. WEIGHTMAN. No.

Mr. RICE. Had you seen that in the newspapers?

Mrs. WEIGHTMAN. I read it in this morning's paper.

Mr. RICE. You did not know about that before?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Do you know where he is?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. If you had to find him in an emergency, would you know where to look for him?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Where does he usually go fishing?

Mrs. WEIGHTMAN. That I don't know, either. I don't know where he goes.

Mr. RICE. Who would know where he is?

Mrs. WEIGHTMAN. I don't know.

Mr. RICE. Suppose there was an emergency that occurred, a family illness or something of that sort; how would he be reached?

Mrs. WEIGHTMAN. I wouldn't know.

Mr. RICE. Who would know?

Mrs. WEIGHTMAN. Nobody that I know of.

Mr. RICE. Nobody knows?

Mrs. WEIGHTMAN. No.

Mr. RICE. Who is C. E. Nelson, Jr.?

Mrs. WEIGHTMAN. That is Mr. Nelson's son.

Mr. RICE. And where is he?

Mrs. WEIGHTMAN. He is down at North Beach, I think.

Mr. RICE. Does he live down there?

Mrs. WEIGHTMAN. I think he is working down there; yes, sir.

Mr. RICE. And who is B. M. Nelson?

Mrs. WEIGHTMAN. B. M.?

Mr. RICE. B. M. It looks like——

Mrs. WEIGHTMAN. I think that is "V."

Mr. RICE. Oh, V. M.

Mrs. WEIGHTMAN. That is Mr. Nelson's wife.

Mr. RICE. That is Mr. Nelson's wife?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. Virginia?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. It looks like there is a B. P. Nelson.

Mrs. WEIGHTMAN. That is the only three that I know of, his son—his daughter, maybe.

Mr. RICE. Now, we have what looks like, over in the righthand column, C. E. Nelson, Sr., and B. P. Nelson, and E. C. Nelson, Jr.

Mrs. WEIGHTMAN. I think that is V. M. Nelson. I think that is Virginia Madison Nelson.

Mr. RICE. Isn't there a Bertha?

Mrs. WEIGHTMAN. Yes, sir. That is his daughter.

Mr. RICE. And what is her name?

Mrs. WEIGHTMAN. McWilliams.

Mr. RICE. So do you not think it is possible that this would be Bertha Nelson?

Mrs. WEIGHTMAN. That might be.

Mr. RICE. Do you know anything about an account in the name of Nelson and Bertha and Charles, Jr.?

Mrs. WEIGHTMAN. No.

Mr. RICE. As a matter of fact, Bertha's name is McWilliams?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And what is her husband's name?

Mrs. WEIGHTMAN. William, I think.

Mr. RICE. Is it Heber, or William McWilliams?

Mrs. WEIGHTMAN. I think it is William. I am not sure.

Mr. RICE. Is he any relation to Heber McWilliams?

Mrs. WEIGHTMAN. I don't know.

Mr. RICE. Is he not his son?

Mrs. WEIGHTMAN. I don't know what his father's name is.

Mr. RICE. Do you know William McWilliams?

Mrs. WEIGHTMAN. I know Mr. Nelson's son-in-law.

Mr. RICE. You know his son-in-law?

Mrs. WEIGHTMAN. They call him Billy.

Mr. RICE. But you do not know his father's name?

Mrs. WEIGHTMAN. No. I have met his father but I don't know what his first name is.

Mr. RICE. Where did you meet him?

Mrs. WEIGHTMAN. I met him at Mr. Nelson's one night for dinner.

Mr. RICE. Do you ever go down to Uncle Billy's?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Do you ever go the ranch house?

Mrs. WEIGHTMAN. I have been down there, but it has been years ago.

Mr. RICE. Did you ever telephone the ranch house?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Are you sure about that?

Mrs. WEIGHTMAN. Is that Mr. McWilliams' place?

Mr. RICE. Yes; Heber McWilliams' place.

Mrs. WEIGHTMAN. The only thing I have ever called for is to talk to Mrs. Brady or to get her on the phone for Mr. Nelson.

Mr. RICE. Now, on some of these items you might be able to give us a lift, Mrs. Weightman. For instance, there is an item here that says "Estimated office equipment, \$2,800." Do you know what office equipment he is talking about there?

Mrs. WEIGHTMAN. No; I don't. I don't know if he means his office in his home or not. You see, I didn't help prepare that statement.

Mr. RICE. I understand. You merely proofread it?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And Mr. Huey helped?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. And there is an item here, "Home, house, \$26,729.10." Do you know what that means?

Mrs. WEIGHTMAN. I would say that is his home.

Mr. RICE. That is the farm?

Mrs. WEIGHTMAN. Yes, sir. I imagine that is what it is. I am not sure.

Mr. RICE. The reason I asked that, Mrs. Weightman, is because the other day when he testified, he had some conversation about how much he would take for the place, and he didn't know whether he would take \$65,000.

Mrs. WEIGHTMAN. I imagine when he said that, he meant the whole farm.

Mr. RICE. But this is just talking about the building; is that right?

Mrs. WEIGHTMAN. I imagine that is just the building. I don't know.

Mr. RICE. I see he has on here, "Swamp land, N. B." Do you know what that means?

Mrs. WEIGHTMAN. I would say North Beach.

Mr. RICE. He has some property at North Beach?

Mrs. WEIGHTMAN. I imagine that is what it is. I don't know.

Mr. RICE. And some capital stock, in an N. B. A. Co. That is the North Beach Amusement Co.?

Mrs. WEIGHTMAN. I imagine so.

MR. RICE. Doesn't he have an interest in the North Beach Amusement Co. in addition to his capital stock?

MRS. WEIGHTMAN. That I couldn't tell you.

MR. RICE. For instance, in a bank account?

MRS. WEIGHTMAN. That I don't know.

MR. RICE. I don't see anything for that on here. You would not know anything about that?

MRS. WEIGHTMAN. No, sir.

SENATOR KEFAUVER. Mr. Rice, give us the totals of this net worth statement.

MR. RICE. Well, sir, I will give the totals as furnished. I think that Mr. Huey is on the way in, and perhaps we can obtain additional information from him, inasmuch as he helped prepare it.

The grand total on this statement as furnished as of December 31, 1950, is \$469,360.07.

That is \$469,360.07. Did you add that up?

MRS. WEIGHTMAN. No, sir.

MR. RICE. Who added that up?

MRS. WEIGHTMAN. I think that Mr. Nelson did.

SENATOR KEFAUVER. I think, Mr. Rice, that we should let the lady have the original of this. You have a copy you can ask her questions from. So if you ask her questions about it, she can see what you are talking about.

MR. RICE. Take a look at that notation up in the right-hand corner, or take a look at the name or the names up in the right-hand corner, and see how you read them.

MRS. WEIGHTMAN. It looks like "BD" to me, or "BP."

MR. RICE. You would not know who that was that is referred to there?

MRS. WEIGHTMAN. Not unless it is his daughter.

MR. RICE. Do you think it is probably Bertha?

MRS. WEIGHTMAN. Yes.

MR. RICE. Whose real name now is McWilliams?

MRS. WEIGHTMAN. McWilliams. But I think if that was her, he would have her name down as McWilliams.

MR. RICE. Now, then, you started in helping Mr. Nelson about what part of December of 1950?

MRS. WEIGHTMAN. I would say it was around the 5th. I am not sure.

MR. RICE. Around the 5th?

MRS. WEIGHTMAN. I think that is when it was; before Christmas.

MR. RICE. And did you help him with his recapitulation for the year in making up his yearly books, his yearly statements?

MRS. WEIGHTMAN. I just typed those. Mr. Huey and Mr. Nelson made them up, and I typed them.

MR. RICE. And you typed them off?

MRS. WEIGHTMAN. Yes, sir.

MR. RICE. I notice on his supporting documents in connection with his tax return for the year 1950 that there is a yellow sheet, and it appears to be in the same handwriting, under the heading "Auto expense, 1950." And he starts off here with "1947 Chrysler, of C. E. Nelson, Sr." and charges it off at 7 cents a mile for considerable mileage, amounting to \$1,455.

Do you know what that is about?

Mrs. WEIGHTMAN. No, sir, I don't.

Mr. RICE. Do you know whether or not he charges off his personal automobile expenses against his business account?

Mrs. WEIGHTMAN. I really couldn't tell you.

Mr. RICE. Who would know about that? Who advised him on that?

Mrs. WEIGHTMAN. I don't know, unless Mr. Huey might know.

Mr. RICE. I notice a number of other automobiles, a 1948 Plymouth, a 1950 Plymouth, a 1949 Kaiser, a 1950 station wagon, and a total automobile expense for 1950—and a 1947 Ford of W. K. McWilliams. Do you know who that is?

Mrs. WEIGHTMAN. I would say that is his son-in-law.

Mr. RICE. His son-in-law.

Mrs. WEIGHTMAN. I imagine. I don't know.

Senator KEFAUVER. How many automobiles does that make, Mr. Rice?

Mr. RICE. That is seven automobiles that are charged off there, amounting to \$2,079. Do you know what that represents?

Mrs. WEIGHTMAN. No, I don't.

Mr. RICE. Or what the theory is on that?

Mrs. WEIGHTMAN. No.

Mr. RICE. They are charging off 6 and 7 cents a mile. Where are they going? Where do these cars go?

Mrs. WEIGHTMAN. I know the station wagon, I think, is Mr. Nelson's. He drives it. I guess the Chrysler is Mrs. Nelson's.

Mr. RICE. How about the Kaiser?

Mrs. WEIGHTMAN. The man that works for him, I imagine. That is the one they mean. He drives it. I don't know if it belongs to Mr. Nelson or him.

Mr. RICE. What man is that?

Mrs. WEIGHTMAN. That is Calvin Humphrey, who works with Mr. Nelson as manager.

Mr. RICE. Humphrey. So that is his car in there?

Mrs. WEIGHTMAN. I really don't know. I know he has a Kaiser. That is the only one I have seen down there.

Mr. RICE. You have two cars, a Ford and a 1950 Dodge, for McWilliams. They deduct one-seventh for personal use and charge six-sevenths for use in the business. Is he connected with the business?

Mrs. WEIGHTMAN. That I wouldn't know.

Mr. RICE. You do not know anything about that.

Senator KEFAUVER. Mrs. Weightman, two of our good friends, who are press photographers, got run away before they got their picture. Do you mind if these two make a picture?

Mrs. WEIGHTMAN. No.

Senator KEFAUVER. There are two of them.

Very well. Go ahead with your questions, Mr. Rice.

Mr. RICE. You say you typed up his tax return for 1950?

Mrs. WEIGHTMAN. Yes, sir.

Mr. RICE. I notice he had a gain in that year of income of about \$55,000, but there was no tax paid.

Mrs. WEIGHTMAN. I wouldn't know anything about it. All I did was just type it from sheets they made up. I didn't have anything to do with it at all.

Mr. RICE. All you did was copy it off?

Mrs. WEIGHTMAN. All I did was copy it from one sheet to the other.

Mr. RICE. In the books there, it shows a right substantial item for what is called "Good-will expense." I figure up around \$9,000 or \$10,000. What do you enter in the good-will account there?

Mrs. WEIGHTMAN. Not unless it was donations to churches and things that they gave to.

Mr. RICE. Donations to churches, and things?

Mrs. WEIGHTMAN. I imagine that is what it is.

Mr. RICE. Don't you have some closer notion of that? He certainly would not give \$10,000 to churches, would he, or does he?

Mrs. WEIGHTMAN. I don't know.

Mr. RICE. How about turkeys? Where did he charge those?

Mrs. WEIGHTMAN. That I don't know.

Mr. RICE. The other day he testified that he bought some turkeys for some of the police officers. Where did he enter items of expense like that?

(No response.)

Mr. RICE. You keep the books, do you not?

Mrs. WEIGHTMAN. Yes, sir. But I think he paid cash for those.

Mr. RICE. He paid cash. And it came from somewhere. So he wants to charge it off as an expense. What ledger account would you use?

Mrs. WEIGHTMAN. I don't know where that would be. The only books that I keep are just for his farm bills.

Mr. RICE. Just the farm bills?

Mrs. WEIGHTMAN. That is for his feed——

Mr. RICE. The farm books, and there are no turkeys in them?

Mrs. WEIGHTMAN. That is for his feed and his horses, and that is all I deal with.

The CHAIRMAN. Mrs. Weightman, in response to a question a minute ago as to what explanation there might be for the item of good will, for which apparently the books show expenditures of \$9,000 to \$10,000 in the year, you stated, I think, that that might have been religious, or contributions to churches. Now, my question is: Would that not be listed for income-tax purposes as contributions, and therefore it would not be——

Mrs. WEIGHTMAN. That may not be what it is.

The CHAIRMAN. Yes?

Mrs. WEIGHTMAN. But I know he gives some donations.

The CHAIRMAN. I wonder whether it could be that.

Mrs. WEIGHTMAN. I truthfully couldn't say.

The CHAIRMAN. I beg your pardon?

Mrs. WEIGHTMAN. I truthfully don't know.

The CHAIRMAN. You truthfully don't know. I see.

Mrs. WEIGHTMAN. I know that he has given some donations to churches.

Senator KEFAUVER. Mr. Rice, since you have the books——

Mr. RICE. I wonder if you will pass that over and have Mrs. Weightman take a look at it.

That is in your writing, Mrs. Weightman?

Mrs. WEIGHTMAN. Yes, sir, it is.

Senator KEFAUVER. We will make that exhibit No. 2.

(The document referred to was marked "Exhibit No. 2," and will be found in the files of the committee.)

Mr. RICE. This purports to be a ledger sheet for December 1950, Mrs. Weightman, and under December 4 you have a credit of \$3,545, and a debit of \$4,026, evidently indicating a loss on that day of \$490, in red; is that right?

(No response.)

Senator KEFAUVER. Mr. Rice, suppose you take the record around and take any other records that you are going to ask her about.

Mr. RICE. You have here a credit on December 4.

Senator KEFAUVER. Is this 1950 that you are talking about?

Mr. RICE. 1950, yes. She said she went to work about December 5th.

These are written in your handwriting, are they not?

Mrs. WEIGHTMAN. That is right.

Mr. RICE. What does that credit represent?

Mrs. WEIGHTMAN. I really do not know.

Mr. RICE. Where did you get the figure?

Mrs. WEIGHTMAN. I think I just copied that from one sheet to another.

Mr. RICE. And who gave you the sheet?

Mrs. WEIGHTMAN. I think Mrs. Nelson did.

Mr. RICE. Mrs. Nelson.

Mrs. WEIGHTMAN. Or Mr. I don't remember.

Mr. RICE. What did she say it was?

Mrs. WEIGHTMAN. She didn't tell me. She just asked me if I would make a copy of it.

Mr. RICE. So she comes to you each day and hands you a sheet and says to put that in?

Mrs. WEIGHTMAN. No, sir, not every day.

Mr. RICE. What account is this in?

Mrs. WEIGHTMAN. I really don't know.

Mr. RICE. You cannot tell from looking at it?

Mrs. WEIGHTMAN. No.

Mr. RICE. Now, then, you have in here on the 5th an expense item for flowers of \$15.30. What is that for, do you know?

Mr. WEIGHTMAN. I imagine it is flowers that she sent to someone.

Mr. RICE. Flowers she sent someone?

Mrs. WEIGHTMAN. I know she sent my husband some when he was in the hospital.

Mr. RICE. So you are getting these figures, then, from Mrs. Nelson; is that it?

Mrs. WEIGHTMAN. I got—

Senator KEFAUVER. She said she did not know whether he furnished the figures or she did.

Mrs. WEIGHTMAN. That is right. I truthfully can't say. I just copied it from one sheet to another.

Mr. RICE. Now, then, the flowers occur every week. Here is the week of the 5th, \$25. And in looking through the books, we have seen hundreds of dollars of flowers. Do you have any better explanation of what the flowers are?

Mrs. WEIGHTMAN. The only thing I know is when somebody dies that they know, they call up and order flowers and have them sent.

Mr. RICE. And they charge that to what operation?

Mrs. WEIGHTMAN. That I couldn't tell you.

Mr. RICE. Does that go into good will?

Mrs. WEIGHTMAN. I don't know. I just copied it. And I have no idea.

Mr. RICE. They are in the expense items. You don't know what account that goes to?

Mrs. WEIGHTMAN. I don't know what account that goes to; no.

Mr. RICE. Now, every week for at least a year there, there is this item of car hiring, \$20; car hiring, \$20; car hiring, \$20. Do you know what that is?

Mrs. WEIGHTMAN. No, I don't, truthfully.

Mr. RICE. Did they tell you what it was?

Mrs. WEIGHTMAN. She didn't tell me and I didn't ask her. I don't know whether she did or he did. I don't remember who gave it to me. I would just copy from one sheet to another. I have no idea what the items are for.

Mr. RICE. Do they give you any supporting vouchers or any receipts?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Now, you have in here, "unemployment," and evidently social security and withholding. What is that for?

Mrs. WEIGHTMAN. That I couldn't tell you. I just keep the books on the farm help. I have nothing to do with—

Mr. RICE. Does that relate to the farm help?

Mrs. WEIGHTMAN. I don't know whether it does or not. She didn't tell me and I didn't ask her.

Mr. RICE. It was something that she told you?

Mrs. WEIGHTMAN. Or either one of them. I don't know. I couldn't tell you.

Mr. RICE. Could it be any other employees, such as a numbers operation?

Mrs. WEIGHTMAN. That I don't know.

Mr. RICE. Do you ever hear numbers mentioned?

Mrs. WEIGHTMAN. Only what I read in the papers.

Mr. RICE. And before that, you never heard numbers mentioned?

Mrs. WEIGHTMAN. I have heard it mentioned, but I don't know anything about it.

Mr. RICE. Did you hear it around out at the farm?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Are you sure about that?

Mrs. WEIGHTMAN. Yes, sir.

Senator KEFAUVER. Mr. Rice, it seems to me that this lady is employed to put down what there is given her, and I do not think we are getting very far.

Mr. RICE. I am inclined to agree with you, Senator.

Senator KEFAUVER. We are not getting very far, as far as this is concerned, and it seems to me that we need Mr. Nelson here to ask about those things.

Mr. RICE. Possibly she knows this one. There is an item here every week which is a certain percentage of what appears to be gross business, and it is called "Men's end of business," or "Man's end." Do you know what that means?

Mrs. WEIGHTMAN. No. As I told you, I just copied from one sheet to another, and I don't know what the items mean.

Senator KEFAUVER. Let her identify those records if she can.

Mr. RICE. These are in your handwriting?

Mrs. WEIGHTMAN. No, sir, that is not my writing.

Mr. RICE. Do you know what "first and desk" means?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. I notice that he has an account that he calls "first and desk." You don't know what that is?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Now, you have a house account. Do you know what that is?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. You do not know what the house account is? Does that refer to the farm?

Mrs. WEIGHTMAN. Not unless it is for the farm.

Mr. RICE. These are 1949. You would not know these.

Do you know who kept the books before you came there?

Mrs. WEIGHTMAN. No, I don't.

Mr. RICE. You are sure you do not know that?

Mrs. WEIGHTMAN. No, sir; I truthfully don't.

Mr. RICE. You truthfully do not know who kept these books?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Could it have been Mrs. Nelson?

Mrs. WEIGHTMAN. I don't know.

Mr. RICE. Mrs. Brady?

Mrs. WEIGHTMAN. I truthfully couldn't tell you.

Mr. RICE. You never heard that mentioned?

Mrs. WEIGHTMAN. No, sir.

Senator KEFAUVER. Mr. Rice, let her identify the records that are in her handwriting, that she knows something about, and make them exhibits.

Mr. RICE. You recognize this, December 1950?

Mrs. WEIGHTMAN. That is right.

Senator KEFAUVER. That is exhibit No. 2?

Mr. RICE. Yes; that is exhibit No. 2.

The only ones I see, Senator, which are after—this may be it. December 1950?

Mrs. WEIGHTMAN. That is not my handwriting.

Mr. RICE. That is not your handwriting?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. Do you know whose handwriting that is?

Mrs. WEIGHTMAN. No.

Mr. RICE. Is that Mr. Huey's?

Mrs. WEIGHTMAN. I don't think so.

Mr. RICE. You know it is not Mr. Nelson's handwriting?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. You mean you do not know it?

Mrs. WEIGHTMAN. No. It is not Mr. Nelson's.

Mr. RICE. You know it is not Mr. Nelson's. But it is not yours?

Mrs. WEIGHTMAN. No, sir.

Mr. RICE. If you had to guess whose it was, what would you say?

Senator KEFAUVER. Let us not—

Mr. RICE. These are in December 1950, when you were there.

Senator KEFAUVER. Let us not guess who it was, Mr. Rice.

Mr. RICE. I think she knows something.

Senator KEFAUVER. If she knows, let her say.

Mrs. WEIGHTMAN. I have had nothing to do with any other books but Mr. Nelson's farm books and farm payroll.

Senator KEFAUVER. Mrs. Weightman, when you came in and took over the books, whom did you take them over from?

Mrs. WEIGHTMAN. I think Mr. Nelson was taking care of the farm books. I am not sure. I think he had had a girl a couple of years before I was down there, but I don't have any idea who it might have been.

Senator KEFAUVER. So you just do not know who kept the books before you did?

Mrs. WEIGHTMAN. No, sir.

Senator KEFAUVER. Whom did you see around in the office that might be keeping books?

Mrs. WEIGHTMAN. I wouldn't know.

Senator KEFAUVER. You would not know?

Mrs. WEIGHTMAN. I wouldn't know. There were just Mr. Nelson and I in there most of the time.

Senator KEFAUVER. Is Mr. Huey going to be up?

Mr. RICE. I talked to him on the phone a little while ago, and asked him to come, and he said he would.

Senator KEFAUVER. Mrs. Weightman, I do not think there is anything else to ask you about. If you would not mind, there might be some discussion about these records that you are familiar with this afternoon, and if you would be good enough to come back at the time we adjourn to, I would appreciate it very much.

Mrs. WEIGHTMAN. What time would that be?

Senator KEFAUVER. The committee will stand in recess until 2 o'clock, and if you will be back, Mrs. Weightman, we shall appreciate it.

(Whereupon, at 12:30 p. m., the committee recessed to reconvene at 2 p. m. of this same day.)

AFTERNOON SESSION

Senator KEFAUVER. The committee will come to order.

I do not think that Mr. Nelson has come in, but in case he is in the hearing room, I will call his name. Is Mr. Nelson here?

(No response.)

Senator KEFAUVER. Mr. Rice, who is our next witness?

Mr. RICE. Yes. Is Mr. Huey here?

Senator KEFAUVER. Mr. Huey, come around.

Will you raise your right hand and be sworn, please?

Do you solemnly swear the testimony you give this committee will be the whole truth, so help you God?

Mr. HUEY. I do.

TESTIMONY OF SAMUEL HUEY

Senator KEFAUVER. Have a seat, Mr. Huey.

Mr. RICE. You spell your last name H-u-e-y?

Mr. HUEY. That is right.

Mr. RICE. And your first name?

Mr. HUEY. Samuel.

Mr. RICE. Samuel?

Mr. HUEY. Yes, sir.

Mr. RICE. Where do you live, Mr. Huey?

Mr. HUEY. Washington, D. C.

Mr. RICE. And your address?

Mr. HUEY. 3913 Ingomar Street, Washington, D. C.

Mr. RICE. I wonder if you will keep your voice up a little bit? I cannot hear you.

Mr. HUEY. I don't know how loud this reflects my voice.

Mr. RICE. Now, then, you are a public accountant?

Mr. HUEY. That is right.

Mr. RICE. How long have you been such?

Mr. HUEY. Since 1927.

Mr. RICE. Since 1927?

Mr. HUEY. Yes, sir.

Mr. RICE. And you have been around the Washington area since 1927?

Mr. HUEY. That is right.

Mr. RICE. And you have been in the accounting business?

Mr. HUEY. That is right.

Mr. RICE. When did you first meet Charles Nelson?

Mr. HUEY. 1938; I believe about that time, I am not sure whether it was——

Mr. RICE. About 1938?

Mr. HUEY. That is right.

Mr. RICE. How did that come about, Mr. Huey? Tell us the circumstances of your becoming connected with Mr. Nelson.

Mr. HUEY. I was in public accounting, and I had a client in the gasoline business, and I had installed an accounting system for him, and I knew their account——

Mr. RICE. I am sorry, but I cannot hear you. What type of business did you say?

Senator KEFAUVER. Which is the microphone, the middle one?

Mr. RICE. Yes.

Senator KEFAUVER. Let's get that middle one closer to you, sir, then we can all hear you better.

Now, will you gentlemen get your photographs, get your pictures as soon as possible, and then step aside.

Mr. RICE. What type of business did you say that was?

Mr. HUEY. A gasoline service station.

Mr. RICE. Who had the gasoline service station?

Mr. HUEY. The Capital Service Station.

Mr. RICE. Capital?

Mr. HUEY. Yes.

Mr. RICE. Who had that?

Mr. HUEY. Well it was three partners.

Mr. RICE. There were three partners in it?

Mr. HUEY. That is right.

Mr. RICE. Was one of them Nelson?

Mr. HUEY. Mr. Groome, Lisle, and Ugass.

Mr. RICE. What were their names?

Mr. HUEY. Groome, Lisle, and Ugass.

Mr. RICE. Croome?

Mr. HUEY. No, G-r-o-o-m-e.

Mr. RICE. I am sorry, I just cannot hear you.

Mr. HUEY. Groome.

MR. RICE. Groome. And they had a gas station?

MR. HUEY. That is right.

MR. RICE. What did Mr. Nelson have to do with that?

MR. HUEY. He was a customer there, and he knew their bookkeeper, and he asked if he would come down and install an accounting system for them, and he went down and later on he came back and he asked me if I would go down and set up the accounting system for the company down there at the beach, that he was not capable or did not feel like he was able to set them up.

MR. RICE. So the bookkeeper asked you to come down?

MR. HUEY. That is right. The bookkeeper asked me. I went down with him, and I met Mr. Nelson for the first time.

MR. RICE. What sort of business was that down at the beach, Mr. Huey?

MR. HUEY. It was a typical beach-front business. It had a bathing beach—

MR. RICE. Was that Uncle Billy's?

MR. HUEY. Yes, sir.

MR. RICE. What did they call that operation?

MR. HUEY. Uncle Billy's.

MR. RICE. Uncle Billy's?

MR. HUEY. Yes.

MR. RICE. It was a place where they had things to eat and drink?

MR. HUEY. Yes.

MR. RICE. And slot machines?

MR. HUEY. A bar, restaurant, and dance hall.

MR. RICE. And amusement devices?

MR. HUEY. Yes.

MR. RICE. Did they have slot machines?

MR. HUEY. Yes.

MR. RICE. Were they one-arm bandits?

MR. HUEY. I don't know whether they had them at that particular time or not, because that was in the beginning of the winter season, when they were closed, so far as that first session of mine down there was concerned.

MR. RICE. Well, anyway, 8 or 10 years ago he did have those down there, didn't he?

MR. HUEY. That is right.

MR. RICE. And you set up the books then, didn't you?

MR. HUEY. Yes, sir.

MR. RICE. And were you retained on a weekly basis, or how were your fees arranged?

MR. HUEY. No; there was never any retainer understanding. I simply did whatever work I was called upon to do, and I made two or three checks during the summertime, and closed the books at the end of the year and prepared the income-tax returns.

MR. RICE. Did this bookkeeper carry on, the one that brought you down there?

MR. HUEY. Probably for the first season—I am not sure whether he stayed—but he just went down over the week ends.

MR. RICE. He has not been there since?

MR. HUEY. No, sir.

MR. RICE. You have been supervising the keeping of the books since?

MR. HUEY. Yes.

Mr. RICE. There came a time when that became the North Beach Amusement Co., did it not?

Mr. HUEY. That is right.

Mr. RICE. Do you know when that was formed?

Mr. HUEY. That was already formed when I first contacted them.

Mr. RICE. You became an officer of it at some time, did you not?

Mr. HUEY. I was only a director.

Mr. RICE. You became a director?

Mr. HUEY. A director, that is right.

Mr. RICE. When was that?

Mr. HUEY. I am not so sure of the date, when I first became a director.

Mr. RICE. Four or five years ago?

Mr. HUEY. Yes, longer than that. It was shortly after—

Mr. RICE. How did it happen that you became a director? Was that a corporation?

Mr. HUEY. Yes, sir.

Mr. RICE. Did you become a stockholder?

Mr. HUEY. No, sir.

Mr. RICE. You were a director without being a stockholder?

Mr. HUEY. That is right.

Mr. RICE. Do you have any interest in the business at all?

Mr. HUEY. None whatsoever.

Mr. RICE. You don't have any financial interest?

Mr. HUEY. None whatever.

Mr. RICE. How are you compensated for the work you do in connection with the North Beach Amusement Co.?

Mr. HUEY. I bill them the same as for any other clients, for the amount of time I put in on this work.

Mr. RICE. You bill them on a time basis?

Mr. HUEY. That is right.

Mr. RICE. And you are paid for what you do?

Mr. HUEY. Yes.

Mr. RICE. Are you paid by check?

Mr. HUEY. Yes, sir.

Mr. RICE. Where is the bank account of the North Beach Amusement Co.?

Mr. HUEY. Owings, Md.

Mr. RICE. Owings, Md.?

Mr. HUEY. That is right.

Mr. RICE. In what bank?

Mr. HUEY. There is only one bank there. I don't remember the exact name of it. I think it is the First National Bank of Owings, as I recall it, but I just would not want to be too sure that that is the exact name. I think there is only one bank in Owings, though.

Mr. RICE. Do you have any idea what is currently on deposit in the account of the North Beach Amusement Co. in the bank at Owings?

Mr. HUEY. At the end of July, or at the end of June, I checked the statements during June and July, I think it was possibly \$14,000 at the end of 1 month, and I don't recall what it was at the end of the others.

Mr. RICE. About \$14,000?

Mr. HUEY. As I recall it.

Mr. RICE. Did you check the bank statements monthly?

Mr. HUEY. Yes, sir.

Mr. RICE. And reconcile them?

Mr. HUEY. Yes, sir.

Mr. RICE. What is the most that has been on deposit in the North Beach Amusement Co. account?

Mr. HUEY. Oh, \$40,000 or \$50,000, possibly. I would not want to state.

Mr. RICE. Forty to fifty thousand dollars?

Mr. HUEY. It might have been that much. I wouldn't know.

Mr. RICE. It has been that much fairly recently, hasn't it been?

Mr. HUEY. Not on deposit in the bank. They have had a cash account. They have had a large amount of cash, or a certain amount of cash, which is kept as working capital, which is not in the bank.

Mr. RICE. Who are the directors in the North Beach Amusement Co., Mr. Huey?

Mr. HUEY. William McWilliams.

Mr. RICE. Which McWilliams?

Mr. HUEY. William.

Mr. RICE. William?

Mr. HUEY. Yes.

Mr. RICE. And what is his father's name, do you know?

Mr. HUEY. That I am not sure of.

Mr. RICE. Is it Heber?

Mr. HUEY. No, I think Heber is his brother.

Mr. RICE. Heber is William McWilliams' brother?

Mr. HUEY. Yes; that is right.

Mr. RICE. I am getting it straight now. William McWilliams, then, is married to Nelson's daughter Bertha, is that correct?

Mr. HUEY. That is right.

Mr. RICE. Who else is a director?

Mr. HUEY. Charles E. Nelson and Virginia M. Nelson.

Mr. RICE. Charles and his wife Virginia?

Mr. HUEY. That is right.

Mr. RICE. Who are the officers?

Mr. HUEY. I believe Charles E. is president, and Virginia, his wife, is secretary and treasurer.

Mr. RICE. Do you have board meetings once in a while?

Mr. HUEY. About once a year.

Mr. RICE. About once a year?

Mr. HUEY. Yes.

Mr. RICE. And are they real board meetings, or just something to complete the record?

Mr. HUEY. They decide the officers' salaries and the dividends for the year. That is the substance of the meeting.

Mr. RICE. Do they keep a minute book?

Mr. HUEY. I believe so; yes, sir.

Mr. RICE. Where do they keep that?

Mr. HUEY. Mr. Nelson has always had that.

Mr. RICE. Mr. Nelson has had that?

Mr. HUEY. Yes, sir.

Mr. RICE. Is there any lawyer connected with that operation?

Mr. HUEY. Not to my knowledge.

Mr. RICE. You do not have the advice of an attorney?

Mr. HUEY. Not to my knowledge.

Mr. RICE. At the board meetings you do not have a lawyer in attendance?

Mr. HUEY. No.

Mr. RICE. Now, there was a schedule of net worth, or a schedule of assets that Mr. Nelson submitted to us yesterday, he submitted it to the committee. Did you help him to prepare that statement?

Mr. HUEY. He called me and asked me for a—

Mr. RICE. He called you and asked you for what?

Mr. HUEY. For some information in connection with preparing that.

Mr. RICE. Yes.

Mr. HUEY. And the information I had, I gave him.

Mr. RICE. Did you go out there and help him?

Mr. HUEY. I was there at his home.

Mr. RICE. You went out there and conferred with him about it?

Mr. HUEY. That is right.

Mr. RICE. When was that? Day before yesterday, wasn't it?

Mr. HUEY. I believe it was Monday.

Mr. RICE. It was down in Richmond, he came up and was here Wednesday.

Mr. HUEY. It has been longer ago than that, I think.

Mr. RICE. Today is Friday.

Mr. HUEY. I was under the impression that it was Monday.

Mr. RICE. You think it was Monday?

Mr. HUEY. Yes.

Mr. RICE. Well, that may be.

Mr. HUEY. I could be wrong, but I feel certain that is right.

Mr. RICE. How did you go about getting this net worth schedule up? Who did you get the figures from?

Mr. HUEY. Well, he has the information, with the exception of the farm net worth, and I have helped him keep a schedule of his farm assets, showing depreciation, the depreciation on those assets, and in doing that I had the total cost of those assets.

In each year I have submitted to him a statement of that farm operation showing the net worth.

Mr. RICE. He was getting some figures together then and you were there, too.

Mr. HUEY. That is right.

Mr. RICE. Where were these figures coming from? Did he have books in the office at the farm?

Mr. HUEY. Yes; he has farm books.

Mr. RICE. Who keeps those books? Books like this [indicating]?

Mr. HUEY. No, I don't know about that book. That is not a farm book.

Mr. RICE. But he does have some books there.

Mr. HUEY. He has books for the farm; yes.

Mr. RICE. Where does he keep those physically?

Mr. HUEY. Always at his residence, every time I have seen them.

Mr. RICE. In a file cabinet, in a safe or what?

Mr. HUEY. I would not know whether it would be in a file cabinet or in a safe. It has always been on the desk in his office there. I think it has probably been in his file.

Mr. RICE. You have had access to his books to help him with these things?

Mr. HUEY. That is right, but it has been in the office any time I have worked on it.

Mr. RICE. Is there a woman there who helps out?

Mr. HUEY. Yes.

Mr. RICE. What is her name?

Mr. HUEY. Mrs. Weightman has been there for some few months, I just don't know how long.

Mr. RICE. What are her duties in connection with the books?

Mr. HUEY. On that I would not know, excepting that she has made the entries writing up the checks, I am sure.

Mr. RICE. He handles the writing of the checks?

Mr. HUEY. The entries for the writing of the checks.

Mr. RICE. Well, does he keep a double entry set of books, a journal and ledger?

Mr. HUEY. Not to my knowledge.

Mr. RICE. What kind of books does he keep there?

Mr. HUEY. Those were simply headed for the entire year, and at the end of the year they were totaled and the total for that year's income and expense was shown.

Mr. RICE. He just keeps the totals in a single-entry set-up.

Mr. HUEY. That is right.

Mr. RICE. No journal entries at all?

Mr. HUEY. That is right.

Mr. RICE. In connection with the figures that go to make up these totals, does he keep vouchers and supporting documents?

Mr. HUEY. He always has; yes, sir.

Mr. RICE. He always keeps those?

Mr. HUEY. That is right.

Mr. RICE. Have you ever seen those?

Mr. HUEY. Yes. I have never prepared a statement without knowing that the items were supported.

Mr. RICE. For the past few years, or for the past number of years, you have given him some help with the preparation of his tax returns at the end of the year, have you not?

Mr. HUEY. I have always given him the schedules of depreciation, the profit and loss statement for the farm, and the track profit and loss statement.

Mr. RICE. Who actually makes up the return? I appreciate that he gives you the figures, but who actually puts them in the slot in the forms that the Government sends you?

Mr. HUEY. Well, so far as I know, his records will show that.

Mr. RICE. I am asking you if you know.

Mr. HUEY. He prepares his own returns.

Mr. RICE. He prepares his own returns?

Mr. HUEY. To the best of my knowledge.

Mr. RICE. What is your function in connection with the preparation of the returns?

Mr. HUEY. Giving him whatever information I can, so far as the information that I am familiar with.

Mr. RICE. You make up depreciation schedules on his property and things like that?

Mr. HUEY. That is right.

Mr. RICE. Do you have, then, a list of his properties that he depreciates?

Mr. HUEY. That is right.

Mr. RICE. And you use that to make up his net worth certificate?

Mr. HUEY. That is right. There are only about six or seven items of property.

Mr. RICE. Do you feel that there is some portion or portions of the business with which you are not familiar?

Mr. HUEY. Yes, sir.

Mr. RICE. What portions are they?

Mr. HUEY. Well, that I don't know.

Mr. RICE. Sir?

Mr. HUEY. That I don't know.

Mr. RICE. You don't know the parts you are not familiar with?

Mr. HUEY. That is right.

Mr. RICE. Did you ever hear anything mentioned about a numbers operation?

Mr. HUEY. I have heard mention of it, yes, from hearsay, so far as I am concerned.

Mr. RICE. I mean, in talking around with Nelson or anyone else.

Mr. HUEY. I don't know that I ever heard him use the term numbers.

Mr. RICE. You have heard him say "numbers"?

Mr. HUEY. No; I say I am not sure that I ever did. He used the term "speculation," I think.

Mr. RICE. He used the term "speculation"?

Mr. HUEY. With me.

Mr. RICE. Does that cover his numbers operation?

Mr. HUEY. I don't know.

Mr. RICE. I see. In his returns sometimes he has the word "speculation." Is it your understanding that "speculation" covers numbers?

Mr. HUEY. I am not sure of that. I have no information as to what it covers.

Mr. RICE. Would you want to put it this way, that you have never discussed numbers with him?

Mr. HUEY. That is right. I might put it this way, that several years ago he spoke to me about making up his tax return, and I told him that there were certain, that according to certain rules that I was familiar with, I would not be responsible for continuing the completion of his tax returns, that I would help him with the farm and track end of it, but on the other hand I wanted no part of it.

Mr. RICE. You would help with the track end and the farm, but you didn't want any part of this other proposition?

Mr. HUEY. That is right.

Mr. RICE. And that was satisfactory with him?

Mr. HUEY. That is right.

Mr. RICE. Who took care of that other part that you wanted no part of?

Mr. HUEY. That I don't know.

Mr. RICE. Did you ever see anyone else around there working on the books and records?

Mr. HUEY. No, sir; no other than the farm and track records.

The CHAIRMAN. May I ask a question, Mr. Chairman?

Senator KEFAUVER. Yes.

The CHAIRMAN. What were the rumors that you heard which caused you to make mention to him of your hesitancy or your refusal to take the responsibility on that phase of this matter?

Mr. HUEY. Well, the rumors were that there was gambling, or gambling interests. As to the nature of it, I don't know.

The CHAIRMAN. I was not asking for any facts from you, or any of your knowledge, but just as to the rumors. You heard those rumors, did you not?

Mr. HUEY. Yes, sir.

The CHAIRMAN. Were they widespread?

Mr. HUEY. That I would not know. I mean, two or three people——

The CHAIRMAN. Two or three people?

Mr. HUEY. Yes.

The CHAIRMAN. What I meant to say was, had you heard them on different occasions and from different sources?

Mr. HUEY. Well, possibly so, at the different times I had heard the rumors at different times.

The CHAIRMAN. Just what did you say to Mr. Nelson with reference to those rumors you had heard? Did you repeat to him what you had heard?

Mr. HUEY. I don't recall the conversation specifically, but I dropped it at the time, so far as I was concerned, I did not want to press the issue any further.

The CHAIRMAN. But my point is, when you made known to him, I want to know whether you made known to him or whether you told him what the nature of the rumors were.

Mr. HUEY. I believe I did; yes, sir.

The CHAIRMAN. Yes.

Mr. HUEY. Yes.

The CHAIRMAN. Thank you.

Senator KEFAUVER. Well, there was more than rumor. You discussed the matter with him, and he did not take any exception or did not deny that he was engaged in that sort of activity, and he could understand how you would not want to have something to do with it, isn't that correct?

Mr. HUEY. That is right.

Senator KEFAUVER. There was not any secret between you and him about what he was engaged in, was there?

Mr. HUEY. Well, I don't know whether there was or not, because I don't know what all he had.

Senator KEFAUVER. You discussed the matter with him, and you understood one another, that you knew and he knew about his gambling operations, and you did not want to have anything to do with them? That was the size of it, was it not?

Mr. HUEY. That is right.

Senator KEFAUVER. All right, Mr. Rice.

Mr. RICE. Have you heard the name of Robert Nowland? I notice on the return that he has some income from Robert Nowland Associates.

Mr. HUEY. I have heard that name.

Mr. RICE. Do you know what that is?

Mr. HUEY. No.

MR. RICE. You don't know what that is?

MR. HUEY. No.

MR. RICE. Do you know Robert Nowland?

MR. HUEY. No; I don't know that I ever—perhaps I may have met him, but I am not sure.

MR. RICE. I beg your pardon?

MR. HUEY. I may have met him, I am not sure.

MR. RICE. Well, he has a breakdown on his return, and he shows so much income from Robert Nowland and Associates, and it is usually a very substantial figure, and so much from Charles E. Nelson Associates, which is presumably the farm.

What is Robert Nowland and Associates, Inc.; is that the gambling?

MR. HUEY. I don't know.

MR. RICE. You just don't know?

MR. HUEY. No, sir. I have never had anything to do with the Nowland business.

MR. RICE. I notice in his books that he has a breakdown that comes under—he has a bookmark for the year 1942, and in that he has some pages headed "House." Do you know what that stands for?

MR. HUEY. No, sir; I have never seen that book. I am not familiar with that.

MR. RICE. Some pages are headed "Post."

MR. HUEY. That means nothing to me.

MR. RICE. There is a man by the name of Post in the records. Do you know him?

MR. HUEY. No, sir.

MR. RICE. And then there is Robert Nowland. That does not mean a thing to you?

MR. HUEY. No, sir.

SENATOR KEFAUVER. Mr. Rice, were these books submitted by Mr. Nelson to be a part of the record?

MR. RICE. It is our understanding that this is the "Little Red Book."

SENATOR KEFAUVER. And that is what we called for?

MR. RICE. Yes, sir.

SENATOR KEFAUVER. Do you offer it in evidence?

MR. RICE. I would like to examine Mr. Huey on it a little further.

SENATOR KEFAUVER. Very well.

MR. RICE. Now, you have been associated in one way or another with Nelson since about 1939 or 1938?

MR. HUEY. That is right.

MR. RICE. Going back to the year 1946, I see an item that is charged as an expense in his return, and is reflected on the house account, on December 28, 1946, evidently a recapitulation of the year's business, and he has "good will, advertising, \$10,393.23." Do you know what that is?

MR. HUEY. No, sir; I know nothing about that set of books, Mr. Rice. I told you that. That is entirely new to me.

MR. RICE. You have no notion of what he meant by "Good will, advertising"?

MR. HUEY. No, sir; I do not know.

MR. RICE. Now, in making up his net worth schedule, we see a figure here under the name of home, house, \$26,729.10. Do you know what that represents?

Mr. HUEY. That is his home on the farm.

Mr. RICE. That is his home on the farm?

Mr. HUEY. That is right.

Mr. RICE. He told us the other day that he did not know whether he would take \$65,000 or not for that.

Mr. HUEY. That is the house alone.

Mr. RICE. I beg your pardon?

Mr. HUEY. That is the house alone.

Mr. RICE. That is the house alone?

Mr. HUEY. I mean, I kept the cost of all the farm assets as they were built, and that would approximately be the amount that the house cost.

Mr. RICE. How did he arrive at that figure? Is that the estimate?

Mr. HUEY. No; that is the exact disbursements.

Mr. RICE. Is that what he paid for it?

Mr. HUEY. No; he built it.

Mr. RICE. He built it?

Mr. HUEY. That is right.

Mr. RICE. Is that what it cost?

Mr. HUEY. That is right.

Mr. RICE. Now, I don't see anything on here for his barn.

Mr. HUEY. The depreciable farm assets, which in the schedule for depreciation on the farm, shows that figure, and if you have all of his records, that will show.

Mr. RICE. That is in the figure of \$183,000?

Mr. HUEY. The total of that figure, and that schedule gives the detail of that.

Mr. RICE. That indicates assets, including livestock, so that is his barns and livestock?

Mr. HUEY. He should have a copy somewhere of the statement I gave him at the end of each year, showing the depreciable assets.

Mr. RICE. Does he have a boat?

Mr. HUEY. That I would not know. I think he has a little, I think he brought back a little——

Mr. RICE. I understood that he had a speedboat at Deal or Fairhaven.

Mr. HUEY. That belongs to the North Beach Amusement Co.

Mr. RICE. Oh, the North Beach Amusement Co. owns that?

Mr. HUEY. That is right. That is about 10 years old.

Mr. RICE. Does he have another boat beside that?

Mr. HUEY. Maybe a little rowboat, I think I have seen one.

Mr. RICE. Just a rowboat?

Mr. HUEY. That is right.

Mr. RICE. Did you total up the net worth schedule?

Mr. HUEY. No, sir.

Mr. RICE. Beg your pardon?

Mr. HUEY. No, I did not do that.

Mr. RICE. It totaled up, our members of the staff used an adding machine and it totaled up to \$469,360.07. Does that sound about right?

Mr. HUEY. That I would not know. I know that the amount for the depreciable farm assets item is on there; if he used what I gave him it would be correct, but so far as the rest of the item, I am not too sure about it.

Mr. RICE. When you left him the last time, when was that?

Mr. HUEY. The day I gave him those farm depreciation figures.

Mr. RICE. The day you gave him those figures?

Mr. HUEY. Yes.

Mr. RICE. Did you make arrangements to meet him any more?

Mr. HUEY. No, sir.

Mr. RICE. Did he say where he was going?

Mr. HUEY. No, sir.

Mr. RICE. Did he tell you he was under subpoena to the Senate committee?

Mr. HUEY. He did not.

Mr. RICE. What did he tell you he wanted that for?

Mr. HUEY. He asked me to give him a statement of the net worth, and he asked me if I would give him those farm figures and help him with it.

Mr. RICE. He said that he had been asked to produce a statement of net worth?

Mr. HUEY. That is what he told me.

Mr. RICE. By whom?

Mr. HUEY. By the committee.

Mr. RICE. So you helped him with that?

Mr. HUEY. That is what I helped him with, and I gave him the farm end of it, the figures that I had available.

I think he had a bunch of building and loan and savings account books which he had copied already, before I got there.

Mr. RICE. I notice on one of the supporting depreciation schedules that the horses that he has are pretty well depreciated, but he does have the figure of \$143,936 as the cost price in 1949. Is that about right?

Mr. HUEY. Well, it would be substantial. I am not sure, because he paid as high as \$36,000 for one horse.

Senator KEFAUVER. \$36,000 for one horse?

Mr. HUEY. That is, to my knowledge, because they were bought at Kentucky sales, and they were in all the newspapers when he bought it. So he has quite a substantial amount invested in horses that he has bought at public auction.

Senator KEFAUVER. How many horses does he have?

Mr. HUEY. That I would not remember. I think he has in his depreciation schedule that I helped him prepare the figures showing exactly the name of each horse and its cost, and that schedule should be in his records.

Senator KEFAUVER. I think, Mr. Rice, the other day when Mr. Nelson was before the committee, either when Senator O'Connor or I were presiding, we asked that he furnish the net worth statement, and also such books and records, and the committee has intended, of course, all along to go over his books and records, and then when they were introduced to have him here to explain them, to have Mr. Nelson explain them.

The main reason we have you here, Mr. Huey, is because we cannot find Mr. Nelson, do you understand that?

Mr. HUEY. No; I did not know it until Mr. Rice told me a minute ago.

Senator KEFAUVER. But his books and records have been submitted to the committee. He says he kept books and records, so is it necessary

to ask Mr. Huey questions on this? You can go into such details as you want, but the books and records speak for themselves.

Mr. RICE. I think we can stipulate on that. But he should be fairly well familiar with the North Beach Amusement Co., inasmuch as he is a director.

I notice that he has his interest in the North Beach Amusement Co., capital stock indicated as worth \$17,015. How do you arrive at that figure?

Mr. HUEY. The capitalization of the company, as I remember, was \$31,600 or \$31,800.

Mr. RICE. I beg your pardon.

Mr. HUEY. He owned half of the North Beach Amusement Co. stock, and another man owned the other half.

Mr. RICE. Who is the other man?

Mr. HUEY. William Hughes. He is no longer living. He is dead.

Mr. RICE. That was Uncle Billy?

Mr. HUEY. That is right. So far as I know, that is the source of Uncle Billy's name. I really don't know that, but I assume that is so.

After a few years he bought Uncle Billy's half, so that now Mr. Nelson's investment is represented by half of the capitalization of the company, which would show on his balance sheet, and the \$24,000 which he paid for the other half of the stock, so that the cost to him on his statement would be that figure, and not the capital stock figure on the company's statement, do you understand?

Mr. RICE. Not too well. Would you say that \$17,000 represents half of the amount?

Mr. HUEY. No; the total of the stock should be somewhere near \$24,000 plus \$15,000, or \$39,000 and something would be his full cost which he would have. I don't know what disposition he may have made of that.

Mr. RICE. In any event, his share is \$17,000 at this time, of what he paid for it.

Mr. HUEY. No.

Senator KEFAUVER. I think the situation is that he had half of it.

Mr. HUEY. He has perhaps divided some of that stock up within the family, and it would not show. I don't know whether he shows that on his net worth statement or not.

Mr. RICE. What would you say, having in mind your familiarity with the operation there, would be a fair estimate of the worth of the North Beach Amusement Co., the Uncle Billy's operation?

Mr. HUEY. I presume it is \$150,000 at book value.

Mr. RICE. It would be \$150,000?

Mr. HUEY. Approximately. I would think that would be a matter of record. I mean, so far as the returns. But I am satisfied that it would be within a reasonable degree of that figure.

Mr. RICE. Did you ever hear that in very recent months Nelson had been offered the sum of \$750,000 for that?

Mr. HUEY. No.

Mr. RICE. He never told that to you?

Mr. HUEY. No, sir. I know of one time 2 or 3 years ago he was talking about selling it, and he was talking about whether he could get \$500,000 for it or not, but he never got to sell it, so I presume he never got the offer.

Mr. RICE. How much was he offered for it?

Mr. HUEY. I say, he spoke one time that he would like to get that much for it, and discussed the possibility or probability of disposing of it, but it was never sold, and to my knowledge he was never offered anything like that for it.

Senator KEFAUVER. He said that he would like to get \$750,000 for Uncle Billy's?

Mr. HUEY. He never told me that. \$500,000 is the highest, and that has been a couple of years ago, when I heard him talk about \$500,000.

Senator KEFAUVER. Then I don't understand, Mr. Huey, \$500,000 or some big amount was what he had in mind, and you say you think that \$150,000 would be a conservative estimate?

Mr. HUEY. That is its book value.

Senator KEFAUVER. The book value?

Mr. HUEY. The book value.

Senator KEFAUVER. But the value is more than the book value?

Mr. HUEY. In most businesses there is a decided difference between the two figures.

Mr. RICE. The book value is the depreciated value?

Mr. HUEY. That is right.

Mr. RICE. He has it listed as \$17,015.

Mr. HUEY. That would be the cost of his stock. The North Beach Amusement Co.'s net worth is what I am talking about, which would be \$150,000, approximately. He owns all the stock. So, equitably, I mean, his net worth would be that; but actually he has only got invested the \$39,000 which I spoke about which he paid for that stock. I don't know how that division of \$17,000 comes into the picture there. I mean, from what you told me.

Senator KEFAUVER. \$17,000 which represents Uncle Billy's whereas you say that he was talking about selling it for \$500,000, and you talk of a depreciated book value of \$150,000.

Mr. HUEY. Well, that would be true.

Senator KEFAUVER. All right.

Mr. HUEY. But anybody's capital stock, I mean, if you list the securities you own there, unless you list them at market value, and presumably——

Senator KEFAUVER. In his assets statement he is not listing it at the market value?

Mr. HUEY. That is probably the cost value. The cost would have been somewhere around \$39,000. I know that is what he paid.

Senator KEFAUVER. I think we understand one another. So that he is worth a whole lot more than is shown here, apparently.

Mr. RICE. There is no question about that. Have you ever heard of a man by the name of Blight Lee?

Mr. HUEY. No; I don't know him.

Mr. RICE. I didn't ask you if you knew him. I asked you if you had ever heard of him.

Mr. HUEY. I don't know that I have, other than what I have seen in the papers the last few days.

Mr. RICE. But, before that, did the name of Blight Lee mean anything to you?

Mr. HUEY. No, sir.

Mr. RICE. Absolutely nothing?

Mr. HUEY. No, sir.

Mr. RICE. Among the supporting documents in connection with his income-tax returns, which he had in his folder for his income-tax returns in the year 1940, he had certain expense items, and filed behind those were the supporting vouchers, the documents. You understand that as an accountant?

Mr. HUEY. Yes.

Mr. RICE. I notice that there was a receipt on November 18, 1940, which says that "Received of Blight Lee an amount of \$29 for bond fee, a receipt signed by Frank B. Tregger." Do you know what that would be?

Mr. HUEY. No, sir.

Mr. RICE. On November 18, that same date——

Senator KEFAUVER. What is it, Mr. Rice?

Mr. RICE. It reads that it is a bond fee. I take it that someone had been arrested and he posted bond.

Mr. HUEY. That part of it I know no more than you know, so far as that goes.

Senator KEFAUVER. Apparently Mr. Blight Lee had been arrested, and Mr. Nelson paid the bond. Is that what you mean?

Mr. RICE. Yes. Efforts are being made and have been made for the past week now, Senator, to locate Blight Lee. His name was mentioned last week in the testimony, and as I recall Nelson said that the only thing he knew about Blight Lee, or the only transaction he had with Blight Lee, was that he had bought a cord of wood from him, and he had had no other business transactions.

I see these receipts in Nelson's file of transactions relating to Lee. Here is another one for \$10 under the heading of "Attorney's fees," apparently paid to Walter I. Young, and here is another receipt for a \$30 fine on "B. L.," which we presume would be Blight Lee.

Senator KEFAUVER. Does it say "B. L. Lee"?

Mr. RICE. No; just "B. L.," \$40 fine.

Senator KEFAUVER. Well, let's not presume. I don't think we can presume that would be Blight Lee.

Mr. RICE. Now, then, we have a receipt here from the law office of Brook Howard, North Fairfax Street, Alexandria, Va., May 21, 1940, for Art Beach, for \$75 for fee in police court case.

Another one for Albert Howard, \$26 bond fee, May 20, 1940.

Another one for Thomas Kelly, May 20, 1940, \$26 bond fee.

Here is one for Linwood Jordan, \$37.50, Bondsmen Jones and Conroy, Washington, D. C.

Here is one from Patrick F. O'Connor and J. Louis O'Connor, bondsmen on Fifth Street in Washington, for \$45, for a man by the name of James Stanke.

Another one for Martha Elliott.

Yes, Senator; these are all charged in the operating expenses for that year.

Here is one for bond before the United States commissioner in Washington, May 14, 1940, for Martha Elliott.

Another one for Martha Elliott by Patrick O'Connor.

And here are some receipts from the Metropolitan Police Department for collateral posted for Mary Swearingen in connection with a disorderly case in 1940.

Another for Layburn S. Nicely, 1723 Franklin Street NE., disorderly, forfeited collateral.

And there are a great number of others.

Here is one from Prince Georges County received of Edmund Carrick in a trial magistrate's court at Prince Georges County: \$403 for fines and costs in *State v. Edmund Carrick* by the trial magistrate.

And there are a great number of receipts for collateral and lawyers' fees and fines, charged in operating expense.

Do you know what those are for?

Mr. HUEY. I know nothing about those.

The CHAIRMAN. Could I ask a question right there, Mr. Chairman?

Senator KEFAUVER. Certainly.

The CHAIRMAN. Mr. Huey, it is apparent that Mr. Nelson did keep a number of supporting vouchers, and I presume that he referred to those—did he not—in making known to you his details of his finances in connection with your fixing up any returns for him?

Mr. HUEY. The vouchers in connection with the farm and the track operations.

The CHAIRMAN. I mean, forms like income tax of any kind, did he refer to these and let you know that he had such?

Mr. HUEY. These receipts you are speaking of?

The CHAIRMAN. Yes.

Mr. HUEY. I didn't know anything about that phase of his business.

The CHAIRMAN. Didn't he say anything to you at all about the fact that he kept records or had some records?

Mr. HUEY. I presume he had to have some kind of records.

The CHAIRMAN. That is right. That is the very point I am going to ask you about, something to support this item on good will. There is, of course, this recurring item, apparently of good will, that approximates some \$10,000 annually, that he claimed for good will. What did he say to you as to that?

Mr. HUEY. He never discussed that phase of his business with me, Senator.

The CHAIRMAN. But my point is, Did he say anything at all about having any records or any supporting vouchers for that?

Mr. HUEY. There was no discussion of that type; no.

Senator KEFAUVER. Mr. Huey, the fact remains that he financed their bond fees, attorneys' fees, and so forth which were paid to various people by people like Carrick, Lee, and others, and then they are charged with the bills in Mr. Nelson's files, with the charges in the books against his operating expenses for these payments.

That would certainly indicate that he had some responsibility for the payment of these, and that at least, if they were not working for him or doing these things for him, for some reason or other he wanted to pay their fines and attorneys' fees. Otherwise, they would not be legitimate charges against his business; would they?

Mr. HUEY. No.

Senator KEFAUVER. I mean, he could not charge it against his income tax as a deductible item unless these items were actually obligations that he owed and that these people were acting as agents for him and getting into this trouble. Isn't that true?

Mr. HUEY. That would be true.

Senator KEFAUVER. As a matter of fact, it is doubtful, is it not, whether you can charge off a fine as a deductible item?

Mr. HUEY. I have never prepared a return where I have done that, to my knowledge.

Senator KEFAUVER. But that is apparently what is being caught by the Internal Revenue Bureau.

Mr. RICE. I think there was a disallowance in that year.

Senator KEFAUVER. Well, I am glad to hear of that.

Mr. HUEY. I have worked with the revenue agents on the North Beach Amusement Co. books, but I never had anything to do with the examination of the other end of the books.

Senator KEFAUVER. They can charge off attorneys' fees in the operation of a business, but you cannot charge off what you have to pay by virtue of criminal liability.

Mr. HUEY. That is right; it is against Government policy.

Senator KEFAUVER. That, incidentally, is one of the things that the committee found in a good many places where protection money and legal fees for operations and other items have frequently been charged as deductible items by racketeers and gamblers throughout the country, and that is one of the bills that Senator O'Connor has filed before the Finance Committee, which we discussed with that committee the other day.

All right, Mr. Rice.

Mr. RICE. Do you know a man by the name of Edmund Carrick?

Mr. HUEY. No, sir.

Mr. RICE. I see where he has paid for some apparent difficulties, and I notice he also shows in the partnership return income from Edmund T. Carrick.

Mr. HUEY. I don't know about that.

Mr. RICE. You don't know what that is?

Mr. HUEY. No.

Mr. RICE. Do you know who made up this return?

Mr. HUEY. So far as I know, no.

Senator KEFAUVER. Perhaps Mr. Smith will show them to him and he might recognize them.

(Mr. Smith exhibits documents to Mr. Huey.)

Mr. HUEY. Not this one.

(Mr. Smith hands other documents to Mr. Huey.)

Senator KEFAUVER. Do you recognize that one?

Mr. HUEY. This is in Mr. Nelson's writing on that.

Senator KEFAUVER. You say that is Mr. Nelson's writing?

Mr. HUEY. Yes; this is Mr. Nelson's writing.

Mr. SMITH. They are the rough copies.

Senator KEFAUVER. But you don't know who typed the typewritten copies?

Mr. HUEY. No.

Senator KEFAUVER. But the rough one is in Mr. Nelson's own handwriting?

Mr. HUEY. That is right.

Senator KEFAUVER. All right. Let's get on.

Mr. RICE. Senator, the other day you may recall that we had some testimony from Baltimore on sales books from the Baltimore Sales Book Co. in Maryland that delivered hundreds of thousands of so-called K books on the east coast, and there was some discussion about whether these K books were suitable for use as numbers books.

In the supporting vouchers, maybe Mr. Huey could help us on some of these, we have a great number of bills or vouchers and invoices from M. S. Ginn & Co. here in Washington, billed to Nelson in the

year 1940 for 10 cases of sales books, \$45; 10 cases of sales books, \$45, billed to Nelson; 20 cases, \$90.

Those are the little 3 by 5 number slips or K book slip forms.

Now, these bills run up into the hundreds of dollars for the year 1940.

I also have bills for the adding-machine tape, coin wrappers, \$6 worth of coin wrappers, and a great number of other paper supplies,

Do you know what those are used for?

Mr. HUEY. No, sir. Those records would not be from any of the operations I had anything to do with.

Mr. RICE. I noticed that some of them were mailed to E. T. Carrick. Now, there was some testimony the other day, Senator—

Senator KEFAUVER. I might say that the other day when the testimony was brought out about K books, I thought it was rather remote. Of course, those were typical receipt books, as I recall it, which could be used for bookmaking or for the numbers game. But this does give them some relevancy to show that they were purchased from a supplier of stationery and books, many hundreds of dollars worth of them, which must have been a large amount of these little K books in 1940. I still do not think, and I do not think it should be inferred that the manufacturer, who was here the other day, had any direct dealings with Nelson.

Mr. RICE. Maybe Mr. Huey can help us on that. Do you know that at the North Beach Amusement Co. they have a restaurant there? They do, do they not?

Mr. HUEY. That is right.

Mr. RICE. Have you ever known them to use K books in that instance, in connection with that?

Mr. HUEY. No.

Mr. RICE. But they might have made—

Mr. HUEY. They have restaurant checks.

Mr. RICE. They have a separate restaurant check?

Mr. HUEY. That is right. I don't know what you are talking about when you talk about K books.

Mr. RICE. But in any event, they do not buy from Ginn?

Mr. HUEY. They may have bought some stationery from Ginn's, but it would be stationery for the operation of that type of business.

Mr. RICE. Adding-machine tapes or coin wrappers?

Mr. HUEY. They may have bought coin wrappers at the North Beach Amusement Co., because they handled a tremendous amount of change.

Mr. RICE. I think the other day, too, there was testimony that occasionally, particularly at Christmas time, Nelson was in the habit of giving away turkeys to some of his friends, some of whom were on the police department.

We ran across here an invoice from Armour & Co. to the North Beach Amusement Co., North Beach, Md. Do you know what that is?

Mr. HUEY. No, I don't know about that.

Mr. RICE. December 20, 1940, for several hundred fancy turkeys, amounting to \$4,513.29.

Mr. HUEY. That I have never seen in the North Beach Amusement Co. files.

Mr. RICE. \$4,500 worth of turkeys.

Mr. HUEY. That would not have been paid out of the North Beach Amusement Co.

Mr. RICE. It was charged in his account as business or operating expense, in his tax for that year.

Senator KEFAUVER. Did he charge these turkeys on his income tax?

Mr. RICE. Yes.

Senator KEFAUVER. Maybe that is the good will. Is that separate from the good will?

Mr. RICE. That is hard to tell, without some help from his accountant.

Mr. HUEY. I wish I could help you on that side of it, but I cannot. There is nothing from that set of files that has ever come in my possession or in my hands.

Mr. RICE. Have you ever seen—

Senator KEFAUVER. Where is 28 Kentucky Avenue, Parkland, Md.?

Mr. HUEY. That I don't know.

Mr. RICE. Now, sir, we want to show you this ledger book, which is a binder that apparently was used from year to year, with loose-leaf pages, and we will ask you if that type of record is at all familiar to you? Have you ever seen a book like that over there?

Mr. HUEY. I may have seen—no, I have never, I know nothing about this.

Mr. RICE. Have you ever seen a ledger page like that, if it were blank, with the headings at the top of the columns?

Mr. HUEY. No.

Mr. RICE. You are an accountant?

Mr. HUEY. That is right.

Mr. RICE. Would you say that ledger page is completely strange to you?

Mr. HUEY. That is right.

Mr. RICE. Now, I notice at the top of one column there, at the left, I believe there is a "B"?

Mr. HUEY. "B"; I don't know anything about that page or the heading of it.

Mr. RICE. You would not know whether that "B" meant bets, or anything like that?

Mr. HUEY. No, I do not.

Mr. RICE. That book is completely unfamiliar to you?

Mr. HUEY. That is right.

Mr. RICE. You don't know a thing about that?

Mr. HUEY. No, sir.

Mr. RICE. Well, I don't think that I am entitled to examine the witness on something he knows nothing about.

Mr. HUEY. It would be useless for me to try to testify about that phase of it, because I know nothing about it.

Mr. RICE. I will say for the record that the staff examined it, and the books would be capable of being used for bets, with the hits deducted, and totals for the day, with the expenses charged off daily, that we spoke to Mrs. Weightman about this morning.

Senator KEFAUVER. Give us a typical example of how it reads Mr. Rice.

Mr. RICE. Well, for instance, on the first page, the last week in December, 1942, under "B", which possibly might stand for bets, we have \$5,268.39, and the hits are \$885.35, and the commissions are \$1,580.43, which amounts to about 30 percent, and there is another column which we figure to be—it is headed "O. L.", and we figure it

could mean other losses or other expenses of some sort, operating loss, \$432, and then a column for expenses under which they have equipment, car expenses, gasoline, bad debts, fixing office, meeting place, flowers again, salaries, and "No. service." Also stationery, electric, telephone, good will, and those are broken down daily and recapitulated weekly, and the entire are brought up to date by the month, and ultimately on a yearly basis.

Senator KEFAUVER. On a week or month basis, what is the profit after all those expenses of a typical one?

Mr. RICE. In 1942, the gross figures for weekly business ran around \$20,000 to \$26,000.

The CHAIRMAN. A week?

Mr. RICE. A week. In later years the figures jumped up substantially.

Senator KEFAUVER. What has it jumped up to?

Mr. RICE. Now, in the last year or two, it is up to around \$45,000 to \$50,000 a week. In addition to that, we notice there are three operations apparently similar. One of them is under the name of Nowland, which in 1942 was running about \$17,000 to \$18,000 a week; one of them under the name of Post, which runs from \$13,000 to \$15,000 a week; and the other name of "House" and apparently all three operations are very comparable. It is very difficult to tell the actual scope of the operation from the books without someone interpreting it for us.

The CHAIRMAN. Mr. Rice, are we to understand that the books would indicate that that total operation was a continuing one over the course of the whole year about at that average?

Mr. RICE. Yes. We find a gradual increase from that year up until 1950, at which time—

The CHAIRMAN. What is the total operation?

Mr. RICE. The total operation was running about \$50,000, but the figures on Nowland started to drop, and there was a decline until Nowland finally faded out of the picture, and Nelson or the House account seemed to take over.

The CHAIRMAN. Judging from the figures you just cited, the hits or money paid to the purchasers was relatively small. I was wondering if that ratio followed through. You cited about \$5,200, with hits of about \$800, and only 30 percent of the total being for the solicitors and others.

Mr. RICE. I would say that that was a representative figure, yes, sir.

The CHAIRMAN. I see.

Senator KEFAUVER. Can you give us a more current figure?

Mr. RICE. In 1950, when Nowland started to fade out, they started a new account called First and Deck.

Senator KEFAUVER. Do you have any idea who First and Deck is?

Mr. HUEY. No, I do not.

The CHAIRMAN. Mr. Chairman, I think it would be interesting to hear a typical instance on that.

Mr. RICE. On the First and Deck account?

The CHAIRMAN. Yes.

Mr. RICE. In December of 1950, I will take the 21st of December, evidently it was \$508.58 gross, and \$220.50 paid out.

The total for the month on this new account, which seems to be or has been on the upsurge, the total of the month was only \$4,664, and the total for the year on the First and Deck account was \$14,803.40.

You have no information whatsoever as to what that First and Deck account is?

Mr. HUEY. No, sir.

Senator KEFAUVER. Then, as I understand it, Mr. Rice, there finally got to be four accounts?

Mr. RICE. Yes.

Senator KEFAUVER. The Nowland account?

Mr. RICE. The Nowland account, Nelson, also known as the House account, First and Deck, and the Post account.

In connection with the Post account, we notice there a name of an individual mentioned under the name of Post.

Senator KEFAUVER. All right.

Mr. RICE. In 1947 we found evidently a recapitulation of pay-outs to individuals, and on that list—

Senator KEFAUVER. Well, let the record show that among the records found in 1947 were apparent pay-outs.

Mr. RICE. On numbers operations, as we understand.

Senator KEFAUVER. On numbers operations, and that pay-outs were made to 17 people in large amounts, running, and the high seems to be \$9,191—no, here is one for \$20,156.

Mr. RICE. That is the Post we mentioned, Senator, Don Post.

Senator KEFAUVER. That is Don Post, who is shown in the records as being of Santa Monica, Calif.

Mr. RICE. Did you ever hear of him?

Mr. HUEY. No.

Mr. RICE. The totals of this, do you have the totals?

Senator KEFAUVER. The other one who has been mentioned, and whom we have tried to get is B. H. Lee, amounting to about \$9,000, from Arlington, Va., and the exact amount is \$9,191.

Of course, we don't know who these other people are, and we do not wish to take any chance on doing them an injustice. The names other than those two will not be given, at this time at least.

Mr. Huey, it seems rather remarkable that you would not run into this operation, but you purposely tried to stay away from it, didn't you?

Mr. HUEY. That is right.

Senator KEFAUVER. You knew pretty well what was going on, and that it was a big operation.

Mr. HUEY. Well, I knew nothing so far as the source of information you have there, Senator, and how large it was or how small it was, as to the volume of the business. It was never within my sphere of action.

Senator KEFAUVER. You made it clear that you did not want to know anything about it?

Mr. HUEY. That is right.

Senator KEFAUVER. And that was understood, as a director of this North Beach Amusement Co., did you have directors' meetings?

Mr. HUEY. Just the one annual arrangement, or meeting.

Senator KEFAUVER. Just the one annual meeting?

Mr. HUEY. That is right.

Senator KEFAUVER. Was it actually a meeting where you would sit around and discuss the business, or did you just formally get up the minutes and sign them?

Mr. HUEY. Well, usually it was, as I recall it, it was just at the closing of the season there, and the annual meeting came, and they were there, and I was usually there at the end of the season, when we talked about it, in the sense of an open discussion, of what the action of the board would be for the year, what formal action would be taken.

Senator KEFAUVER. Did you participate in the direction of the policy of the corporation?

Mr. HUEY. No, sir. Now, I have been trying to recall the incident that led to my first being a director, and I am not too sure in my own mind what that was, and it has been a nominal carrying on during that time.

Senator KEFAUVER. I take it what you mean to say is that in order to carry on as a corporation they had to have a certain number of directors, and since you did the tax work on a per diem basis you were convenient, or a convenient person to put on as a member or director.

Mr. HUEY. I think that is as good an answer as you could get.

Senator KEFAUVER. You got no salary as a director or officer?

Mr. HUEY. No, sir.

Senator KEFAUVER. You just received money for your per diem work?

Mr. HUEY. That is right.

Senator KEFAUVER. How many days a year would you say you spent working on these books?

Mr. HUEY. Well, I would usually go down shortly after the opening of the season, which would be at the end of May or at the end of June, sometimes it would be at the end of May, but usually at the end of June, and the business only lasts through Labor Day, or substantially that, and at the end of June, July, and after Labor day, would be the three times when the operations were summarized, and I think almost every year's statement was made up showing the results of the operations for those periods, and then after the end of the year the closing of the accounts and the preparation of the tax returns.

Senator KEFAUVER. How many days a year would you say you spent on it?

Mr. HUEY. Well——

Senator KEFAUVER. Just your best estimate. I don't want to be too close on it.

Mr. HUEY. Well, probably——

Senator KEFAUVER. Was it 10 days, 20 days?

Mr. HUEY. Between 10 and 20. Some years it would be more than others, when they had more difficulty with their help, which they have had in several years, in changing managers, and it meant going down and checking.

Senator KEFAUVER. Now, if you object to answering this question I will not require you to do so. Do you mind telling what your annual compensation from this North Beach Amusement Co. was? If you would rather not tell it, you don't have to state it.

Mr. HUEY. I don't mind telling it. It is probably from as low as \$200 to as high as \$600 or \$700 in different years, depending upon the circumstances that were involved during the year. Now, that included my time for the amount of work I put in.

Senator KEFAUVER. If I may say so, you were not being very well paid with the amount of money that this man was handling.

Mr. HUEY. Well, I didn't know how much he was handling.

Senator KEFAUVER. For instance, there is an indication of the amount of money the man was handling here, because he writes a check to himself, apparently, on September 9, 1940, to Charles E. Nelson, "Numbers business," for \$10,000.

The CHAIRMAN. I notice, Mr. Chairman, on the stub that it is noted specifically that it is for the numbers business.

Senator KEFAUVER. Yes. Well, Mr. Huey doesn't know anything about that.

Mr. HUEY. That activity was, to my knowledge, there was no mixture whatever between that and the North Beach Amusement Co.

Senator KEFAUVER. Senator O'Connor?

The CHAIRMAN. No further questions.

Senator KEFAUVER. Mr. Rice?

Mr. RICE. Thank you. We may want to get in touch with you again. We don't mean to cast any aspersions, but in the event you should like to go fishing, or something, I would appreciate it if you would let us know.

Senator KEFAUVER. Mr. Rice says that facetiously. We make no aspersions, and you have been a very cooperative witness with the committee, and I think it is commendable that you have tried to keep yourself disassociated from this part of the business we have been talking about here. If we need you again we will get in touch with you. Thank you, sir.

Mr. HUEY. O. K.

Mr. RICE. At this time it seems pertinent to introduce the criminal record of Charles E. Nelson as it came from the Metropolitan Police Department, in view of the statement made in response to a question about when and where he had been arrested, that he had been arrested once.

Now, his record shows that—

Senator KEFAUVER. Mr. Rice, this is from the Metropolitan Police Department and is a record copied from the files of the Police Department here?

Mr. RICE. Yes, sir, the Metropolitan Police Department of the District of Columbia.

Senator KEFAUVER. And these police records are available to law-enforcement officers upon request of the Police Department or request of the FBI?

Mr. RICE. Yes, sir.

Senator KEFAUVER. All right, we will let it be made a part of the record; would you read it?

Mr. RICE. It indicates that commencing in 1917, he had an arrest in 1917 and he paid a \$5 fine.

Then he was arrested in 1923 on two counts, and he was also arrested in 1924 and 1928 and—

Senator KEFAUVER. What was he arrested for in 1923?

Mr. RICE. He was arrested on two counts; one, illegal possession, and second, transporting. The officers' names are listed here.

Under illegal possession, no papers were returned; on the transporting the fine was \$125.

Senator KEFAUVER. All right.

Mr. RICE. In 1924, he was arrested on the same charge of transporting whisky and also illegal possession, and he was fined \$100 or 90 days on both crimes.

In 1928 he was charged with possession and the case was nolle prossed.

In 1930 he was charged with transporting liquor and that was also nolle prossed; also in 1930, for illegal possession, which was suspended sentence of 1 year, and he was placed on probation.

In 1933 he was arrested for investigation and the case was dismissed.

In 1936 he was arrested for disorderly and he paid a fine of \$5.

SENATOR KEFAUVER. Were all of these arrests in the District of Columbia?

MR. RICE. They were all in the District of Columbia; yes, sir.

SENATOR KEFAUVER. Do we have any record of any, if there were any, outside of the District of Columbia?

MR. RICE. No, we do not. He indicated on the stand he had just one arrest.

SENATOR KEFAUVER. That one arrest he was talking about was in the District?

MR. RICE. He said in the District, yes.

(Police record referred to is as follows:)

*Government of the District of Columbia—Metropolitan Police Department—
Record, as indicated by the records of arrest, of Charles Edward Nelson*

Date of arrest	Offense	Complainant	Officer	Pre-cinct	Disposition
Nov. 9, 1917	Cruelty to animals	J. E. Thomas	Nalls	10	Elected to forfeit; \$5.
Apr. 27, 1923	Illegal possession	George Fowler	Bauer	2	No papers.
Do	Transporting	O. T. Davis	McQuade	2	Fined \$125.
June 17, 1924	Transporting whisky	Leo Murray	Murray	9	\$100 or 90 days.
Do	Illegal possession	do	do	9	Do.
July 18, 1928	Possession	O. J. Letterman	Cox	1	Nolle.
Aug. 4, 1930	Transporting liquor	J. R. Leach	Wanamaker	1	Do.
Do	Illegal possession	do	Mansfield	1	Suspended sentence; 1 year probation.
Jan. 17, 1933	Investigation	C. D. Cunningham	Elliott	9	Dismissed.
Feb. 12, 1936	Disorderly	J. F. Cooke	R. R. Klotz	9	Forfeit; \$5.

NOTE.—At time of arrest in 1930, Nelson gave the address of 1240 Oates St. N.E., Washington, D. C.

SENATOR KEFAUVER. Do you have any further use of Mrs. Weightman?

MR. RICE. I think she can be excused.

SENATOR KEFAUVER. Mrs. Weightman, you may be excused.

Did Mr. Nelson come in? Has anybody heard from Mr. Nelson?

(No response.)

SENATOR KEFAUVER. He is not here.

MR. RICE. How about Blight Lee?

(No response.)

MR. RICE. How about Nowland?

(No response.)

MR. RICE. How about Mr. Pumphrey? Is Mr. Pumphrey here?

(No response.)

MR. RICE. Mr. Lewis?

MR. LEWIS. Yes, sir.

SENATOR KEFAUVER. Mr. Lewis, do you solemnly swear the testimony you will give the committee will be the whole truth, so help you God?

MR. LEWIS. Yes, sir.

TESTIMONY OF JOHN WILLIAM LEWIS; RALPH E. BOND; FRANCIS A. RICHARDS; WILSON J. PURDY; AND CHARLES L. PERRYGO

SENATOR KEFAUVER. All right, Mr. Lewis. You were sworn the other day and you are the same man who was here, I believe, last Thursday?

MR. LEWIS. Yes, sir. I would like to testify what happened, August—

MR. RICE. Early Sunday morning on August 12, when you had someone in an automobile.

SENATOR KEFAUVER. August 12 of what year?

MR. RICE. 1951, just passed, early Sunday morning.

SENATOR KEFAUVER. Well, first, Mr. Lewis, I was not here when you testified the other day. Will you identify yourself again—or, Mr. Rice, will you ask him?

MR. RICE. Yes.

You are John William Lewis?

MR. LEWIS. Yes, sir.

MR. RICE. And he is the man, Senator, that testified about that he became interested in checking the activities of Nelson and Blight Lee and conducted a number of surveillances; followed the automobile belonging to Madge Nelson to Charles E. Nelson's farm and saw several girls that had been taken down to North Beach and a place called Ranch House.

Later on, he came back and up to the farm again and he had an idea that there was numbers operations and he reported to the police, after which he went out with the police and assisted them somewhat in an effort to apprehend the people responsible.

SENATOR KEFAUVER. To what police did he go?

MR. RICE. He went to Chief Richards and to Bond, I believe. Then, on Wednesday, the day of the hearing, they stopped the car that Madge Nelson was in and no numbers slips were found, but they found a chicken. After that, you told us about it at the hearing and then Saturday night you went out there. What happened then?

MR. LEWIS. Well, Saturday, in the afternoon, I received a phone call from a friend of mine stating a fellow would like to see me but he would like to see me on Sunday morning. So, I got thinking about the thing and I said, "Well, the best thing I can do is to try to see this man tonight if I possibly can," because I had a suspicion that a fix was in, the day of the raid.

So, my brothers and I, we rented a sound recording machine—

MR. RICE. Did you say you and your brothers?

MR. LEWIS. Yes, sir.

MR. RICE. Which brothers?

MR. LEWIS. Joseph and Paul.

MR. RICE. Joseph and Paul.

MR. LEWIS. We rented a sound recording machine and a tape and wired my automobile, and that took us, well, all day.

And so, about 10:30 or 11 o'clock Saturday night I started out in the county to try to get what information I could as to whether or not a fix was in.

MR. RICE. When you say you wired your automobile, you hooked up a recording device that would have a microphone?

Mr. LEWIS. Yes; a microphone so I could record the conversation.

Mr. RICE. In your own car?

Mr. LEWIS. In my own car.

Mr. RICE. All right.

Mr. LEWIS. So, I went to a man's house and I had a conversation with him and there he told me, this county official—that man is a county official—and he told me that the fix was in on the day of the raid.

Mr. RICE. Did you record that conversation?

Mr. LEWIS. Yes, sir.

Mr. RICE. That morning?

Mr. LEWIS. I have it here, the recording.

Mr. RICE. You made the recording?

Mr. LEWIS. Yes, sir.

Mr. RICE. And do you know that to be the one?

Mr. LEWIS. Yes, sir.

Mr. RICE. That you made?

Mr. LEWIS. Yes, sir.

Mr. RICE. Now, as the result of that you brought the recording in and it has been played in our office and transcriptions have been made from it under your supervision; have they not?

Mr. LEWIS. Yes, sir. As soon as I made the recording and as fast as I could get to your office, I brought it there.

Mr. RICE. Yes; and you helped the girls transcribe the tape?

Mr. LEWIS. Yes, sir.

Mr. RICE. And that was done while you were there?

Mr. LEWIS. Yes, sir.

Mr. RICE. And you received the transcript?

Mr. LEWIS. Yes.

Mr. RICE. You read some of the transcript?

Mr. LEWIS. Yes, sir.

Mr. RICE. And you know it to be accurate?

Mr. LEWIS. Oh, yes, sir; that is right.

Mr. RICE. Now, they—

Senator KEFAUVER. The committee will have a 5-minute recess.

(Whereupon a recess was taken.)

Senator KEFAUVER. The committee will come to order.

The Chair has been advised that the people who were in this conversation were you—you are John Lewis?

Mr. LEWIS. Yes, sir; John William Lewis; yes, sir.

Senator KEFAUVER. And your brother, Joe Lewis?

Mr. LEWIS. Joseph G. Lewis.

Senator KEFAUVER. Joseph G., and he is here?

Mr. LEWIS. No, sir; he had to go back to work, but he is coming down here as soon as he gets off.

Senator KEFAUVER. He was present; and Mr. Bond was present?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. Mr. Bond is here, I believe.

Mr. LEWIS. Yes; I saw him here.

Senator KEFAUVER. Will you come around, Mr. Bond?

Mr. Bond, you have been sworn previously?

Mr. BOND. No, sir.

Senator KEFAUVER. You have not. Will you just move over, Mr. Lewis?

Mr. Bond, will you hold up your right hand? Do you solemnly swear the testimony that you will give the committee will be the full truth, so help you God?

Mr. BOND. I do.

Senator KEFAUVER. Mr. Bond, what is your first name?

Mr. BOND. Ralph.

Senator KEFAUVER. Ralph Bond; and you are a detective or an officer?

Mr. BOND. Yes, sir.

Senator KEFAUVER. Of what county?

Mr. BOND. Prince George's.

Senator KEFAUVER. What is your official position?

Mr. BOND. Detective.

Senator KEFAUVER. Now, Mr. Lewis, that was everyone who was present in the car when this conversation took place?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. You and your brother and Bond. I am further advised that the only people who entered into the discussion besides the three of you, under discussion, were Mr. Nelson and I believe Mrs. Nelson and Mr. James R. Pumphrey.

Mr. LEWIS. That is right.

Mr. RICE. Is Mr. Purdy here?

Mr. LEWIS. Yes, sir.

Mr. RICE. He is here?

Mr. LEWIS. I think I saw him.

Senator KEFAUVER. Will you come around, Mr. Purdy? Pull up a chair, Mr. Purdy.

Mr. Purdy, do you swear the testimony you will give to this committee will be the full truth, so help you God?

Mr. PURDY. Yes.

Senator KEFAUVER. Mr. Pumphrey—a subpoena is out for him, I understand. We have been trying to get him in. The other one is Mr. Nelson.

The conversation, as I understand, does not relate to anyone else. If it does relate to anyone else, I would like to know it now because we do not want to be bringing in a lot of extraneous names.

Mr. LEWIS. It mentions the names of Officer Purdy and Perrygo and Chief Richards.

Mr. RICE. He is here?

Mr. LEWIS. Yes, sir, I think so.

Mr. RICE. How about Officer Perrygo?

Mr. LEWIS. Yes, sir. He was mentioned.

Mr. RICE. Is he here?

Mr. LEWIS. I think so, too.

Mr. RICE. He is here, too?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. Mr. Purdy. Mr. Perrygo, and Chief Richards. Will you come forward?

Mr. Purdy, you are a detective, I believe.

Mr. PURDY. Detective sergeant.

Senator KEFAUVER. Detective sergeant, with Prince Georges County?

Mr. PURDY. That is right.

Senator KEFAUVER. What is your full name, Mr. Purdy?

Mr. PURDY. Wilson J. Purdy.

Senator KEFAUVER. And Mr. Perrygo, will you pull up a chair; and then you, Chief Richards?

Mr. RICHARDS. Yes, sir.

Senator KEFAUVER. We might as well get them all here together.

Mr. LEWIS. There was one girl's name that was mentioned Senator.

Senator KEFAUVER. Who was that?

Mr. LEWIS. Pumphrey's girl.

Senator KEFAUVER. Well, she is not here?

Mr. LEWIS. No, sir; but I say, she was mentioned.

Senator KEFAUVER. Well, can we relate this conversation without referring to her?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. I do not want anybody referred to who is not here to speak up for themselves or to whom we have not given a full opportunity to be here.

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. Mr. Nelson and Mr. Pumphrey are both under subpoena and we have been trying to find them.

Well, Mr. Purdy, Mr. Perrygo and you, Chief Richards, will you hold up your right hands?

Do you solemnly swear that the testimony you will give the committee will be the whole truth, so help you God?

Mr. RICHARDS. Yes, sir.

Mr. PURDY. I do.

Mr. PERRYGO. I do.

Senator KEFAUVER. Now, will you gentlemen just have seats right over there.

Well, now, we are not going to play this recording because it has a lot of extraneous material in it and profanity and it does refer to at least one of the persons who is not here.

But the recording has been transcribed and counsel has it here. I understand you have been over it and supervised the transcription.

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. It is only available as part of the confidential—as part of the temporary exhibits of this committee to substantiate or prove or disprove some statement, if the committee needs to resort to it.

Now, what were the circumstances under which this conversation you are talking about took place?

Mr. LEWIS. Well, this conversation was taken around, oh, I guess, after 12 o'clock—12 o'clock Saturday night.

Senator KEFAUVER. That is last Saturday night?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. All right. Your brother and Mr. Bond were in the car with you?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. And you had the microphone there and you speak into the microphone and put it in front of Mr. Bond's mouth?

Mr. LEWIS. Yes, sir. Well, we didn't actually put them in front of it, you know, we concealed it as best we could but tried to get his voice.

Mr. RICE. How did you do that?

Mr. LEWIS. Sir?

Mr. RICE. How—where did you put the equipment?

Mr. LEWIS. The equipment, sir?

Mr. RICE. The equipment.

Mr. LEWIS. The recording machine was in the back of my car.

Mr. RICE. In the trunk?

Mr. LEWIS. In the trunk.

Senator KEFAUVER. Well, I tell you, under the circumstances we are not going to use the recording because I do not know whether that is the legal way to get this. Was it your car, Mr. Lewis?

Mr. LEWIS. Yes, sir; my own automobile.

Senator KEFAUVER. But at any rate, we are not going to use the recording but relate what the conversation was about and what the transaction was about, and don't bring in any names unless the people are here to discuss the matter themselves, except Mr. Pumphrey and Mr. Nelson.

Mr. LEWIS. Well, like I had told you, I had my own suspicions as to whether or not there had been a tip-off. So, upon—

Senator KEFAUVER. By the way, let us see about this tip-off. There was a plan to do some raiding, was there not?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. Who was going to be raided?

Mr. LEWIS. Well, Madge Nelson was going to be raided or anyone that came along in this car with the numbers that were mentioned, 58713.

Senator KEFAUVER. I imagine Madge Nelson is Nelson's daughter?

Mr. LEWIS. No, sir.

Senator KEFAUVER. Or wife, who also seems to be in this operation. Now, the raid was going to be made by whom?

Mr. LEWIS. By the county authorities under Chief Richards.

Senator KEFAUVER. And what was the raid supposed to be for?

Mr. LEWIS. For the purpose of getting the numbers works—they were taken to North Beach at that time.

Senator KEFAUVER. By the "numbers works"—do you mean the books?

Mr. LEWIS. Yes, sir; they refer to it as the "numbers works."

Senator KEFAUVER. We do not understand this numbers-racket lingo. The numbers works means the—

Mr. LEWIS. The number slips.

Senator KEFAUVER. The slips and the books and the material and the equipment?

Mr. LEWIS. Yes, sir; that is necessary in order to conduct this numbers business.

Senator KEFAUVER. And they carry that around in an automobile?

Mr. LEWIS. Well, they take the numbers, they transport from one place to another. They pick up the numbers and take them to the main headquarters, which at that time was the ranch house.

Senator KEFAUVER. So there was to be an automobile raid with all this numbers material in it. is that right?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. And when was that raid to be?

Mr. LEWIS. Well, the warrant was sworn out Wednesday—Tuesday.

Senator KEFAUVER. Tuesday before this Saturday?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. So that valid warrants had been sworn out for the purpose of making the raid?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. Now, as we go along here, suppose—I don't know how is the best way to get at this, but if any of you gentlemen have information to the contrary or if you do not agree with what Mr. Lewis or whomever I am asking the questions of—if you do not agree that is true, I wish you would hold up your hands right then and there and give your version of it. How will that be? Is there any dispute of the facts so far?

(No response.)

Senator KEFAUVER. All right, we seem to be going pretty well, Mr. Lewis, to this point. Let us go on.

Mr. LEWIS. Yes, sir. Well, the next day, which would be Wednesday, they were stopped on the road?

Senator KEFAUVER. Who was stopped on the road?

Mr. LEWIS. That is the automobile with Madge Nelson. It had three girls in the car.

Senator KEFAUVER. All right.

I understand your brother Joe is here.

Mr. LEWIS. Is Joe back from work?

Senator KEFAUVER. Well, let us get Brother Joe in, too. Let Brother Joe sit down right over here.

He was not there?

Mr. LEWIS. No, sir; he was not there.

Well, of course, that day, as we all know, the only thing they got was the chicken and the spinach.

Senator KEFAUVER. That was on Wednesday?

Mr. LEWIS. Which was the day before the hearing, the last hearing on this case.

Senator KEFAUVER. They raided the automobile and got some spinach and chicken.

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. All right, sir.

Mr. LEWIS. And so, like I just told you, I suspicioned that there might be a fix—that the tip was in and so, after receiving this telephone call—

Senator KEFAUVER. You mean that the spinach and chicken might have been there as the result of information?

Mr. LEWIS. Yes, sir, that is right; the fix was in.

Senator KEFAUVER. All right.

Mr. LEWIS. So, after receiving this telephone call Saturday morning—

Senator KEFAUVER. This was Saturday morning following the Wednesday?

Mr. LEWIS. Yes, sir, that is right, last Saturday morning.

I got thinking about it and I said, "Well, the more I hear the more I am determined that there was a fix in."

So, I said, "I will just"—I got the idea to wire my car and to go out into the county to seek information from anyone that I could, especially the county officials.

SENATOR KEFAUVER. Well, anyway, you wired your car, but we are not going to use the wire recording. So, go ahead.

MR. LEWIS. All right.

So, in the automobile was my brother Joe—he isn't here yet—Mr. Bond and myself.

So, I led the conversation around as to whether or not the fix was in and Mr. Bond told me definitely that this man Pumphrey told him that the fix was in.

SENATOR KEFAUVER. That Pumphrey told him, Mr. Bond, that the fix was in?

MR. LEWIS. Yes, sir.

SENATOR KEFAUVER. Is that right, Mr. Bond?

MR. BOND. That was 2 days afterward, after the raid, that I was told there was a fix, it must have been. That is what he was referring to.

SENATOR KEFAUVER. Well, then, the raid was on Wednesday and 2 days later, apparently Friday, you were told by Pumphrey the fix was in?

MR. BOND. Yes, sir.

SENATOR KEFAUVER. So, Mr. Lewis stated what you said correctly?

MR. BOND. Yes, sir; to the best of my knowledge.

SENATOR KEFAUVER. All right. If he does not, why, if you disagree with him, you hold up your hand.

MR. LEWIS. Well, you see, sir, that is actually what I went for, so after I got that I tried to bring out some elaboration on that point.

And so, Mr. Bond told me that Mr. Pumphrey said that, he said, "Oh yes, it was in and we just did stop them in time."

He said that an automobile left Capitol Heights to head him off at the beach, and then they called North Beach and somehow did stop them, otherwise we would have caught them.

This conversation went on to say that Billy caught the car, 58713—Billy, that is Mr. Nelson's son—you mentioned in the recording Mr. Nelson's son.

SENATOR KEFAUVER. Anyhow, he started out with the numbers?

MR. LEWIS. Yes, sir; he started out with the numbers.

MR. RICHARDS. Did Mr. Pumphrey tell you, from this conversation, anything to indicate what time this call was made?

MR. LEWIS. No, sir.

SENATOR KEFAUVER. Of course, you better address that to Mr. Bond because Mr. Bond talked to Pumphrey.

MR. LEWIS. Well—

SENATOR KEFAUVER. Well, just a minute. Chief Richards, Mr. Bond was the one that talked with Pumphrey. Did I understand this was the time the call was made?

MR. BOND. It was the first conversation as to what occurred, as to what he said. Now, he might have been leading me on to make me believe he had friends, I don't know. The man denies it now, but he did say it.

SENATOR KEFAUVER. You understood the call was made about 12 o'clock?

MR. BOND. That would probably be it, if there was a fix or any tip-off that he is referring to.

SENATOR KEFAUVER. Well, I am talking about what Pumphrey told you.

Mr. BOND. That was my understanding of what he says. Of course, I can't remember word for word what he did say but he definitely told me that they had been told. I understand that there was a man that knowed about it; it was just told about at 12 o'clock, but anyway, the time doesn't make an awful lot of difference.

I was trying to find out actually if there was one and this man had a suspicion there was.

Senator KEFAUVER. All right. The call was made, let us say, about 12 o'clock.

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. On Saturday—Friday?

Mr. LEWIS. No; this was Saturday—no; this was the day the—

Senator KEFAUVER. That was on Wednesday.

Mr. BOND. I did not talk to Pumphrey until Friday. That is how I got the information on Friday.

Senator KEFAUVER. You got the information on Friday, but I am talking about what happened on Wednesday.

Mr. BOND. Yes, sir; that is correct.

Senator KEFAUVER. I understand.

Mr. LEWIS. And then the record goes on to say—

Senator KEFAUVER. Well, let us not talk about the record.

Mr. LEWIS. All right. Then the conversation went on to talk—Mr. Bond did, rather, went on to talk as to how Mr. Pumphrey had said, "We had just gotten it in time because a car had to leave Capitol Heights to try to head him off," and then they called the beach and sent him back and the run was done that day in the District of Columbia.

Senator KEFAUVER. When you say it was run that day in the District of Columbia, explain what you mean.

Mr. LEWIS. Yes, sir. In other words, they had been using the ranch house, but—

Senator KEFAUVER. They took them out to the ranch house to sort out the numbers?

Mr. LEWIS. Yes, sir; to get the work straightened out, whatever had to.

Senator KEFAUVER. And so they caught him in time and took the work to the District of Columbia?

Mr. LEWIS. Yes, sir; and instead of running at the ranch house they ran it in the District of Columbia.

Senator KEFAUVER. All right.

Mr. BOND. We don't know that. Rather, these things Pumphrey told me, "That is the story," but actually we have no proof to back it up, it is just hearsay.

Senator KEFAUVER. That is what Pumphrey told you?

Mr. BOND. Yes, sir.

Mr. RICHARDS. Senator, I would like to ask Mr. Lewis if he did not have a chance to observe the movement at this farm house—is that right—of these automobiles, you saw certain transactions at the farm house that led you to believe that there was some operation going on there and that is the reason you came to the police.

Mr. LEWIS. Yes, sir.

Mr. RICHARDS. All right, and may I ask how long you had been observing these movements?

Mr. LEWIS. Oh, I had observed this place for, oh, a couple of months.

Mr. RICHARDS. At approximately what time each day did these cars leave the farm to go to the beach, presumably?

Mr. LEWIS. Around about a quarter after two.

Mr. RICHARDS. About 2:15.

Senator KEFAUVER. All right. Go ahead, Mr. Lewis.

Mr. LEWIS. Then we got into some conversation about Madge Nelson and the car, and the chief was very highly praised by Mr. Bond, very highly praised.

Senator KEFAUVER. You are talking about Chief Richards?

Mr. LEWIS. Yes, Chief Richards. In fact, he went on to say that the chief would get these people, that there had been a rumor out that the man was going to resign, but that he would never resign until he had gotten him. The chief is a very fine man, and will stick right with them until he gets them. And then Mr. Bond goes on to say how hard he and Mr. Perrygo had worked on this case, and that he was going to try to get more information from Mr. Pumphrey.

Senator KEFAUVER. From whom?

Mr. LEWIS. From Mr. Pumphrey.

It is in there about the way that he and Mr. Perrygo went down to the beach, and Mr. Perrygo got up on the sly so that he could look over and see just what they were doing, and he states that there was not any question in their minds about operating numbers out of that ranch house.

Senator KEFAUVER. Is that Uncle Billy's?

Mr. LEWIS. No, sir. That is not Uncle Billy's. That is the ranch house.

Senator KEFAUVER. Mr. Bond?

Mr. BOND. Yes, sir. I would like for Mr. Lewis to explain what county the ranch house is in.

Mr. LEWIS. Yes, sir. That is in Calvert County.

Senator KEFAUVER. That is not in Prince Georges County?

Mr. LEWIS. No, sir. This was an unofficial investigation to try to help these men to stop them on the road.

Mr. BOND. I would also like to add that I also made, I believe, one or two trips with Mr. Lewis to the beach.

Senator KEFAUVER. Speak a little louder, Mr. Bond.

Mr. BOND. I want him to express to you gentlemen that we made two trips to the beach, Mr. Lewis and I.

Mr. LEWIS. Yes, sir; that is true.

Senator KEFAUVER. Mr. Richards.

Mr. RICHARDS. Mr. Lewis, according to the way that you have made your observations, and according to the time that it would take to head that car off going to the beach, if this car left Ritchie at approximately 2:15, would you say an hour would be sufficient time to head this car off?

Mr. LEWIS. What do you mean?

Mr. RICHARDS. To head the car off, to stop it from going to the beach?

Mr. LEWIS. It would all depend that day on what time they got this proposed tip-off.

Mr. RICHARDS. Suppose it was around 12 o'clock.

Senator KEFAUVER. Chief, suppose we do this. What you are talking about is not in this conversation. Would it be all right if you

would make notes about the questions you want to ask that do not relate to this particular conversation, and we will let you ask them afterward.

Mr. RICHARDS. Very well, Thank you, sir.

Senator KEFAUVER. All right.

Mr. LEWIS. Sir, that is the main essence of it. You see, I went to get some information as to whether or not there was a fix. I had suspected it. Now, I had never said that a fix was in. I had merely state dthat a county official had told me that a fix was in.

Senator KEFAUVER. All right, Mr. Bond.

Mr. BOND. Mr. Lewis, what did you say in regard to there being something wrong when we were sitting at 301 Central Avenue, at approximately 20 minutes to 3.

Mr. LEWIS. At that time when we had not heard any word that these cars had been stopped, that came regularly past these points, I said, "Well, we are not going to get anything today. I am just pretty positive of that."

I had felt all along that something was a little wrong. And my suspicions grew and grew until I just had to find out. So I went down to try to determine whether or not a fix was in. I have never said that a fix was in.

Mr. BOND. Do you think that I was in on the fix?

Mr. LEWIS. No, sir; I do not. I think that you are a very fine police officer.

Senator KEFAUVER. We are talking about the conversation now. Let us get back to the other matter.

Mr. Rice, you have reviewed this matter.

Mr. RICE. Yes. Let me ask Mr. Bond this.

Do you recall telling Mr. Lewis something along this line, talking about the car? They went down early, and when they started the work, the word was supposed to come that the police was on him. Well, this guy starts from Capital Heights and tries to catch him, and in the meantime they call the beach and the man cut him off there. And they go on and talk about it going back into the District.

Mr. BOND. Do you want me to answer that question?

Mr. RICE. Yes.

Mr. BOND. To the best of my knowledge, that is what Mr. Pumphrey told me. Now, if it did not happen, he is the one that told them. I didn't make the story up.

Mr. RICE. Yes. I am just asking if you told this to Mr. Lewis; that is substantially the story?

Mr. BOND. Yes, sir; I did.

Mr. RICE. Now, did Mr. Pumphrey tell you who told him?

Mr. BOND. No, sir; he did not. I was going back at a further date. I expressed that to Mr. Lewis on a Saturday night, that I would find out if possible, because I was just as anxious to find out if there was a tip-off, who it was, as well as he was.

Mr. RICE. There was not any question in your mind but what there was a tip-off?

Mr. BOND. Sure, there was a question in my mind.

Mr. RICE. Well, Pumphrey told you that there was, did he not?

Mr. BOND. But still there was a question that his word might not be any good.

Mr. RICE. Yes. But Mr. Pumphrey is connected with Nelson; is he not?

Mr. BOND. I don't know that he is or not, other than being in the P. & N. Co. P. & N. Amusement Co. would be Pumphrey & Nelson.

Mr. RICE. So he is connected with Nelson?

Mr. BOND. I don't know.

Mr. RICE. So when Pumphrey told you that there was a tip-off and you have a car full of spinach, you have a pretty good idea that there was a tip-off?

Mr. BOND. I would have the same idea that anyone else would, if you work on something so long and something turns up like that, if you think in your mind that there are numbers in an automobile and it turns out to be peas and chickens and spinach——

Mr. RICE. And then one of the men in the deal who would be subject to getting in trouble if there were numbers in there, if he told you it was a tip-off, you would believe it then, would you not?

Mr. BOND. I don't see how Mr. Pumphrey would get in trouble with the numbers when he is not associated with them, as far as I know; he has never been convicted of it. I can't say.

Mr. RICE. How did you come to be talking, then, to Pumphrey about this thing?

Mr. BOND. I have received information from other gamblers. If they are gamblers, there is competition.

Mr. RICE. Why is he in a position to give you information about gamblers?

Mr. BOND. Why?

Mr. RICE. Yes; or how?

Mr. BOND. I can't answer that.

Mr. RICE. He is your informant, is he not?

Mr. BOND. I imagine that is the word for it; yes, sir.

Mr. RICE. Do you consider him to be a reliable informant? Has he given you any bad information, or is it mostly good?

Mr. BOND. It has been bad and it has been good. He is not going to tell on himself.

Mr. RICE. But sometimes he gives you information about gambling?

Mr. BOND. Possibly; yes.

Mr. RICE. Possibly?

Mr. BOND. Yes, sir.

Mr. RICE. He is your informant, is he?

Mr. BOND. Well——

Mr. RICE. Let me get a little definite about this thing, now. Pumphrey is your informant, how does he get the information?

Mr. BOND. I don't know.

Mr. RICE. You asked him about that? Don't you ask him when he tells you something?

Mr. BOND. I don't ask him where he gets his information from. It is none of my business. I don't care how he gets it.

Mr. RICE. You are a policeman, are you not?

Mr. BOND. Yes, sir.

Mr. RICE. And it is none of your business where he gets it from?

Mr. BOND. Not where he gets it; no.

Mr. RICE. Not where he gets gambling information? You are not interested in that?

Mr. BOND. As long as I get it, I can make arrests. That is all I am interested in.

Mr. RICE. No better than that? Making arrests?

Mr. BOND. That is all we are interested in, breaking up gambling.

Mr. RICE. Didn't you ask him, when Pumphrey said there was a tip-off, how he knew and where he found out?

Mr. BOND. No, sir.

Mr. RICE. You did not ask him that?

Mr. BOND. No, sir.

Mr. RICE. You did not care about that?

Mr. BOND. It did not seem important.

Mr. RICE. It was not important?

Mr. BOND. Not to me.

Mr. RICE. A little thing like something in your own department, affecting your own department, was not important?

Mr. BOND. If I asked him, I wouldn't expect him to tell me.

Mr. RICE. It was important, though, was it not?

Mr. BOND. Actually, it would be important, I would imagine, if I had known then what I know now; sure.

Mr. RICE. It affected the whole structure of your department?

Mr. BOND. It has; yes, sir.

Mr. RICE. And it caused an abortive raid and terrible embarrassment; and you did not ask him where he found out?

Mr. BOND. I don't think I would put myself in a position to ask him, if I would expect what kind of answer I would get.

Mr. RICE. Why not?

Mr. BOND. That is one of those things that you have to contend with.

Mr. RICE. You just do not want to know, do you?

Mr. BOND. No, sir, that is not the reason. If I thought he would give me the right answer, I would ask him. I would find out in my own way.

Senator KEFAUVER. Of course, you cannot tell what sort of answer he is going to give you, Mr. Bond, unless you ask him?

Mr. BOND. Yes, that is true.

Senator KEFAUVER. It might have been a pretty good thing to have asked him, do you not think?

Mr. BOND. Yes, sir, it would have been, possibly.

Senator KEFAUVER. I think that would be one of the first things you would want to know, who was undermining your work, and who was tipping them off.

Mr. RICE. Here is something else I would like to ask you about. You were there when they stopped Madge Nelson's car, were you not?

Mr. BOND. No, sir.

Mr. RICE. You were not there?

Mr. BOND. No, sir. I was with Mr. Lewis.

Mr. RICE. Here is part of the conversation—you were not there. Who was there?

Mr. BOND. I do not know. I wasn't there.

Mr. RICE. Who handled the stopping of the car?

Mr. BOND. I understood afterward when I arrived there it was Detective Perrygo, detective sergeant—

Mr. RICE. That is the man here?

Mr. BOND. That is this man here. And Detective Sergeant Purdy.

Mr. RICE. You are Detective Perrygo?

Mr. PERRYGO. Yes, sir.

Mr. RICE. And who else?

Mr. BOND. Officer Nally, who is a uniformed patrolman.

Mr. RICE. Was Mr. Purdy there?

Mr. BOND. Yes, sir; he was.

Mr. RICE. Is that this man here?

Mr. BOND. That is correct.

Mr. RICE. Who was in charge of the party?

Mr. BOND. Detective Sergeant Purdy.

Mr. RICE. This man here was in charge?

Mr. BOND. Yes, sir.

Mr. RICE. And what did you learn about the stopping of the car?

Mr. BOND. We received a radio call from out standpoint that they wanted our car, 28, to proceed to the bypass at 301, near the tobacco barns in Upper Marlboro. We immediately went to this crossroads, and when we arrived, the car had been stopped, and there were three officers in the car searching, pulling the seats out, looking through the vegetables; the trunk was open.

Mr. RICE. The trunk was open?

Mr. BOND. Yes, sir.

Mr. RICE. And who was there?

Mr. BOND. Officer Perrygo—

Mr. RICE. Who were the people in the car?

Mr. BOND. I don't know.

Mr. RICE. Wait a minute, now. Were there people in there?

Mr. BOND. I don't know who they were. Mrs. Nelson was one, so they say.

Mr. RICE. Yes. Who were the other people?

Mr. BOND. I really—

Mr. RICE. Were they men or women?

Mr. BOND. They were all women.

Mr. RICE. How many?

Mr. BOND. I believe there were four.

Mr. RICE. Four women?

Mr. BOND. Yes, sir.

Mr. RICE. And do you know who they were?

Mr. BOND. No, sir.

Mr. RICE. Are you sure about that?

Mr. BOND. I am not positive. I don't want to say, if I am not sure.

Senator KEFAUVER. Let us ask Mr. Perrygo or Mr. Purdy.

Mr. BOND. I didn't take any names. We arrived after the search had been made. This man—

Mr. RICE. Who took the names? Did any of you gentlemen take the names?

Mr. BOND. I can't answer that question.

Mr. PURDY. I can answer that very easily. When we searched the car and didn't find what we thought we would find, there was no reason to ask the other girls who they were. We knew that Mrs. Nelson was driving the car because she showed us her permit and registration card.

Mr. RICE. Yes. And did you ask the other people who they were?

Mr. PURDY. I did not. And when I got back to the office, I happened to think then, maybe we should have gotten their names. But at the time there, we were just so confident that we were going to get the work, and taking four of them back to the office, at which time, if we had gotten the work, they would have been charged.

Mr. RICE. If you did not get their names, do you know who any of the girls were?

Mr. PURDY. I don't know.

Mr. RICE. Do you know, Mr. Perrygo?

Mr. PERRYGO. No, sir.

Mr. RICE. You are sure you did not know those girls?

Mr. PURDY. I am positive.

Mr. RICE. You have not heard?

Mr. PURDY. I have not heard, other than Mrs. Nelson, Madge, as they call her.

Mr. RICE. Here is the conversation, Mr. Bond, talking about this walking around the car. Mr. Bond says, "In other words, she expected it. She was expecting it."

What did you mean by that?

Mr. BOND. This wasn't on the day of the raid. This was 2 days afterward.

Mr. RICE. Yes, and you were talking about it. You were rehashing it.

Mr. BOND. From what I understand, she got out of the car, lit up a cigarette, and opened the trunk. If she was excited, and all, or if she had numbers she would possibly be excited, I believe. I mean, she was concerned. That is what makes a doubt in my mind as to what did happen.

Mr. RICE. Was she flippant about it in any way?

Mr. BOND. Sir?

Mr. RICE. Was she flippant about it?

Mr. BOND. I can't say, sir, because I arrived there——

Mr. RICE. She was still there when you were there, was she not?

Mr. BOND. Yes, sir; ready to leave.

Mr. RICE. What did she have to say about it? Was she kidding you along?

Mr. BOND. She never spoke to me. I got out beside the car by Mr. Lewis, and stood and talked with him to determine what happened. He thought there was numbers in all those paper bags.

Mr. RICE. What other things contributed to your mental observation that you arrived at that she was expecting it? What else did you do?

Mr. BOND. That was my opinion, that she probably may have expected it, because of this——

Mr. RICE. Just the way she acted and talked?

Mr. BOND. I didn't hear her talk. I don't know what you mean by "acted."

Senator KEFAUVER. As I got the picture, you gentlemen think that this automobile that had the number works in it was headed off, and told that it would be raided; so it went on to the District of Columbia and got there some way, to work over the numbers, and in order to carry out the transaction, then they got this other car to take the place of the one that was to be raided. Is that the idea? And she came

along about the same time that the other car was supposed to be there, with turkeys and peas in it? Was that the idea, Mr. Purdy?

MR. PURDY. Senator, I never felt from the beginning to the end, that she ever took the work in that automobile until Mr. Lewis came to us and made the contact, and told us he had watched this progress right from beginning to end, at which time two men were assigned—in fact, they were planted—that was Detective Perrygo and Bond—to watch the place. They saw these bags go into the automobile, into the back seat of the car, and the car pull out and go to the beach. On Tuesday, the first Tuesday they were planted on it, the car, according to the information that they turned over to me, the car did not come out or go into the farm. That was Tuesday. Then on the first Tuesday—

MR. RICE. Wait a minute. Before you leave that Tuesday, that Tuesday they said they did not see the car go in and go out. But later on in the afternoon, didn't Mr. Nelson and some of the officers go down and find the car at North Beach, or the ranch? Mr. Lewis, rather?

MR. PURDY. There are different cars that are used—

MR. RICE. Yes; that is a simple question.

MR. PURDY. In fact, that was not the car that we stopped. That was a different car then.

MR. RICE. But a car did get down to the ranch house, evidently, without too much trouble on Tuesday?

MR. PURDY. A car was at the ranch house, yes, or at the beach somewhere.

SENATOR KEFAUVER. Evidently the information that you had was that this car, with the number works in it, was going to be along there about that time?

MR. PURDY. That is right.

SENATOR KEFAUVER. So all of you, four or five of you officers, stopped the car, expecting to find the numbers, and as a matter of fact, the numbers car had been detoured and sent on, and here was another car in its place. That was the situation, was it not?

MR. PURDY. I would not say that, Senator, because I am not positive in my own mind yet that the works ever went down there.

SENATOR KEFAUVER. I thought there had been some information that caused you all to be there ready to pounce on this car.

MR. PURDY. That is right, that we believed from the information received that the works went down in that automobile.

SENATOR KEFAUVER. What do you say about that, Mr. Perrygo?

MR. PERRYGO. I will have to stand by Mr. Purdy's statement. I can start from the beginning of it, which was on a Tuesday, and that day we saw no transaction at all on the farm, but on Wednesday and Thursday, at the same time, we saw the same transaction. That was three women coming in a District car with dealer tags at about 2 o'clock. They got out with brown bags, took them into the house, and a few minutes later there were four of them that came out and got into the Nelson car and left for the beach.

SENATOR KEFAUVER. Did you have the impression, when you stopped Mrs. Nelson, that she was expecting to be stopped?

MR. PERRYGO. I think I was more surprised than anybody in the car was, because I have worked on quite a few of these cases, and this

is the first time I have missed on one of them. And when I saw the brown bags, I was positive it was work.

Senator KEFAUVER. And what was in the brown bags?

Mr. PERRYGO. Peas, spinach, and then they had some chickens in the bag.

Senator KEFAUVER. The same kind of brown bags they carry the work in?

Mr. PERRYGO. Yes, sir.

The CHAIRMAN. In other words, Mr. Pumphrey—

Senator KEFAUVER. In other words, you were just decoyed; is that the idea?

Mr. PERRYGO. It is a possibility that that could have been a decoy.

The CHAIRMAN. Mr. Perrygo, you really did believe when you stopped the car that they were transporting gambling—

Mr. PERRYGO. Absolutely. But the car we stopped was not the one that we had the warrant for. We just took a chance on that.

The CHAIRMAN. I would like to ask Mr. Bond a question, Mr. Chairman, right at that point.

Senator KEFAUVER. Very well.

The CHAIRMAN. Mr. Bond, can you assign any reason why Mr. Pumphrey would tell you that the fix was on if, in fact, there had not been any?

Mr. BOND. No, sir, I wouldn't know any reason for his telling me that.

The CHAIRMAN. Just one second question.

Mr. BOND. Yes, sir.

The CHAIRMAN. When you got into the car on Saturday with Mr. Lewis and repeated to him what Mr. Pumphrey had told you, that is, all without any idea that this was going to come about today, when you were in the car and related the conversation to Mr. Lewis, did you as of that time believe Mr. Pumphrey's statement that the fix was on?

Mr. BOND. I don't see any reason why he should tell me that stuff if it was not so.

The CHAIRMAN. That is right.

Mr. BOND. It makes a doubt in your mind as to whether it was or not.

The CHAIRMAN. But I will go back again now to my question, whether as of that time when you repeated it to Mr. Lewis, and it was recorded, did you or not believe that Mr. Pumphrey had told you the truth?

Mr. BOND. I was in doubt, but I thought—

The CHAIRMAN. What caused your doubt?

Mr. BOND. I feel that he—

The CHAIRMAN. Not your attitude as of today, but as of Saturday, because a lot has happened since then. I am talking about what your state of mind was as of Saturday. You had gotten the information on Friday, the day previous. You came and met Mr. Lewis, and related it to him.

Now, my question is whether at that time you believed that Mr. Pumphrey had told you the truth.

Mr. BOND. I can't answer that question very well.

The CHAIRMAN. That is a very simple question, Mr. Bond.

Mr. BOND. Yes; I know. I don't know whether he was telling the truth or not.

The CHAIRMAN. I did not ask you whether he did. I asked you whether you believed him.

Mr. BOND. Did I believe it when he was telling me that that was the truth?

The CHAIRMAN. Yes; whether or not you believed it at that time.

Mr. BOND. Of course, I believed it.

The CHAIRMAN. The answer was "Yes," then?

Mr. BOND. I had a good idea that it possibly could have been so, because we did not get anything. It is possible. Anything is possible.

Senator KEFAUVER. When he told you that the fix was on, then you say at that time you believed it?

Mr. BOND. Yes, sir, and I returned to our barracks and I told Detective Perrygo about it. I did not tell him who told me. I told Detective Sergeant Purdy. I did not tell him who the subject was that told me. They did not ask me who he was.

Senator KEFAUVER. Did you tell the chief?

Mr. BOND. I did; yes, sir.

Senator KEFAUVER. Is that right, Chief?

Mr. RICHARDS. I do not know, sir.

Mr. RICE. You can do better than that, Chief. That is an important statement?

Mr. RICHARDS. I beg your pardon?

Mr. RICE. I say, you can do better than that. That is an important thing. If he told you that, I am sure you would have remembered.

Mr. RICHARDS. I am positive that I do not remember it. I cannot say that he did, but if he did, I do not remember it.

Senator KEFAUVER. But, Chief, if he told you that somebody had fixed your department, I think you would be jumping up and down and remembering it pretty fast.

Mr. RICHARDS. I am pretty sure I would, sir. I don't remember. If he told me, I don't remember it.

Mr. RICE. Is that a nice way of saying that he did not tell you?

Mr. RICHARDS. Possibly, sir.

Senator KEFAUVER. Did he tell you, Mr. Purdy?

Mr. PURDY. He said something to me about somebody told him that they were tipped off.

Senator KEFAUVER. What did you do about it?

Mr. PURDY. I asked him who it was, and he had this information. I mean, he would not tell me. He said it was confidential information, or words to that effect.

Senator KEFAUVER. Did you tell the chief?

Mr. PURDY. I did not tell the chief because I did not believe there was anything to it.

Senator KEFAUVER. That is pretty important information.

Mr. PURDY. I checked everything I could to find out whether there was any possibility of a slip or leak, and I positively did not believe there was one, and that is the way it was.

Mr. RICE. Perrygo said he thought that the first time he had ever heard of it, that they had missed, like that.

Mr. PERRYGO. That is right, because the police investigated the cases of all the others. But this one the police did not investigate until a man comes to our department and says that the numbers work

is going there in brown bags; the officers there see brown bags going into the automobile, and the car is stopped with brown bags in it.

Mr. RICE. Did you say you were satisfied from your investigation, then, that there was not a tip-off?

Mr. PURDY. I felt confident there was no tip-off.

Senator KEFAUVER. Before we recognize Mr. Lewis, Mr. Bond told Mr. Perrygo about this, he said.

Didn't you say you told Mr. Perrygo?

Mr. BOND. Yes, sir.

Senator KEFAUVER. Did he tell you, Mr. Perrygo?

Mr. PERRYGO. We were in the detective bureau, and Bond came in to the detective bureau and said something about some man telling him about a tip-off. But I did not pay any attention to it, because I thought Mr. Bond at that time was referring to Mr. Lewis.

Senator KEFAUVER. It looks like you would have asked him what it was all about, in more detail.

Who is Mr. Bond's superior? Who is his immediate superior?

Mr. PURDY. I am, sir.

Senator KEFAUVER. Then where do you fit in, Mr. Perrygo?

Mr. PERRYGO. I am just a detective, sir.

Senator KEFAUVER. Then you are in the same category as Mr. Bond?

Mr. PERRYGO. I am in the same category as Mr. Bond.

Senator KEFAUVER. Then, Mr. Purdy, you are next in line to the chief?

Mr. PURDY. That is right.

Senator KEFAUVER. Mr. Lewis had his hand up a minute ago.

Mr. LEWIS. Yes, sir. I think the chief will verify the fact that I came to him on July 30—wasn't it, Chief?

Mr. RICHARDS. On a Monday.

Mr. LEWIS. On a Monday.

Mr. RICHARDS. That is right.

Mr. LEWIS. That is right. And I think that gave him in the neighborhood of about 9 or 10 days to investigate that case.

Isn't that true, Chief?

Mr. RICHARDS. We stopped the car the following Wednesday, a week.

Mr. LEWIS. Yes, sir, about 10 or 12 days.

Now, they did make certain observations which must have led them to believe that what I said was true.

Mr. RICE. You were along with them some of the time, were you not?

Mr. LEWIS. Yes, sir.

Mr. RICE. Who were some of the officers that you went with?

Mr. LEWIS. Mr. Bond and I worked together most of the time. And he is a fine policeman.

Mr. RICHARDS. Very good.

Senator KEFAUVER. I believe Mr. Bond had his hand up a minute ago.

Mr. BOND. Yes, sir. I don't know whether this has anything to do with it or not. But I would like for Mr. Lewis to tell you gentlemen how we met.

Senator KEFAUVER. I do not see that that has anything to do with it. But if Mr. Lewis wants to tell it, it is all right.

Mr. LEWIS. Yes, sir. A mutual friend brought him down to the Keith's Theater and told me—Mr. Bond tells me this, now—that the police department would be only too willing to cooperate in this investigation. I reported to Mr. Jackson that I had been told that, but I told Mr. Bond that I can't say anything to you until first you go to the Crime Committee with me and make yourself known so that they will also know that you are on the case.

So I think that was a Sunday—

Senator KEFAUVER. What crime committee are you talking about, sir?

Mr. LEWIS. The Senate Crime Committee, sir; your committee.

So the next day, I took Mr. Bond to Mr. Jackson and we had a conversation as to this case. So the county police, they started investigating the case from that time on. In fact, the chief became interested in this that day, wasn't it, Chief, Monday?

Mr. RICHARDS. That is right.

Senator KEFAUVER. All right, Chief, you had your hand up.

Mr. RICHARDS. There is only one question that I would like to ask Mr. Lewis.

On this particular day, this Wednesday that Mrs. Nelson's car was stopped, what time did you arrive at Marlboro, and who did you see?

Mr. LEWIS. It was around 11 o'clock in the morning, 11 or 11:30, and the four gentlemen that are sitting here now were there. We wanted to get on the road early that day. So these four men went out to eat their lunch, and my brother and I went up and got a little ice cream. And then we came back and we all took our appointed positions.

Mr. RICHARDS. And what time did we leave the station at Marlboro?

Mr. LEWIS. Chief, I don't know exactly, but I think it was in the neighborhood of about 12:30, wasn't it, or something like that? I don't know exactly. It may be earlier; it may be a little later. I don't know.

Mr. RICHARDS. To be exact, it was 12:15.

Mr. LEWIS. 12:15.

Mr. RICHARDS. That is all, then.

Senator KEFAUVER. You are investigating the matter now, Chief, I take it?

Mr. RICHARDS. Yes, sir.

Senator KEFAUVER. And that is the reason you wanted this information, Chief?

Mr. RICHARDS. That is right, sir.

Senator KEFAUVER. How many people do you have in the department, chief?

Mr. RICHARDS. I have 38 officers and 9 clerks, sir. The 38 officers include myself. I have 10 recruits that are in class at this time, sir.

Senator KEFAUVER. How long have you been in office?

Mr. RICHARDS. Since the 15th of January, sir.

Senator KEFAUVER. Of this year?

Mr. RICHARDS. This year, sir.

Senator KEFAUVER. You are part of the new set-up out there?

Mr. RICHARDS. Yes, sir.

Senator KEFAUVER. How long have the other gentlemen been in there?

Mr. PURDY. I have been on the force since August 1, 1939.

Senator KEFAUVER. How long have you been on, Mr. Bond?

Mr. BOND. Eight years the 15th of last month.

Senator KEFAUVER. Mr. Perrygo?

Mr. PERRYGO. Eight years.

Senator KEFAUVER. Excuse me Senator.

The CHAIRMAN. I beg your pardon. I thought you had finished, Senator.

Mr. Lewis, could I ask you this question? From the time on July 30, which was Monday, that you first mentioned the matter to the chief, that was the first day, was it not?

Mr. LEWIS. Yes, sir, that is correct.

The CHAIRMAN. What was the attitude of the chief? Did he indicate a readiness to act, or did he indicate some reluctance?

Mr. LEWIS. He was very cooperative, sir. Chief Richards is a fine man.

The CHAIRMAN. Very good. Now, from that time and throughout that week of July 30, up to the week of August 6, which was this past Monday, did he continue to manifest that same attitude?

Mr. LEWIS. Yes, sir, he has always been willing to cooperate.

The CHAIRMAN. And the others have been, too?

Mr. LEWIS. Yes, sir.

Senator KEFAUVER. Gentlemen, how is it that this big operation has been going on out here all these years, and it does not seem that Nelson has ever been arrested since 1938? Is there any explanation?

Mr. RICHARDS. Senator, may I say this, that since I took office in January, we know that there are certain operations going on, and I have had my men follow Nelson's car to North Beach on numerous occasions. Not only that; I have had my men follow known gamblers to Charles County, to ease our mind that these operations were not in Prince Georges County. And we are satisfied that there are no big operations in Prince Georges County, and I can assure this committee that if we know or have any information that would lead us to believe that there are operations there, that we will not hesitate to act. But we knew that this operation was in Calvert County. I also know of an operation that was in Anne Arundel County. I followed it there myself last spring, when the Laurel races were going on. I knew of a big house in Anne Arundel County, and I know of a big house in Charles County.

Mr. RICE. Is that the one that was raided in December?

Mr. RICHARDS. Sir?

Mr. RICE. Are you speaking about the one that was raided in December of 1950?

Mr. RICHARDS. I do not know whether that was the one or not, sir. And so long as we are trying to rid our county of these illegal operations, I see no reason for us to go into other counties, because frankly we have more than we can do in Prince Georges.

Senator KEFAUVER. Do you have jurisdiction, or do you have the power to go into other counties?

Mr. RICHARDS. No, sir, we do not.

Senator KEFAUVER. If you have an arrest warrant, you can go anywhere in the State, can you not?

Mr. RICHARDS. No, sir, we cannot. We only have jurisdiction in Prince Georges County.

Senator KEFAUVER. A sheriff can, can he not?

Mr. RICHARDS. No, sir. The sheriff of Prince Georges County only has jurisdiction in Prince Georges County, sir.

Senator KEFAUVER. But one difficulty seems to be, Chief, that you knew about these operations in the other counties and operations in one county kind of pollute the adjoining county, as you very well know, and get over into the District of Columbia and even over into Virginia.

Mr. RICE. The mere possession of slips, if you catch them in your county traveling with slips, that is a crime in your county, is it not?

Mr. RICHARDS. That is true, sir. And I believe that our records will show that there are some 40 gambling convictions in our county since the 15th of January.

Mr. RICE. Yes, sir. Now, you mentioned that you occasionally would follow them into another county. What would you do then?

Mr. RICHARDS. I would do nothing, sir.

Mr. RICE. Would you not advise the other county?

Mr. RICHARDS. I did.

Mr. RICE. Did you tell them where they were running?

Mr. RICHARDS. Yes, sir.

Senator KEFAUVER. It seems to me that there must be some need of better cooperation in exchange of information between you people in these various counties.

Mr. RICHARDS. I gave information about 3 weeks ago of a big operation in another county. Mr. Jackson knows about it, and to date I do not think there is anything that has been done, sir.

Mr. RICE. That is right.

Senator KEFAUVER. You sound serious about your business, Chief. I will say that.

Mr. LEWIS. Chief Richards is a fine man.

Mr. RICHARDS. We intend to break this up in Prince Georges County if we can get the proper information. But we do not want to go off half-cocked. When we go into court, we want to have a case that will stand up.

Senator KEFAUVER. It would be a whole lot easier to break it up if all of you in all these counties could act together, because if they operate in one county, it is mighty easy for them to get back in your county.

Mr. RICHARDS. That is right, sir. I hope they come back. I hope they come back and set up, because if they do, we will get them. If they come back in Prince Georges County, I can assure you that, sir.

Senator KEFAUVER. All right.

Now, I think we have spent enough time on this.

Mr. RICE. I think so.

Senator KEFAUVER. Is there anything else that any of you want to add?

(No response.)

Senator KEFAUVER. All right. Thank you very much.

Mr. RICHARDS. Thank you, gentlemen.

Senator KEFAUVER. Mr. Beall, will you come around, Sheriff Beall? And Mr. Lancaster is the city attorney, I believe.

Mr. BEALL. State's attorney.

Senator KEFAUVER. You can come up at the same time, if you will, please, sir.

Do you solemnly swear the testimony you give to the committee will be the whole truth, so help you God?

Mr. BEALL. I do.

Mr. LANCASTER. I do.

Senator KEFAUVER. Gentlemen, have a seat.

**STATEMENT OF CARLTON G. BEALL, ACCOMPANIED BY
CARLYLE J. LANCASTER**

Senator KEFAUVER. Your name is Beall?

Mr. BEALL. That is correct, sir.

Senator KEFAUVER. You are the sheriff?

Mr. BEALL. That is correct, sir.

Senator KEFAUVER. You are the sheriff of Prince Georges County?

Mr. BEALL. That is correct.

Senator KEFAUVER. And how long have you been sheriff, sir?

Mr. BEALL. I accepted the office the 15th of December 1950.

Senator KEFAUVER. You have just been elected, then?

Mr. BEALL. On the 7th of November, yes, sir.

Senator KEFAUVER. November 1950?

Mr. BEALL. Yes, sir.

Senator KEFAUVER. What did you do prior to that time?

Mr. BEALL. I was engaged in farming, sir.

Senator KEFAUVER. In what?

Mr. BEALL. In farming.

Senator KEFAUVER. Mr. Lancaster, what is your first name?

Mr. LANCASTER. Carlyle. The middle initial is J.

Senator KEFAUVER. And you are the State's attorney?

Mr. LANCASTER. Yes, sir.

Senator KEFAUVER. State's attorney for the county?

Mr. LANCASTER. That is correct, Senator.

Senator KEFAUVER. Is that an elective position?

Mr. LANCASTER. It is, Senator.

Senator KEFAUVER. And when did you assume your position as State's attorney for Prince Georges County?

Mr. LANCASTER. January 1, 1951, of this year.

Senator KEFAUVER. Sheriff, you went in in December 1950?

Mr. BEALL. That is correct, yes, sir.

Senator KEFAUVER. They are both elected at the same time, but the sheriff takes office before the State's attorney?

Mr. LANCASTER. That is correct, Senator, because of the existing law that the sheriff goes in 15 days prior to the State's attorney.

Senator KEFAUVER. Is that the usual rule all over the State?

Mr. LANCASTER. Yes, sir.

Senator KEFAUVER. What is the reason for that?

Mr. LANCASTER. I don't know, Senator. I think that it is a practice that has existed in Maryland for many years.

Senator KEFAUVER. I thought maybe it was to get everything safe for the district attorney to come in.

All right, Mr. Rice, you may question the gentlemen.

Mr. RICE. Mr. Beall, we are interested in the story of an approach made by Charles Nelson to you. I understand that Nelson is a neighbor of yours.

Mr. BEALL. That is correct, sir.

Mr. RICE. How long have you known him?

Mr. BEALL. I have known him—I have only seen him four or five times in my life—I have heard of Nelson; I have heard about his activities. It has been rumored through the county for years about Nelson and similar men, such as Beard and Perry and all the others. So Nelson is just another name in the gambling world, as far as I was concerned, prior to the election to the office of sheriff.

Mr. RICE. Now, after you assumed office, or rather before you went into office, you had no transactions with Nelson? You had no business dealings with him?

Mr. BEALL. None whatever, sir.

Mr. RICE. And he was a neighbor, and lived not too far away, as I understand it?

Mr. BEALL. Approximately 3 miles. Of course, in the rural areas, that is neighbors. In cities it is a different story. But in rural areas, 2 or 3 miles is practically neighbors.

Mr. RICE. All right, sir. Now, tell the committee about the contact you had with the Nelsons since you have been in office.

Mr. BEALL. To start from the beginning, sir?

Mr. RICE. Yes, sir, without too great detail.

Mr. BEALL. You mean, in general, so that you may have a complete picture?

Mr. RICE. We would like to have the picture, yes, sir.

Mr. BEALL. When we accepted the office, with the rumors that we had heard of the corruptness that existed in the county government, it was our interest to remove that evil. We moved with caution to see that we could accomplish the job. There were elements that led Mr. Nelson to approach me on the basis that I had a summons served on him for civil work—

Mr. RICE. For what?

Mr. BEALL. On a civil case.

Mr. RICE. In which he was a litigant, do you mean?

Mr. BEALL. Sir?

Mr. RICE. In which he was involved.

Mr. BEALL. Yes, sir. And it was served in the early morning. At that particular time, the detective that served the summons was working on the Bowie race track scandal that was covered by this great committee.

Mr. RICE. You are talking about the come-back money?

Mr. BEALL. Yes, sir.

Mr. RICE. Yes.

Mr. BEALL. And I instructed him to serve the summons en route to the office next morning. There were men that followed the alleged Nelson operators and workers into other counties. We notified the State police of this action and asked them to assist. Nothing seemed to have been accomplished because of that information. I made the statement generally that I was going to contact the Governor of Maryland to give us assistance.

Time moved on; other things were developing, and I did not write the Governor, nor did I call him. It was a Sunday afternoon and Nelson called at my home.

Mr. RICE. Can you fix the time approximately when that Sunday was that Nelson came to your house?

Mr. BEALL. It was in late afternoon.

Mr. RICE. Yes.

Mr. BEALL. I do not remember the exact date.

Mr. RICE. What month was it?

Mr. BEALL. Sir?

Mr. RICE. What month? What part of the year?

Mr. BEALL. This was approximately 2½ months ago.

Mr. RICE. All right, sir. On a Sunday afternoon, he came to your house?

Mr. BEALL. That is correct, sir.

Mr. RICE. Alone?

Mr. BEALL. Yes.

Mr. RICE. And asked for you?

Mr. BEALL. That is correct, sir.

Mr. RICE. And you talked with him?

Mr. BEALL. That is correct, sir.

Mr. RICE. All right, sir. What did he say and what did you say?

Mr. BEALL. He discussed farming in general because he was a farmer and I am also engaged in the same business. He talked about everything in general. He discussed with me my finances. He said that I was a boy that was reared on the farm and I probably didn't have a whole lot of money, and I told him that was correct.

He said, "I think it is foolish for you to do what you are doing." He said, "I would like to come back into the county." He said, "I can help you."

I said, "In what way?"

"Finances."

And he discussed the possibilities and at the time I said, "Prior to my election to office, is this the way that you were allowed to operate, by making certain payments to former officials in Government?"

He said, "That is correct."

I asked him how much it cost him to operate prior to our election. He said, \$22,000 per month for him and Sam Beard, the two men that you were speaking of.

The CHAIRMAN. Sam Beard?

Mr. BEALL. That is right.

The CHAIRMAN. Was that the first time that he mentioned his name?

Mr. BEALL. That is right, sir.

Mr. RICE. Did he indicate how that was broken down? You say \$22,000 a month was paid for protection to permit Nelson and Beard to operate.

Mr. BEALL. On the breakdown of that, sir, and other information pertaining directly to that, I would rather give that to you in closed session.

Mr. RICE. Did he tell you?

Mr. BEALL. Not in detail.

Senator KEFAUVER. If you would rather give it in closed session, we will let you do it.

Mr. RICE. I would just like to find out this point, if he told you that, if you know.

Mr. BEALL. Not an exact breakdown, but he told me of some of the people that were receiving part of the money.

Mr. RICE. Yes, sir. Did he indicate how the load was shared, who put up most of the \$22,000 a month, or whether it was split even between Beard and Nelson?

Mr. BEALL. We did not go into the details.

Mr. RICE. He just said that Beard and himself were putting up \$22,000 a month to run it?

Mr. BEALL. That is correct, sir.

Mr. RICE. All right, sir. Go ahead.

Mr. BEALL. Then he said, "When can I come back into the county?" I said, "I cannot tell you at this time."

Mr. RICE. Did he indicate when he had shut down?

Mr. BEALL. He was out of the county and he wanted to come back into the county and operate as he had before we accepted the office and started the move.

Mr. RICE. You had the impression that he operated until the time you went into office?

Mr. BEALL. That is correct, sir.

Mr. RICE. And he wanted to know when he could come back?

Mr. BEALL. That is correct, sir.

Mr. RICE. What arrangements did he have in mind?

Mr. BEALL. The arrangements that he had in mind were not discussed at that particular time. There was another time that he called at my home. I told him that I did not know when he could come back into the county.

He said, "Would you advise me when I could?"

I said, "I don't know."

He said, "Well, I will see you later."

The next morning I contacted Mr. Lancaster, told him of the attempted bribe—

Mr. RICE. Mr. Lancaster, here?

The CHAIRMAN. That is Mr. Lancaster, the State's attorney for the record?

Mr. BEALL. That is correct, sir.

Mr. RICE. When you say you told him of the attempted bribe, did he get up to the point where he had offered you a figure?

Mr. BEALL. He indicated that he wanted to.

Mr. RICE. He was still negotiating at that time?

Mr. BEALL. Still negotiating; that is correct, sir.

The next morning I contacted Mr. Lancaster and I asked him what was necessary to be done. And he said, "We had better move cautiously and carefully," and in the meantime I tried to get, through Senator Butler, from the FBI, an instrument that could record his conversation, which I was refused on a loan basis. They could not in any form loan me any equipment or give me any further assistance.

The CHAIRMAN. What sort of equipment?

Mr. BEALL. If it was possible, I wanted to put a concealed microphone that would have a recording within a distance where his conversation could be recorded, sir. And that attempt failed.

It also had been rumored, of the other men that were connected with Mr. Nelson—of course, it was something of knowledge to us, but not yet something that we could definitely prove—when I found out about an irregularity that possibly did exist in a bank between some gambling men of the county and Mr. Nowland, I thought that in turn would be to get back into the FBI for some assistance. Before I had a chance to go further with that, I discussed it with Mr. Lancaster. Mr. Nelson called at my home again. It was on a Sunday—

Mr. RICE. At that point, Senator, for the record, the FBI undoubtedly told you that the men that you discussed were not within their investigative jurisdiction; did they not?

Mr. BEALL. That is correct.

Mr. RICE. And they explained to your satisfaction that it was not possible for them to handle that?

Mr. BEALL. That is correct, sir.

Mr. RICE. All right, sir. Go ahead. Then you talked to Mr. Lancaster again?

Mr. BEALL. That is correct, sir.

Mr. RICE. All right.

Mr. BEALL. I don't remember if I talked to Mr. Lancaster after that or not. My next move was to make an appointment with the Governor, Theodore McKeldin, to see if I could get some assistance through the State, and get the instrument that I felt was necessary to help me, we had decided.

There was another contact that was made by Nelson, and he told me——

Mr. RICE. Was this a direct contact? Did he come to see you again?

Mr. BEALL. That is right; that is correct. He called at my home——

Mr. RICE. How soon after the first time?

Mr. BEALL. Approximately 3 weeks, or 2 weeks.

Mr. RICE. He came to your place?

Mr. BEALL. That is correct, sir.

Mr. RICE. All right, sir.

Mr. BEALL. And he approached me on the basis, if I understood, or if he has told me—he could not remember if he had told me of what I could expect if he moved back into the county. He told me that he only wanted to operate a little place, that Mr. Beard just wanted two small places, one in Colmar Manor and the other in the village of Morningside.

Mr. RICE. What did they mean by small places?

Mr. BEALL. We did not go into detail, sir.

Mr. RICE. What did you take it that they meant?

Mr. BEALL. What did I take it?

Mr. RICE. Yes. They were not talking about dice games. They were talking about what? Numbers, or horse rooms, or what?

Mr. BEALL. They probably assumed that you know more about them than you actually do.

Mr. RICE. All right. He said that Beard wanted two places, and Nelson said he would just like one small one.

Mr. BEALL. That is correct; he wanted to operate back at the farm. He wanted to know when he could come back at the farm.

Mr. RICE. At the farm?

Mr. BEALL. That is right.

Mr. RICE. Come back to the farm?

Mr. BEALL. Come back to the farm. And he asked me about the chief of police.

Mr. RICE. Referring to Mr. Richards?

Mr. BEALL. Mr. Richards; yes, sir. I told him I didn't know at that time.

He said, "You know this is worth \$15,000 a month to you, \$5,000 for you, \$5,000 for the State's attorney, and \$5,000 for the chief?"

Mr. RICE. \$15,000 a month pay-off split three ways?

Mr. BEALL. That is correct, sir.

Mr. RICE. \$5,000 to you, \$5,000 to Mr. Lancaster, and \$5,000 to Chief Richards?

Mr. BEALL. That is correct.

Mr. RICE. That was the proposal?

Mr. BEALL. That is correct, sir.

The CHAIRMAN. Now, Sheriff, could I just interrupt to ask you, by whom was it to be paid?

Mr. BEALL. It was to be paid by him and Sam Beard.

Mr. RICE. Did he indicate to you then what proportion was to be borne by Beard and what proportion to be borne by him?

Mr. BEALL. No, sir; he did not.

Mr. RICE. Then he made it clear what his offer was?

Mr. BEALL. That is correct.

Mr. RICE. And what else did he say was part of the proposition?

Mr. BEALL. On the basis that it would be—he also promised me at that time—he said, “I know it is necessary for you to remove a lot of these illegal operators because of the campaign that you made, and I will assist you because I know of their actions and their activities.” And he said, “That is what I dislike about the Democratic Party, because there are too many of them moving in.” And he said, “I will help you to remove them.”

Mr. RICE. Now, his idea there was that he would finger his competition; is that the idea?

Mr. BEALL. That is correct.

Mr. RICE. And he would make cases for you fellows.

Mr. BEALL. He told me that, on that basis, I would be highlighted by the actions and the activities of the office, and he would be overshadowed so that they could operate without any trouble.

Mr. RICE. He would make some statistics for you, to cover up the protection?

Mr. BEALL. That is right.

Mr. RICE. All right. Did he tell you about the scope of his intended operation, how many individuals he had working for him, or how they were to protect the runners, the pickup men?

Mr. BEALL. He told me he would give me the list then. I told him I didn't want it.

Mr. RICE. Give you what list?

Mr. BEALL. Of his workers.

Mr. RICE. Of his workers?

Mr. BEALL. Yes, sir. And I told him I did not want it at that time.

Mr. RICE. What was the intent in giving you the list of the workers? What do you mean by that?

Mr. BEALL. It could have been an intent that we were not to bother him from this minute on. That is the only intent that I know that could have been there. I don't know the intent. But that is probably an indication of what it meant.

Mr. RICE. The impression that you had was that you would get this list, and if you should happen to pick up one by mistake, and he identified himself by name, you would take care of that?

Mr. BEALL. That is probably so, sir.

Mr. RICE. Nothing was said about a code number, or a symbol, or anything like that?

Mr. BEALL. No, sir.

Mr. RICE. Did he give you any idea how many men that would cover?

Mr. BEALL. I didn't want him to go that far. I said I would rather for him not to tell me.

I then discussed it again with the chief of police; and also, in the chief of police's conference, I asked him for two men that he could trust. I said, practically with our lives. And he named Detective Sergeant Perrygo and Detective Purdy. And I told him the stakes that we were playing for and how high they were. I told him also—the chief and the two detectives—that the main interest was to get from him sufficient witnesses and evidence so that we could present it in court, to unfold to the good people of Maryland that the people had allowed this operation to go on. And the work of the two detectives was to follow, and they were to keep an eye on the workers of Nelson, so that we could contact the Governor to get sufficient help.

Going back to Nelson's conversation, Nelson reminded me of the reasons that he came to see me.

That letter I had never sent to the police, and they told me then that they had notified the Waldorf Barracks, and I did not know then that the Waldorf Barracks had ever been notified. So, we felt that we could not go through the local barracks; that we had to go to the head of the State so that we could start at the top. And that was the time Theodore McKeldin's office was contacted. He at that time was speaking in one of the New England States to a group of the Young Republican Convention. I was informed that he was moving down the eastern coast vacationing to some other place—

Senator KEFAUVER. Sheriff, we do not want to rush you, but the hour is late. Let us get to any other essential facts in connection with Mr. Nelson.

Mr. BEALL. On the basis of that, sir, it was just to explain to you why the time had to pass, so that I could not get in touch with the Governor, and I didn't feel that I could deal with anybody else. I was also advised of this by Senator Butler. I tried to give you the facts, the reason the Governor could not be immediately contacted.

When I found out about the bank episode, I thought that also was another way to get the FBI back into helping in some form or degree. I went back to Senator Butler, and they also contacted the FBI and gave them the same story, and they again turned it down and said they could not give us assistance.

We conferred with the attorney for the board of county commissioners, Chief Richards, and myself. He also advised us the same as Mr. Lancaster: That we should try to get additional evidence to bring about a conviction for a bribe.

The CHAIRMAN. Right at that point, may I ask this question? Sheriff, as I understand it, there were two different occasions on which Nelson visited you.

Mr. BEALL. That is correct. Three, sir. Two to date, sir.

The CHAIRMAN. Two that we were talking about, and there will be a third in a minute?

Mr. BEALL. Yes, sir.

The CHAIRMAN. And, as near as you can place it, the first was 2½ months ago?

Mr. BEALL. Two and a half months ago.

The CHAIRMAN. And the other time you will have to describe?

Mr. BEALL. That is right.

The CHAIRMAN. Those visits were made to your home?

Mr. BEALL. That is correct, sir.

The CHAIRMAN. Nelson is known around your house—is he not—as a neighbor?

Mr. BEALL. He is known. We know of him.

The CHAIRMAN. You know of him. I mean, he lives not far distant?

Mr. BEALL. He lives about 2½ miles, sir.

The CHAIRMAN. Two and one-half miles. Was anybody else at your home on either of the two occasions when Nelson came there?

Mr. BEALL. Yes; there were several people there, sir.

The CHAIRMAN. Now, on the first occasion, who was present in your house when Nelson came?

Mr. BEALL. My family.

The CHAIRMAN. Consisting of——

Mr. BEALL. A wife and two children.

The CHAIRMAN. And did your wife see him?

Mr. BEALL. Yes, sir, and I have an uncle and also his wife living there.

The CHAIRMAN. Did each of them see him?

Mr. BEALL. They only saw the station wagon.

The CHAIRMAN. The station wagon?

Mr. BEALL. That was Nelson's station wagon.

The CHAIRMAN. In other words, they knew of the conference, however?

Mr. BEALL. That is correct, sir.

The CHAIRMAN. Did your wife or anybody let him in the door?

Mr. BEALL. He did not come in, sir. He only drove to the yard and asked to see me.

The CHAIRMAN. I see. Did they observe you in conversation with him?

Mr. BEALL. That is correct, sir.

The CHAIRMAN. Do you think they would be able to identify him?

Mr. BEALL. They could identify him on the second occasion, because he was in the automobile and it was about dusk, late in the afternoon.

The CHAIRMAN. I see. Let us come to the second one, then. On the second occasion it was dusk, in the afternoon, and he parked?

Mr. BEALL. The second day it was approximately 3 o'clock in the afternoon.

The CHAIRMAN. And he stayed in his car?

Mr. BEALL. No, sir. I was working on the tobacco planter at the time, and I had two or three brothers also at the farm, and the same other members of the household were present.

The CHAIRMAN. Did all of them see him?

Mr. BEALL. Yes, sir.

The CHAIRMAN. And did they see you in conversation with him?

Mr. BEALL. That is correct, sir. And they also know Nelson better than I, because I served in the Navy for 3 years——

The CHAIRMAN. Thank you.

Senator KEFAUVER. All right. Is there anything else?

How does the situation stand at the present time, Sheriff?

Mr. BEALL. The situation stands at the present time, sir. During this time when we were trying to get together, the episode of the chief of police being requested by this committee to work with Lewis, and he was instructed to talk to no one, to tell nothing, of which I knew nothing; and, therefore, when he no longer worked with me on it, and I had to have the chief of police to work with me, then when this happened, that is the end, as far as I can see.

Mr. RICE. What happened on the third occasion that you say you were in touch with Nelson?

Mr. BEALL. I was not in touch with him on the third occasion. When he arrived, I informed my wife to tell him I was not at home.

Mr. RICE. I see.

Mr. BEALL. Because I did not want any further conversation until I could be equipped to take action if we felt it was necessary.

Senator KEFAUVER. Sheriff, I know that you have been in touch with Mr. Rice and members of the staff of this committee for some length of time in connection with this and other transactions. I just wanted to ask you for the record whether this committee has cooperated with you in every way possible.

Mr. BEALL. It has, sir, without any question of doubt. We need the aid of this committee.

Senator KEFAUVER. And, Mr. Lancaster, is that true? Has this committee given you a good deal of information? Mr. Rice came out and testified at considerable length, I believe.

Mr. LANCASTER. That is true. I have had very much cooperation from this committee, and I appreciate it.

Senator KEFAUVER. Do you want to add anything to what the sheriff said?

Mr. LANCASTER. I can only verify what the sheriff has already said: that, after he had this conversation with Nelson, he did come to my office and told me that Nelson had approached him and offered him some money, \$15,000 a month, and that he wanted to know what he could do about it.

I said, "Well, this is a good opportunity for us to lay a trap to catch Mr. Nelson."

And, of course, he followed it up, and I suggested that possibly, if he could get an instrument, we could record his conversation—

Mr. RICE. Or figure out some way to get a witness to the conversation?

Mr. LANCASTER. He said he was going to meet him again, and I suggested, "You go back and tell Mr. Nelson that the chief of police is O. K., and Mr. Nelson thinks the chief is O. K., and then you can take the chief there with you, and then he will be able to corroborate the offer."

Then, of course, when the Lewis incident came about, that is, when Lewis came in and the chief started working with Lewis on the Nelson case, then we, of course, delayed this particular phase of it.

Senator KEFAUVER. All right.

I believe that brings us pretty well up to date.

Thank you very much, gentlemen. And good luck to both of you.

Sheriff, I believe you had better stay here a little while. We might need you.

Is Mr. Main here?

MR. MAIN. Yes.

MR. RICE. Mr. Limerick? And Sheriff Beall might stay around, too.

SENATOR KEFAUVER. Mr. Main and Mr. Limerick, do you swear the testimony you give to the committee will be the whole truth, so help you God?

MR. MAIN. I do.

MR. LIMERICK. I do.

TESTIMONY OF IRWIN I. MAIN AND WILLIAM H. LIMERICK

SENATOR KEFAUVER. Now, Mr. Rice, the hour is late. So let us get to this matter, and get along.

MR. RICE. Will you state your name for the record, Mr. Limerick?

MR. LIMERICK. William Henry Limerick.

MR. RICE. And where do you live?

MR. LIMERICK. 5020 Benning Road SE.

MR. RICE. In Washington?

MR. LIMERICK. Washington.

MR. RICE. And you, Mr. Main?

MR. MAIN. Irwin I Main, Seat Pleasant, Md.

MR. RICE. And where do you live, Mr. Main?

MR. MAIN. 6828 Roosevelt Avenue.

MR. RICE. What is your first name?

MR. MAIN. Irwin.

MR. RICE. Irwin. Were you formerly in a bonding company of some sort?

MR. MAIN. Yes, sir; I was.

MR. RICE. And was that connected with Nelson?

MR. MAIN. It was.

MR. RICE. I think there was some testimony this morning by a lady who said her husband worked for a bonding company. What was the name of that?

MR. MAIN. At one time it was called Nelson and Associates, and then they changed the name to Main and Nelson. I don't know why. I was not present when it happened. Mr. Weightman who managed the business took care of it.

MR. RICE. Mr. Weightman took care of it?

MR. MAIN. Yes.

MR. RICE. It was called Main and Nelson at one time?

MR. MAIN. That is right.

SENATOR KEFAUVER. Mr. Weightman is the husband of the lady who was here?

MR. RICE. The lady bookkeeper who was here; Mrs. Weightman, yes.

Have you had any other major business enterprises in which you were associated with Mr. Nelson?

MR. MAIN. No, sir, I have not; no major enterprise with Mr. Nelson at all, other than that he did invest some of the money from his bonding business in a few lots there in Seat Pleasant.

MR. RICE. He invested some money where?

MR. MAIN. In Seat Pleasant; in a few lots he had there. I think there were five lots, as I remember. It has been some years ago.

Mr. RICE. You hold those jointly, then?

Mr. MAIN. No, sir; he holds them.

Mr. RICE. He holds them. What did you have to do with them?

Mr. MAIN. Not a thing sir.

Mr. RICE. What is your present position Mr. Limerick?

Mr. LIMERICK. I am in the gasoline service station business.

Mr. RICE. You are in a gasoline service station.

And what is your business, Mr. Main?

Mr. MAIN. I am a grocer.

Mr. RICE. You are a grocer?

Mr. MAIN. Yes, sir.

Mr. RICE. Now, are you also connected with a bank in Seat Pleasant?

Mr. MAIN. Yes, sir; I am a director of a bank.

Mr. RICE. You are chairman of the board and a director?

Mr. MAIN. That is right.

Mr. RICE. Of what bank?

Mr. MAIN. Of the Seat Pleasant Bank.

Mr. RICE. And how long have you been chairman of the board?

Mr. MAIN. About 3 years, I think; 2 or 3 years.

Mr. RICE. About 2 or 3 years?

Mr. MAIN. Yes, sir.

Mr. RICE. Have you been connected with the bank, Mr. Limerick?

Mr. LIMERICK. Yes, sir; I have been a director there for the past 12 years.

Mr. RICE. You have been a director for the past 12 years?

Mr. LIMERICK. Yes.

Mr. RICE. All right, sir. Now tell us about this loan that occurred in May of 1951, Mr. Limerick, as you know it.

Mr. LIMERICK. Are you speaking of the Nowland loan?

Mr. RICE. Yes, sir.

Mr. LIMERICK. The first, of course, that it came to my attention was at a directors' meeting, and not a full directors' meeting, but some of the directors were called in by the State banking examiners, and this loan was brought to our attention. I think at that particular time there was no security. The loan was backed up, but there was no security.

Mr. RICE. Let us go back to the beginning to find out about this loan. When was this?

Mr. LIMERICK. I think it was in May.

Mr. RICE. May of 1951?

Mr. LIMERICK. That is when I found out about it. I do not know just how old the loan was at that time.

Mr. RICE. Yes. What happened? That is, what did you find out about it?

Mr. LIMERICK. I was told—I was getting ready to tell you what I was told.

Mr. RICE. Yes.

Mr. LIMERICK. The first I heard of it was at this meeting. And, of course, I understood that Mr. Nowland made the loan.

Mr. RICE. Mr. Nowland borrowed the money?

Mr. LIMERICK. That is right. He came to the bank, and he and his wife, I believe, signed the note.

Mr. RICE. Was there a note?

Mr. LIMERICK. Yes. Yes, there was a note. It was understood they were recommended by Mr. Main. It was stated that Mr. Main had endorsed the note. I didn't see the note, so I can't say.

Mr. RICE. What was the reason for the loan, Mr. Limerick?

Mr. LIMERICK. As Mr. Nelson told me after I saw him——

Mr. RICE. What did you go to see him for?

Mr. LIMERICK. I went to see Mr. Nelson because I understood that Mr. Nowland and Mr. Nelson were partners in the business and I went to see if Mr. Nelson, after the criticism of the loan, would like to pay the loan off.

Mr. RICE. What was the criticism of the loan?

Mr. LIMERICK. I think at that particular time there was no security, nothing to insure the loan.

Mr. RICE. No collateral, no financial statement?

Mr. LIMERICK. No collateral, I am sure, but since then I understand there has been that collateral put in.

Mr. RICE. You went to Nelson to talk about the loan. What did he have to do about it?

Mr. LIMERICK. He didn't have anything to do about it, other than I thought, if he were a partner with Mr. Nowland, he would probably want to pay the note off and save the bank some embarrassment.

Mr. RICE. How did you know him to be a partner of Nowland?

Mr. LIMERICK. It was generally known around.

Mr. RICE. Did Nelson have anything to do with the loan?

Mr. LIMERICK. He said he did not.

Mr. RICE. What did he tell you?

Mr. LIMERICK. He told me he understood the loan was made. Mr. Nowland had a number hit.

Mr. RICE. What kind of number?

Mr. LIMERICK. Number hit, I suppose.

Mr. RICE. Now, we are getting to it.

Mr. LIMERICK. Nowland had a number hit.

Mr. RICE. Is that what Mr. Nelson told you?

Mr. LIMERICK. That was what he told me.

Mr. RICE. Nelson told you that?

Mr. LIMERICK. That is right. He said that Nowland owed him some \$20,000, or something like that, and he was going to run him off the place the next time he came in, and they wouldn't be partners any more.

He refused to pay the loan.

Mr. RICE. Nowland had a hit. Did he need money?

Mr. LIMERICK. I imagine that was what he meant.

Mr. RICE. He came to the bank and obtained a loan?

Mr. LIMERICK. Mr. Nelson told me that was what he heard.

Senator KEFAUVER. Let's get on. Then what happened?

Mr. LIMERICK. Mr. Nelson refused to pay the loan.

Senator KEFAUVER. You didn't get it paid; so what happened then?

Mr. LIMERICK. Nothing happened. It hasn't been paid. Since then Mr. Nowland has secured the loan at the bank.

Mr. RICE. Mr. Nelson has secured the same loan?

Mr. LIMERICK. Mr. Nowland.

Mr. RICE. He has taken it over?

Mr. LIMERICK. No, he has put up collateral for it, collateral for the amount of money he borrowed, and has paid the interest.

Mr. RICE. What was irregular about it, about the loan? Was it because it was made outside of business hours?

Mr. LIMERICK. No. It was a large amount, and unsecured. Naturally, that is the examiner's business. They pick those things up and want to discuss it.

Mr. RICE. Was it a hurry-up order? Did they need the money in a hurry?

Mr. LIMERICK. I couldn't answer that. I am not at the bank. As I say, I couldn't tell you. I do not have access to the records of the bank. The only thing I know is what came up at this board meeting.

Mr. RICE. What do you have to say about it, Mr. Main?

Mr. MAIN. Mr. Nowland came to me and asked me about borrowing some money from the bank. I told him to go to the bank, make an application, produce a statement of worth, and we would secure a credit rating on it. That was done, as far as I know, sir. When I was called and asked, as a director, how I would vote on the loan, I told him if his statement of worth and his credit rating was good, I would vote for it, and I believe that was what happened.

Mr. RICE. What did he tell you? What did he tell you he wanted the loan for?

Mr. MAIN. He didn't say, sir.

Mr. RICE. The money was lent to him before he put his financial statement in; wasn't that true?

Mr. MAIN. I don't know.

Mr. RICE. Is it possible?

Mr. MAIN. I doubt whether it is possible.

Mr. RICE. You did hear that, sir?

Mr. MAIN. I did not, sir.

Mr. RICE. Wasn't that the complaint that the bank examiners made?

Mr. MAIN. It was an unsecured loan.

Mr. RICE. What is an unsecured loan?

Mr. MAIN. That is, it wasn't a mortgage loan.

Mr. RICE. We have a record here, Mr. Main, that you might throw some light on. In 1947, some of the papers that Mr. Nelson made available to us, in which he currently indicates payment to a number of people, among them B. H. Lee and a fellow named Don Post, and there is one to Irving Main, 6228 Roosevelt Avenue, Seat Pleasant, in the amount of \$1,129.50. Do you know what that is?

Mr. MAIN. That was for some work I did at the store for him. Other than that—I do not have counsel here, sir—I would not like to say more about it. I do not want to incriminate myself.

Mr. RICE. You would rather not incriminate yourself?

Mr. MAIN. That is right.

Mr. RICE. I have no further questions.

Senator KEFAUVER. Was it contended by the bank examiner, Mr. Main or Mr. Limerick, that this money was advanced before the note was put up; is that part of it?

Mr. LIMERICK. I do not think so.

Mr. MAIN. No, sir; that was not the case. The note was signed and in the bank.

Senator KEFAUVER. Thank you, gentlemen.

Since I have been presiding over most of the Maryland hearings and those involving Mr. Nelson, I think it should be pointed out

that Mr. Nelson in his sworn testimony before the committee stated that he had only had one transaction with Blight Lee.

Mr. RICE. That is correct. I think, Senator, if you will recall, he indicated that the only transaction he had with Blight Lee referred to buying a cord of wood from him at one time.

Senator KEFAUVER. The record shows he has been in continuous business with Blight Lee over a period of many years. He said he had only been arrested but one time. That apparently involved some 20 gallons of whisky.

Mr. RICE. A keg of whisky.

Senator KEFAUVER. The record shows he has a substantial criminal record. There are a number of arrests and convictions here in the District of Columbia.

His testimony was that he had only one transaction with Sam Beard. As I recall, that was over a bull. There is substantial testimony that he has had other transactions. The sheriff testified as to their operations together.

The testimony further was that he did not know anything about this gambling enterprise except that he advanced some money. He thought it was gambling. He had suspected it was. He advanced some money to Mr. Nowland. I think it was \$5,000 to \$25,000. He got back \$50,000 a year. But he didn't know anything about it. It was all Nowland's business. He suspected that that might have been Nowland's gambling, but the record actually is that he is the main participant, according to his own books, to a considerable extent, even in that other testimony shows that to be true.

He kept the books and records and apparently Nowland was working for him.

Mr. Fay has shown a great deal of interest in this case, and the United States Attorney here in the District of Columbia, I understand, has had an able assistant here during this time. He is going into the matter with the grand jury very thoroughly.

I have advised with Senator O'Connor and we recommend to Mr. Fay that we will see the record is certified to him for perjury on these and other items of glaring inconsistencies that, in our opinion, amount to perjury in the record, and for any such other action as may be required.

The hearing today, of course, is a continuation of the hearing last week. We got the books and records here, and it was apparent we had a good many witnesses subpoenaed here and we expected Mr. Nelson to be back here today. It was intended, when the hearing was recessed last week, to take it up after the staff had had an opportunity to go into the matter and we could get more witnesses in connection with it. This has been a continuation.

I do not know what the committee may decide to do about trying further to get Mr. Nelson in. We will consider the question, but I think the extent and the amount and the details of operation have been fairly brought out by the evidence we have already adduced at this hearing.

There are other angles that the committee would like to go into in many other States, but the work of this committee is nearing an end. Since that concludes the Maryland part, as acting chairman I would turn the matter back to the chairman.

(The chairman resumed the chair.)

The CHAIRMAN. I want to express deep appreciation, first, to Senator Kefauver for his able and zealous and courageous performance of duty which, of course, is characteristic of him and which has been outstanding throughout his whole service as the leader of this committee.

It is now necessary to conclude the public hearings because of the reason that Senator Kefauver referred to. In 2 weeks from today, on the 31st of August, by resolution already adopted and which, we are confident, will not be changed, the life of this committee will terminate. Between now and that date, there remains to be done very much and very important work of the committee, including the handling of legislative proposals, some 18 in number, which already have been introduced, and in connection with which Senator Kefauver yesterday, and others of us in the past few days and henceforth, have and will continue to devote attention to having those matters handled, expedited, so far as the committee handling is concerned and then brought forward as far as possible in that time.

Of course, we will continue our efforts thereafter.

The second of the two important things that remain to be done is the preparation and submission of the final report which is, of course, a matter of very much importance, as it will be a permanent record of this committee.

So, Senator, again thanking you and acknowledging the very splendid efforts of the staff, James M. Hepbrun, who has been the administrative assistant and has been outstanding in his work, our chief counsel, Mr. Richard Moser, our associate counsel, Mr. Downey Rice, the various assistant counsel, members of the investigative force, several of whom are here present, representatives of the Maryland State Police—Mr. Murray Jackson and Tom Smith and many others that time alone prevents us from enumerating—the able assistance of Mr. Hepbrun and Mr. Wallace Reidt—we feel that a salutary work has been done and we just trust that it will be beneficial to the public as a whole.

Senator KEFAUVER. Mr. Chairman, I did not know that your remarks were going to come at this time in expressing some appreciation or some appraisal of the work done by the committee since the time you took over as chairman back the 1st of May.

I do want to say this: As the prior chairman before you assumed the responsibility of the chairmanship, I, of course, have not had an opportunity of being present at as many hearings as I would like to have been, but I do want to say that I think the work of committee, carried on under your chairmanship since May 1, up to this time—and I know that the remaining 2 weeks will see much done—has been a very great contribution to the work of the committee and to the factual information to be presented to the United States Senate.

I think that it also has been of tremendous assistance to local law-enforcement officers in the States of Florida, Maryland, New Jersey, and other States, where certain matters have been gone into.

I think that is true particularly in the field of narcotics, where matters have been presented intelligently and forcibly, so that not only the members of the Senate but the public generally has been more fully informed about the method of narcotic operations, the extent of the traffic and the necessity of corrective legislation and of larger law enforcement staffs.

The matter of the wire services and taxes and other matters that the committee has been interested in have been gone into and the cause for Federal legislation has been increased and shown even more forcibly than before.

So I did want to congratulate you, Senator O'Connor, upon the conduct of the committee. It has been a very exhausting task, I know, for, by reason of my contacts with you, I know how much time and attention you have devoted to it. I think you have done your work most intelligently and courageously and in a statesmanlike way, which is characteristic of all the work you have done.

I also wish to join in paying my high respects to Mr. Moser and to Mr. Rice and the other able members of our staff.

I feel that we are nearing the completion of the active work of the committee, although the powers of the committee will be continued in the Interstate and Foreign Commerce Committee after the active work has been done and the report filed.

I feel there is increasing public interest all over the country by local law-enforcement officers. After all, they are the ones upon whom the obligation and responsibility primarily rests. There is every indication that they will continue their interest.

It was very encouraging to me to see the activity of the States' attorneys general at their convention in Seattle, Wash., 2 weeks ago, where I had the opportunity of attending. They are carrying the ball at the local level. I think as a result of these 4 months' additional work of the committee under your chairmanship, much has been done for the cause of better law enforcement and in the efforts against organized crime in the United States, which will be of a lasting and substantial nature.

I wish to congratulate you and the other members of the committee and the staff upon the fine public service you have rendered.

The CHAIRMAN. Senator Kefauver, I am truly grateful—and I know I express the sentiments of the staff in thanking you very much.

That will conclude the public hearings, and the committee will now adjourn.

(Whereupon, at 5:30 p. m., the special subcommittee adjourned.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, AUGUST 17, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

EXECUTIVE SESSION

The subcommittee met, pursuant to notice, at 3:10 p. m., in room 252 Senate Office Building, Senator Lester C. Hunt presiding.

Present: Senator HUNT (presiding).

Also present: Richard G. Moser, chief counsel; Nicholas John Stathis, assistant counsel; and Julius Cahn, assistant to Senator Wylie.

J. A. Sisto, chairman of the board, Barium Steel Corp.; Nelson Gammans and Daniel Eberstein, attorneys for J. A. Sisto and Barium Steel Corp.; Julius Klein and B. S. Verckovico, public relations counsel, Barium Steel Corp.

Senator HUNT. Mr. Sisto, will you raise your right hand?

Do you solemnly swear in the testimony you are about to give the committee you will tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SISTO. I do.

TESTIMONY OF J. A. SISTO, CHAIRMAN OF THE BOARD; ACCOMPANIED BY NELSON GAMMANS AND DANIEL EBERSTEIN, COUNSEL; AND JULIUS KLEIN AND B. S. VERCKOVICO, PUBLIC RELATIONS COUNSEL, BARIUM STEEL CORP.

Senator HUNT. We have your full name, Mr. Sisto. Will you give us your address?

Mr. SISTO. 447 North Ridgewood Road, South Orange, N. J.

Senator HUNT. Would you give us your occupation, please?

Mr. SISTO. I am an industrialist, principally occupied in the steel business.

Senator HUNT. And you are president of the Barium Steel Corp.?

Mr. SISTO. Chairman of the board, and active in the management.

Senator HUNT. Mr. Moser.

Mr. MOSER. Mr. Sisto, as you know, we have been conducting an investigation of Abner Zwillman's affairs and one of the things that we ran across was the fact that he owns stock in the Barium Steel Corp., so we felt it our duty to inquire into that and see what the nature of his relationship is.

Mr. GAMMANS. Before a question is asked, may I be heard just a moment?

Mr. MOSER. Surely.

Mr. GAMMANS. I might say, just so you may get a little of the background, that I have been a director of the Barium Co. for the last 12 years. I have no active part in the management, but I might state that Mr. Sisto, as chairman of the board, and Mr. Rudolph Eberstadt, as president of the company, are the two men who are in active charge. By "active charge" I do not mean they merely sit in the New York office. Mr. Sisto covers three of the plants, the one in Harrisburg and Phoenixville and Chester, in which he spends some half his time and works long hours at the job.

He is very active. I might also say that he is very pleased to come down here. He has been here 3 days now. There has been some newspaper publicity which hasn't been particularly accurate. I know that you have in mind the purposes for which the committee was formed, to look into this question of organized crime in interstate commerce. That means the connections with any criminals in relationship with any companies, and I assume that some of the matters which came out in the newspaper publications, running all the way from Mr. Mussolini down to the present date, involving a great many things that have no connection really with the Barium or with the purposes of this inquiry, are not particularly applicable.

However, he is prepared to answer anything which you may think he should.

Mr. Sisto, to facilitate the work of the committee and also his own benefit, has drawn up a very short statement which, I think, perhaps would clear the situation a little bit, if we were to read that statement in advance of the testimony.

Senator HUNT. We always give the witness quite a little leeway if it doesn't consume too much time.

Mr. GAMMANS. It isn't too long.

Senator HUNT. There is no objection.

Mr. SISTO. Mr. Chairman and gentlemen of the committee, I am delighted to be here in response to your invitation and to answer any of your questions to the best of my knowledge and belief.

Many good citizens have followed the hearings of your committee with great interest, and I, too, am impressed with its objective in investigating interstate crime, and I gladly offer you my cooperation.

Your investigator first called at our office last Friday and on that same day was furnished by us with the information which he requested, with the result, however, that a newspaper story quoting some of this confidential information was published within 2 days thereafter and appeared as a headline item in my home community and in prominent city newspapers.

Obviously, there was a leak, and I assure you this was not from my office. Sensational front-page stories often distort and give misleading impressions, and by inference raise doubts as to the standing of witnesses who have been called publicly before bodies such as yours, and affect the standing of the corporations with which they are connected. I am certain that this is not your aim and that the bulwark of our democracy is a free and open press, responsive to accurate news and reliable information.

The company with which I am connected is the Barium Steel Corp., which owns and operates 15 plants located in New York, New Jersey, Pennsylvania, Maryland, Ohio, Michigan, and Minnesota, and employs upward of 6,000 skilled union workmen. We are producers of steel in open-hearth and electric furnaces and have finishing mills for rolling the steel into various end products, such as plates and structural steel. In addition, we manufacture other essential products including steel tankers and barges; cranes and other material handling equipment; bridges; bolts; nuts; springs and other products of iron and steel, and supply the principal and major industrial companies in America, many of which contribute substantially to the national defense program.

Together with our employees, we are very proud of our record of accomplishments and are continually striving to promote the progress of the business and increase its output, and to maintain a high standard for our employees.

We have outstanding about 2,250,000 shares held by over 8,200 stockholders. These shares are fully listed on the New York Curb Exchange and enjoy a free and active market.

Neither I nor any director of my company, nor for that matter, any director of any corporation, has the power to control the acquisition or trading in its securities, and I dare say that all types of people from every phase of life in every State of the Union own, buy and sell our stock in the free and open market. It is not mandatory upon the management of any corporation to investigate the character and personal conduct of persons who buy the securities of their corporation, and indeed, such action would be unlawful.

There is no law to empower the directors of a corporation to prohibit or place limitations on the sales or purchases of its securities in the open market. Manifestly, it is, therefore, unfair and damaging to a company to single out mere ownership of shares as indicating anything adverse to the business, its stockholders, and employees. Our corporation is not controlled by any single individual or group and is entirely under the management of a board of directors elected by its thousands of registered stockholders.

Contrary to newspaper insinuations, Mr. Zwillman does not have, and never has had, any influence in the management or conduct of our corporation. According to the records of the Guaranty Trust Co. of New York, the transfer agent for our stock, the entire holdings of Mr. and Mrs. Zwillman amount to less than 2 percent out of our outstanding approximately 2,250,000 shares. My personal acquaintance with Mr. and Mrs. Zwillman dates back a great many years and I have never had reason to doubt the honesty and sincerity of their friendship.

The management, which is headed by myself as chairman of the board, together with Mr. Rudolph Eberstadt as president, has increased the company's sales from a negligible low to the present yearly business at the rate of approximately \$90 million. To bring this about we have greatly increased production facilities in line with the demands of the present emergency and Government policy.

As substantial taxpayers and employers of labor, we shall continue to pursue the traditional course of American business progress.

My company has already been seriously damaged by the unfortunate publicity. I see no way in which the effect of this publicity can

be dispelled, even in part, except through a statement by you distinguished Senators, members of this important committee, making it clear that there is nothing in this situation that should reflect discredit on the Barium Steel Corp. or myself.

And now, gentlemen, I am ready to answer any questions.

Senator HUNT. Mr. Sisto, let me say to you, with reference to the closing statement, closing paragraph of your statement, if, after the examination has been completed, the committee finds, as you represent, I agree with you it would be the fair thing for us to do, to make a statement to that effect.

Mr. SISTO. Thank you.

Senator HUNT. All right, Mr. Moser.

Mr. MOSER. First, I would like to object to a statement, a phrase, that appears in the third paragraph of the statement, where Mr. Sisto says he turned information over to the committee and then says—

* * * with the result, however, that a newspaper story quoting some of this confidential information was published within 2 days thereafter * * *

I would like to assure the committee that the information turned over to us has been kept completely confidential and the newspaper stories were in no way a result of any information having been given to us.

If there was a leak, it did not come from the committee. We do know that several Government agencies and other sources of information have given us facts, and it may be that the press has obtained information from those sources, as well.

Mr. Sisto, how many shares of Barium Steel Corp. are registered in your own name; do you know?

Mr. SISTO. We, in our proxy statement yearly, show that to the SEC. I believe I have such a proxy statement with me, Mr. Moser. My counsel can give it to you.

We show on this solicitation of proxies 27,286 shares, with a double asterisk; 41,197 shares, with a triple asterisk. Later those are explained, as follows:

Sisto Financial Corp., of which Mr. Sisto is president and chairman of the board, owned beneficially as of January 12, 1951, 55,843 shares of said stock of the corporation. Of the 19,749 shares of stock of Sisto Financial Corp. issued and outstanding, Mr. Sisto owns, as of the same date, 351 shares.

Mr. GAMMANS. May I interject. That is roughly a thousand shares of Barium.

Mr. SISTO. The second asterisk indicates that:

These shares are owned directly by Mr. Sisto's wife and children.

Mr. MOSER. How many are owned by your wife and children?

Mr. SISTO. 41,197.

Mr. EBERSTEIN. As of the date of that notice.

Mr. MOSER. How many are held by J. A. Sisto & Co.?

Mr. SISTO. 71 shares.

Mr. MOSER. How many are held by Abner Zwillman?

Mr. SISTO. I understand from the report we received when we inquired from our transfer agent, who maintains the registry, that it is slightly over 14,000 shares.

Mr. MOSER. Is the figure 14,410 correct?

Mr. SISTO. That is right.

Mr. MOSER. Is it correct that Mary Zwillman owns 14,344, Abner Zwillman's wife?

Mr. SISTO. That is right.

Mr. MOSER. Sisto Financial Corp., as you said, owns 55,843 shares. Is that corporation partly owned by Mrs. Zwillman?

Mr. SISTO. Yes.

Mr. MOSER. What percentage of Sisto Financial Corp. does she own?

Mr. SISTO. Of the 19,000, she owns 5,000 shares.

Mr. MOSER. That is approximately 25 percent?

Mr. SISTO. A fraction over 25 percent.

Mr. MOSER. What percent is owned by Mrs. Sisto?

Mr. SISTO. About 70 percent.

Mr. MOSER. 70 percent?

Mr. SISTO. About that.

Mr. MOSER. And the balance is owned by you, the balance of 5 percent?

Mr. EBERSTEIN. The rest is in the hands of the public.

Mr. SISTO. The balance is the figure that was triple asterisked.

Mr. MOSER. Which is owned by you?

Mr. SISTO. Three hundred and fifty-one shares.

Mr. MOSER. That is owned by you?

Mr. SISTO. That is right.

Mr. MOSER. That is about 5 percent?

Mr. EBERSTEIN. No. to get the thing clarified, Mrs. Zwillman owns about 5,000 shares out of the 19,000. Mrs. Sisto owns about 13,000. Mr. Sisto and some members of his family own a few hundred more, and the rest is scattered throughout the hands of the public.

Mr. MOSER. Is that correct, Mr. Sisto? You confirm that?

Mr. SISTO. Yes.

Mr. MOSER. How long have these percentages, 25 for Mrs. Zwillman and 70 for Mrs. Sisto, existed?

Mr. SISTO. I think since 1942. Our records would show the exact date.

Mr. EBERSTEIN. Since 1948.

Mr. SISTO. 1948.

Mr. MOSER. How did Mrs. Zwillman happen to acquire shares in Sisto Financial Corp.?

Mr. SISTO. She bought them.

Mr. MOSER. What were the circumstances under which she bought them?

Mr. SISTO. There was an opportunity of buying 10,000 shares of Sisto Financial Corp. from the National City Bank, which had been held in an old loan by that bank. Those shares were purchased jointly by Mrs. Sisto and Mrs. Zwillman.

Mr. MOSER. They purchased them jointly?

Mr. SISTO. Yes.

Mr. MOSER. 10,000 shares?

Mr. SISTO. 10,000 shares.

Mr. MOSER. To whom had the bank loaned the money?

Mr. SISTO. The original loan had been made to J. A. Sisto & Co.

Mr. MOSER. Was that a brokerage firm?

Mr. SISTO. Yes.

Mr. MOSER. That firm had pledged these shares to the bank as collateral; is that correct?

Mr. SISTO. Yes.

Mr. MOSER. And the bank was willing to sell them for settlement, to Mrs. Zwillman and Mrs. Sisto?

Mr. SISTO. Yes.

Mr. MOSER. Who suggested to Mrs. Zwillman that she acquire an interest in those shares?

Mr. SISTO. I believe Mrs. Sisto.

Mr. MOSER. Mrs. Sisto?

Mr. SISTO. Yes.

Mr. MOSER. Did you ever discuss it with Mr. Zwillman?

Mr. SISTO. Yes.

Mr. MOSER. What was your suggestion?

Mr. SISTO. I thought they were very cheap, and a good investment.

Mr. MOSER. You recommended it to him as an investment?

Mr. SISTO. No; not as an investment, but for speculation.

Mr. MOSER. When you said a good investment, you meant a good speculation?

Mr. SISTO. Yes.

Mr. MOSER. How much did Mrs. Zwillman pay for her share?

Mr. SISTO. I believe they paid \$1.25 a share.

Mr. MOSER. A dollar and a quarter a share?

Mr. SISTO. Yes.

Mr. MOSER. Was that the only stock pledged on account of that loan?

Mr. SISTO. That was all with the National City Bank.

Mr. MOSER. What was the nature of the business of Sisto Financial Corp. at that time?

Mr. SISTO. Sisto Financial Corp. was an old investment and holding company.

Mr. MOSER. What type of investments did it hold?

Mr. SISTO. It was formed during the late twenties and it bought and traded in securities principally.

Mr. MOSER. Did it at that time own 55,843 shares of Barium Steel?

Mr. SISTO. I am quite certain that they owned more.

Mr. MOSER. Owned more at that time?

Mr. SISTO. Yes.

Mr. MOSER. Was that a larger percentage of Barium Steel than it would be today?

Mr. SISTO. Yes. I believe it would be about 20,000 shares more than the present holding.

Mr. MOSER. You mean Sisto Financial Corp. owned perhaps seventy or seventy-five thousand?

Mr. SISTO. Yes; 78,000 shares.

Mr. MOSER. Were the same number of shares outstanding then as are outstanding now of Barium Steel?

Mr. SISTO. Barium?

Mr. MOSER. Yes.

Mr. SISTO. I have to look that up. That would be a matter of record. There were some stock rights issued by the Barium Steel Corp. which inure to the benefit of Sisto Financial and all the other stockholders. Those rights were exercised in turn.

Mr. MOSER. Can you tell us the date of that issuance of right, approximately?

Mr. GAMMANS. I can tell you. It all went through SEC registration.

Mr. SISTO. About 1945. Sisto Financial Corp. owned somewhere in the neighborhood of seventy-five to seventy-eight thousand shares, Mr. Moser, and at some given time along that time, or prior to that time, they made a distribution of a share of stock of Barium for each share of Sisto Financial. If you were a stockholder of Sisto Financial, you received one share of Barium stock as a dividend.

Mr. MOSER. There was a stock dividend in 1945. Was there another one in 1949?

Mr. EBERSTEIN. You are talking about Sisto Financial or Barium?

Mr. MOSER. We were talking about the number of shares of Barium held by Sisto Financial Corp. The present number is 55,843. We were inquiring as to how many shares they held at that time in 1945. Mr. Sisto says it was about seventy or seventy-five thousand and I inquired as to whether that represented a larger proportion of the total outstanding Barium shares than would be the case at the present time.

Mr. SISTO. I would like to furnish you with figures as to the increase in stock of the Barium Steel Corp. during the years, but, in general, I can answer your question by stating that there probably were in the neighborhood of 1,600,000 or 1,800,000 shares as of the time you refer to. Therefore, your point is correct in that they did represent a larger proportion of the Barium Steel at that time than they do today.

Mr. MOSER. I see. That is the point I was driving at.

Mr. SISTO. That figure would not be substantial, however.

Mr. MOSER. Can you tell us what the value of Sisto Financial Corp. stock was at the time Mrs. Zwillman bought a share of it—bought an interest in it—which was back in 1942?

Mr. SISTO. The book value of Sisto Financial was entirely their equity and the market value of Barium stock. To the best of my recollection, for every share of Sisto Financial that was outstanding, there was in the treasury about four or four and a fraction shares of Barium stock, the company having no other assets but Barium. So it is a fact that its entire value would be a subdivision of the number of shares outstanding of Sisto Financial and the number of shares of Barium it owned, which I say must have been in the neighborhood of four and a quarter shares at the time per share of Sisto Financial.

Mr. MOSER. Do you remember how much a share of Barium was worth at that time on the market?

Mr. SISTO. I have a recollection. I think the stock may have been selling somewhere in the neighborhood of 75 cents to \$1.25. I think that would be the range. But it is a matter of record.

Mr. MOSER. So that a share of Sisto Financial Corp. was then worth from three to five dollars?

Mr. SISTO. Yes. In case you were able to liquidate that large amount of Barium stock at that level.

Mr. MOSER. So when Mrs. Zwillman paid around a dollar and a quarter a share for Sisto, she was getting a rather substantial bargain, wasn't she?

Mr. SISTO. Yes.

Mr. MOSER. Why was it necessary to sell the stock to her at such a low price?

Mr. SISTO. The bank was willing to sell it at that price, Mr. Moser.

Mr. MOSER. Couldn't the bank have sold it for more in view of the underlying assets?

Mr. SISTO. There was no public market for Sisto Financial that would permit the liquidation of 10,000 shares at that time.

Mr. MOSER. Wouldn't you have felt justified in recommending to Mr. Zwillman that his wife pay more than that for it?

Mr. SISTO. I saw no need for that, as I understand the question, Mr. Moser.

Mr. MOSER. Wasn't it to the advantage of J. A. Sisto & Co. to have the bank get as much as it possibly could for the stock because of the amount recovered by the bank being credited to the loan?

Mr. SISTO. I know that the bank was thoroughly satisfied and very happy to make the sale. They had other securities in the old collateral loan, and it must have been to their complete satisfaction.

Mr. MOSER. Isn't it true that since——

Mr. EBERSTEIN. May I interrupt to help clarify the information. I think if Mr. Sisto gave the background of this thing, you would get a better perspective.

Mr. MOSER. Yes. That is a good suggestion.

Mr. EBERSTEIN. As to how this transaction came about.

Mr. MOSER. Why don't you do that?

Mr. SISTO. Mrs. Zwillman has been known to both Mrs. Sisto and myself. Her family was known to me. Her grandfather was one of the founders of the New York Curb Exchange. Her mother and father and uncles lived near me in Miami. She went to school with my daughter and palled around in my home. When she heard I was having difficulty in arranging this financial requirement at the time from Mrs. Sisto, she said, "Why don't you speak to my husband about it?" I did.

Mr. MOSER. In other words, she was stepping in as a saver to help out in, say, a tight financial situation?

Mr. SISTO. They carried the financial obligation and we received the benefits of that through Mrs. Sisto's ownership.

Mr. MOSER. You say, "They carried the financial obligation."

Mr. SISTO. The money was put up by them.

Mr. MOSER. The Zwillmans carried it?

Mr. SISTO. Yes.

Mr. MOSER. They paid the loan off at the bank, or at least endorsed the loan, so as to take it over?

Mr. SISTO. They told me to go ahead and buy the shares and, having bought the shares, they, in turn, delivered them to the Mary Mendels-Gladys Sisto account. I believe that was the designation of the account.

Mr. MOSER. The money was put up by Mrs. Zwillman?

Mr. SISTO. Yes.

Mr. MOSER. Did Mr. Zwillman put up any of it?

Mr. SISTO. I don't know. He may have, as far as I know.

Mr. MOSER. Was this considered a loan by Mrs. Zwillman to J. A. Sisto & Co. or did the stock take the place of that?

Mr. SISTO. No; it was a complete purchase.

Mr. MOSER. Mr. Sisto, you said it was about a dollar and a quarter a share for Sisto Financial Corp. stock. Did Mrs. Zwillman pay the full amount, or just half of that?

Mr. SISTO. The full amount.

Mr. MOSER. And that was about 12,500 shares?

Mr. SISTO. Yes.

Mr. MOSER. And if they paid the full amount, what was the source of Mrs. Sisto's half interest?

Mr. SISTO. That was the basis they decided to purchase it on, 50-50.

Mr. MOSER. Mrs. Sisto put up some of the money, too?

Mr. SISTO. No; I do not believe she did. It was financed entirely by Mary Mendels.

Mr. MOSER. Was the understanding between Mrs. Sisto and Mrs. Zwillman that Mrs. Zwillman would be the sole owner of these shares?

Mr. SISTO. No, it was not so at all. It was understood they were buying it on a joint basis.

Mr. MOSER. They were buying it on a joint basis, but Mrs. Zwillman was putting up the money?

Mr. SISTO. She put up the money.

Mr. MOSER. Did Mrs. Sisto have half the stock?

Mr. SISTO. She had half the liability and half the stock.

Mr. MOSER. But Mrs. Sisto did not put up anything except an assumption of half the liability: is that correct?

Mr. SISTO. That is correct.

Mr. MOSER. Whereas, Mrs. Zwillman put up \$12,500 plus an assumption of half the liability.

Mr. SISTO. Yes.

Mr. MOSER. I see.

Mr. GAMMANS. Minus half the liability. She was going to get part of it back again.

Mr. MOSER. The liability is a liability to the National City Bank.

Mr. GAMMANS. No. They were paid out.

Mr. MOSER. The liability is one you haven't described, then. What is the nature of the liability?

Mr. SISTO. If they become less valuable than the price, which they paid for—

Mr. MOSER. There was no liability.

Mr. SISTO. The risk of ownership.

Mr. MOSER. So if the stock went down?

Mr. SISTO. If the stock became worthless, they would absorb the loss together.

Mr. MOSER. If the stock went up in value, they would share the increase?

Mr. SISTO. Yes.

Mr. MOSER. In other words, they owned it jointly.

Mr. SISTO. That is right.

Mr. MOSER. Mrs. Zwillman paid all the money and got only a half interest?

Mr. SISTO. That is right.

Mr. MOSER. What did Mrs. Sisto pay?

Mr. SISTO. Nothing.

Mr. MOSER. That was in the nature of a gift by Mrs. Zwillman to Mrs. Sisto?

Mr. SISTO. It was not a gift because she was taking half the risk.

Mr. MOSER. Mrs. Sisto was taking half the risk?

Mr. SISTO. Yes.

Mr. MOSER. You mean if the stock went down in value, she would lose something?

Mr. SISTO. Yes.

Mr. MOSER. What would she lose?

Mr. SISTO. Half the amount of money put up.

Mr. MOSER. How could she lose? She didn't put anything up.

Mr. SISTO. She would have put it up. There would have been an obligation on her part to make good any loss.

Mr. MOSER. She agreed to pay Mrs. Zwillman half of any loss Mrs. Zwillman might suffer. It seems to me we are getting unduly confused about something that may be very simple. Perhaps you can clarify it, but it seems to me that what happened was that Mrs. Zwillman put up \$12,500 and she and Mrs. Sisto thereby acquired a half interest in the stock, 10,000 shares of stock; is that correct? If the stock went up in value, they would each gain by it, because they were joint owners. If they went down in value, they would both lose by it because they were joint owners. But Mrs. Sisto, having put up no money at all, could not lose by the stock going down.

Mr. SISTO. Let me put a hypothetical case. Suppose any gentleman here and I together said, "Let's buy a hundred shares of General Motors. Jim, you pay for it, but if there is a loss, I will pay my half. If there is a profit, I will take it."

Mr. MOSER. You mean Mrs. Sisto owed Mrs. Zwillman half of \$12,500?

Mr. SISTO. That is correct.

Mr. MOSER. She was indebted to Mrs. Zwillman for half the amount?

Mr. SISTO. That is right.

Mr. MOSER. That is what she gave for the stock?

Mr. SISTO. Yes, sir.

I tried to indicate, Mr. Moser, that there were no formalities between them. They are practically like sisters.

Mr. MOSER. I understand. There is nothing unusual about a status like that.

There were written documents, however, to evidence these transactions, so there weren't quite the informal bases you say.

Mr. SISTO. It would be very much like this: It is possibly a bit technical. The shares were purchased, might have been purchased by any broker. The shares would be billed out to this account, and the account would have to be paid the amount of money which it, in turn, had put out. Our records would show that the shares belonged to that name.

Mr. MOSER. What you are saying is that the transaction was recorded on the books of J. A. Sisto & Co.; however, we understand there was a letter written by Gladys W. Sisto on November 30, 1942, addressed to Mary Mendels, which bears in the lower left-hand corner the approval of Mary Mendels, as an agreement, which states that Gladys Sisto acknowledges receipt from Mary Mendels of the sum of \$12,500 to be used for the purpose of acquiring a joint interest in 10,000 shares of stock of Sisto Financial Corp., to be held in the name of Gladys Sisto.

It provides that, if the stock should be sold, the sum of \$12,500 would be returned to Mary Mendels and the net proceeds would be evenly divided between them. In the event of a loss, the loss would be equally borne by them.

In other words, Mrs. Zwillman was to get her \$12,500 back if the stock brought that amount, and the balance would be divided. If the stock did not bring \$12,500, the loss that was suffered between the value of the stock, the sale price of the stock, and \$12,500 would be divided, so that Mrs. Sisto would pay half of that to Mrs. Zwillman.

Mr. SISTO. And receive, in turn, half of the shares.

Mr. MOSER. I would say that Mrs. Zwillman would get all of the proceeds of said shares if it were less than \$12,500.

Mr. SISTO. My attorney says that later on an agreement was reached to modify those provisions and the account was liquidated. That letter was modified and the account was liquidated.

Mr. MOSER. We understand there is another letter dated December 12, 1948, from Mrs. Sisto to Mrs. Zwillman, also agreed to by Mrs. Zwillman, which states that Mrs. Sisto will deliver to Mrs. Zwillman 2,800 shares of the stock of Barium Steel and Mrs. Zwillman is entitled to 50 percent of the profit and 10,000 shares of the capital stock of Sisto Financial Corp. It then states that Mrs. Sisto is indebted to Mrs. Zwillman in the amount of \$31,131.31, which she promises to pay in the following manner: \$6,250 to be paid by delivering 5,000 shares of Sisto Financial Corp. to Mrs. Zwillman. That would be her half. The remaining \$24,881.31 is to be paid by check. That debt was eventually paid.

Does that sound correct?

Mr. SISTO. Yes.

Mr. MOSER. The meat of the transaction, as I understand it, was in order to help out in a financial situation. Mrs. Zwillman puts up \$12,500 and takes this stock over.

Mr. SISTO. In effect, that might be construed——

Mr. MOSER. And eventually——

Mr. SISTO. It was liquidated.

Mr. MOSER. So that Mrs. Zwillman got her money back and substantially more, besides.

Mr. SISTO. It turned out to be a profitable investment.

Mr. MOSER. I would like to ask about the transaction which Mr. Robert C. Hardy was involved in.

Do you want to tell us about that?

Was Mr. Hardy connected with the company? What was his connection?

Mr. SISTO. Mr. Hardy was a director until about a year or two ago, of the Barium Steel Corp. I think he was also an officer. He was a partner of the firm of Wilkie, Owen, Otis, Farr, Gallagher & Walton.

Mr. MOSER. Is he still a partner of that firm?

Mr. SISTO. I believe he retired last year.

Mr. MOSER. Mr. Hardy was somehow involved in a financial transaction that resulted in an increase in the stock of Barium Steel; is that correct?

Mr. SISTO. That is correct.

Mr. MOSER. What was the nature of that transaction?

Mr. SISTO. There was an acquisition of the Republic Industries by the Barium Steel Corp. The Barium Steel Corp. paid for the acquisition of four or five companies, industrial companies, by issuing stock to Mr. Hardy and other associates of his.

Mr. MOSER. Was one of the associates Mr. Hardy's wife, Alice Hardy?

Mr. SISTO. He may have had some shares put in her name. I believe he did.

Mr. MOSER. She has since divorced Mr. Hardy, has she not?

Mr. SISTO. Yes; that is my understanding.

Mr. MOSER. The company that was purchased in that transaction was Republic Industries, Inc., I understand. How many shares were paid to Mr. Hardy and his group for that?

Mr. SISTO. It is all a matter of record, filed with the SEC. The shares had to be authorized. As near as I can recall, about 400,000 shares were issued to the owners of the Republic Industries, of which Mr. Hardy was one. I believe Mr. Hardy's share was about a hundred thousand shares.

Mr. MOSER. See if this information is correct: that 62,500 shares were issued to Robert C. Hardy, 50,000 to his wife, Alice Hardy, and the remaining 397,500 shares were issued to a group, including Paul O. Buckley and Arlington W. Porter; is that correct?

Mr. SISTO. There was another gentleman, as well.

Mr. MOSER. There was another gentleman? Do you know who it was?

Mr. SISTO. Mr. Clark, from Warren, Ohio. That is substantially so, Mr. Moser. As I say, it is a matter of record. It can be looked up through the SEC.

Mr. MOSER. What was the business of Republic Industries?

Mr. SISTO. Republic Industries was a company that held the Kermath Manufacturing Co. of Detroit, the Geometric Stamping Co. of Cleveland, the Porcelain Steel Corp. of Cleveland, the Perma-Jack Co. of Cleveland, the Jacobs Aircraft Engine Co. of Pottstown, Pa., and the Kermath Manufacturing Co. of Canada.

Mr. MOSER. I think I have misled you in a previous question. I asked a previous question in which the figures that I gave you with regard to Hardy I think represent perhaps the shareholdings of himself and his associates in Republic Industries rather than in Barium. It is my understanding that Republic Industries had outstanding 500,000 shares, of which 112,500 were held by Mr. and Mrs. Hardy, and the balance of 387,500 were held by Buckley, Porter, and others. When Barium acquired the stock from Hardy and his group, it issued stock of Barium to them. So now we come to the number of shares that Barium issued to them. That might be a little different than the shares of Republic Industries.

As I understand, an agreement was entered into between Barium and the Hardy group under which the Hardys would sell 11,250 shares of Republic stock, preferred stock, and 500,000 shares of Republic common stock, to Barium in exchange for 650,000 shares of Barium, that an agreement was made and subsequently changed.

Does that sound right?

Mr. SISTO. That sounds right.

Mr. MOSER. In connection with that agreement—

Mr. SISTO. There were negotiations going on, as I recall it, that changed the terms.

Mr. MOSER. Yes.

In connection with that agreement, didn't the Hardy group agree that when they received the Barium stock they would give voting proxies to you and Mr. Eberstadt?

Mr. SISTO. Yes; that was part of it.

Mr. MOSER. It was understood you would vote their stock?

Mr. SISTO. Mr. Eberstadt and myself.

Mr. MOSER. How long did the proxies continue?

Mr. SISTO. As long as they held the stock.

Mr. MOSER. Indefinitely?

Mr. SISTO. I don't know. I haven't a copy of it, but we had very able counsel at the time, and I am sure that we would have wanted to have proxy rights for as long a period as one could agree to.

Mr. MOSER. So that with respect to the shares issued as a result of that transaction, you and Eberstadt controlled those, didn't you?

Mr. SISTO. According to that agreement, we voted it; yes. I believe, in fairness, that these same gentlemen do not own all of these shares and have probably sold and disposed of them.

Mr. MOSER. When they sold them, did your proxies die with the sale?

Mr. SISTO. Yes; that portion sold according to the agreement.

Mr. MOSER. You retained the right to vote as long as they, as individuals, owned the stock, but not thereafter?

Mr. SISTO. That is right.

Mr. MOSER. At that time Barium issued additional shares to cover this transaction, I suppose; did it not?

Mr. SISTO. Those shares were authorized. I believe they were registered under the SEC regulations.

Mr. MOSER. You increased the stock from 1 million shares to 2½ million; did you not? Your authorized capital?

Mr. SISTO. I believe so, by stockholders' consent.

Mr. MOSER. That transaction with the Hardy group was subsequently changed? Is it true that while the proxy statement discloses that Hardy was selling 112,000 shares of Republic common stock to Barium, it did not disclose the cost of that stock to Hardy.

Mr. SISTO. I do not believe that he did. Apparently our attorneys did not deem it necessary.

Mr. MOSER. Did you know the cost of the stock to Hardy?

Mr. SISTO. No.

Mr. MOSER. You did not?

Mr. SISTO. No.

Mr. MOSER. Do you know now?

Mr. SISTO. No.

My attorney has reminded me that at the time that this was going on, he believes or recollects that in filing our report with the SEC, a disclosure was made on the part of Mr. Hardy, who was a director and very well versed in legal requirements for registration and authorization of stock. He did disclose his original cost of his Republic shares. Those were the ones he was selling to the Barium Steel Corp.

Mr. MOSER. Then, did you know what the cost was at the time he revealed it?

Mr. SISTO. No; I did not.

Mr. MOSER. So that he revealed it, but you didn't learn what it was; is that correct?

Mr. SISTO. I do not recollect. At the time we were buying the company we thought we were getting a good purchase, and the assets of the company. I wasn't interested in what he made.

Mr. MOSER. Were your negotiations with Hardy entirely at arm's length?

Mr. SISTO. Our negotiations with Republic Industries was through Mr. Hardy, Mr. Arlington Porter, Mr. Paul Buckley, and Mr. Clark.

Mr. MOSER. I meant with his group.

Mr. SISTO. I only met Mr. Clark once or twice in the negotiations, but principally with these other three gentlemen.

We had attorneys who passed upon all matters pertaining to the purchase.

Mr. MOSER. Did you take any part at all in the organization of Republic Industries?

Mr. SISTO. No.

Mr. MOSER. Or in putting it together?

Mr. SISTO. No part at all, directly or indirectly.

Mr. MOSER. Do you know a company called Bridgeways, Inc.?

Mr. SISTO. No.

Mr. MOSER. Never heard of that?

Mr. SISTO. No.

Mr. EBERSTEIN. Bridgeways, Inc., was one of the forerunners of Republic Industries, the name having been changed possibly one or two times, until the final name of the corporation resulted in Republic Industries.

Mr. MOSER. The agreement was subsequently modified, as I understand it, so that a different number of shares of Republic were delivered to Barium in exchange for the Barium stock. As I understand it, subsequently 11,250 shares of Republic's preferred stock were delivered and exchanged for 450,000 shares of common stock of Barium. Does that sound correct?

Mr. SISTO. I cannot recall.

Mr. MOSER. Would you like to consult your counsel?

Mr. SISTO. These matters are matters of record. They were authorized by our stockholders and they are public papers and filed with the SEC. They would give all the details, Mr. Moser.

Mr. MOSER. I think your counsel can remind you.

Mr. EBERSTEIN. That is right. That is substantially correct, except that Republic Industries had two preferred stocks, a preferred stock and a preferred \$25 series A preferred.

Mr. SISTO. Convertible.

Mr. EBERSTEIN. That is right. They also had the common stock. The modified agreement eliminated the first preferred stock and we purchased the \$25 series A preferred stock and some of the common stock for a reduced consideration.

Mr. MOSER. I see.

In connection with the revised agreement, there was still the understanding, was there not, that the Hardy group would give you voting power, you and Mr. Eberstadt, over the stock, as long as they held it; isn't that correct?

Mr. SISTO. That agreement was made with all of the stockholders.

Mr. MOSER. Republic?

Mr. SISTO. Of Republic. That was to say, from whom we purchased the shares.

Mr. MOSER. I meant to include all of them in the term "the Hardy group."

Mr. SISTO. That is your designation of it.

Mr. MOSER. If it is incorrect, let me know.

Mr. EBERSTEIN. That is substantially correct.

Mr. GAMMANS. He is talking about calling this thing "the Hardy group."

Mr. MOSER. What we are discussing is merely a matter of terminology. The net of it, as I understand, is that the stockholders of Republic who transferred their stock to Barium and received Barium in exchange for it, gave you and Mr. Eberstadt proxies to vote the Barium stock to continue as long as they were stockholders of Barium.

Mr. SISTO. That is substantially correct.

Mr. MOSER. Do you have any such proxies from other stockholders?

Mr. SISTO. No.

Mr. MOSER. You and Mr. Eberstadt?

Mr. SISTO. No.

Mr. MOSER. Do you have a proxy from Sisto Financial Corp.?

Mr. SISTO. Yes. We send in our proxy to the management.

Mr. MOSER. And the management proxies, who are they? You and Mr. Eberstadt?

Mr. SISTO. Yes.

Mr. MOSER. Your statement that there were no others should be modified to that extent?

Mr. SISTO. Yes, sir.

Mr. MOSER. Are there any others besides that?

Mr. SISTO. No.

Mr. MOSER. Does Mr. Zwillman give you a proxy for his stock?

Mr. SISTO. Sends it in to the management.

Mr. MOSER. You and Mr. Eberstadt?

Mr. SISTO. Yes.

Mr. MOSER. Has he always done that?

Mr. SISTO. I do not know. I would have to look that up. Our attorney goes over them.

Mr. MOSER. Did you ever ask Mr. Zwillman for your proxies?

Mr. SISTO. I never asked him for proxies.

Mr. MOSER. They come in automatically?

Mr. SISTO. Yes.

Mr. MOSER. Do you vote Mr. Zwillman's stock, too?

Mr. SISTO. Yes.

Mr. MOSER. Are any other members of the management designated as proxies besides you and Mr. Eberstadt?

Mr. SISTO. No.

Mr. MOSER. So you are always the proxies for the management?

Mr. SISTO. Thus far we have been.

Mr. MOSER. How many of these shares issued to the former stockholders of Republic do you think are still voted through you as proxies?

Mr. SISTO. Very few. I would have to get you the accurate figure.

Mr. MOSER. You mean they have been sold?

Mr. SISTO. Yes.

Mr. MOSER. By those stockholders from time to time?

Mr. SISTO. Yes.

Mr. MOSER. Is Hardy still a stockholder?

Mr. SISTO. Relatively small stockholder.

Mr. MOSER. So he has largely sold out his interest, to a large extent?

Mr. SISTO. Yes.

Mr. MOSER. At the time of the last meeting of the stockholders, how many shares did you and Mr. Eberstadt vote?

Mr. SISTO. The proxies amounted to seventy-odd percent, to the best of my recollection.

Mr. MOSER. Seventy percent of the total outstanding shares?

Mr. SISTO. Of the two-million-some-thousand outstanding.

Mr. MOSER. Those proxies included the 14,410 shares held by Abner Zwillman and the 14,344 held by Mrs. Mary Zwillman and the 55,843 held by Sisto Financial Corp.?

Mr. SISTO. Yes.

Mr. MOSER. In your statement that you read at the beginning of this hearing, Mr. Sisto, you said that Zwillman takes no part in the activities of the company. That is correct; is it not?

Mr. SISTO. Operating, or any other activity.

Mr. MOSER. Does he ever talk to you about the operations of the company?

Mr. SISTO. He asks me from time to time how the company is getting along.

Mr. MOSER. What sort of questions does he ask?

Mr. SISTO. "How are you doing?"

Mr. MOSER. That is a fairly broad question.

Mr. SISTO. Apparently that is what he wants to know.

Mr. MOSER. What kind of an answer do you give him?

Mr. SISTO. Well, our business is a business that has been going along very well and I have told him the conditions that we have been going along on.

Mr. MOSER. Do you tell him at length how the business is operating?

Mr. SISTO. No; I do not, at length.

Mr. MOSER. You just say——

Mr. SISTO. I tell him that business is prospering, or everything is fine, or I am having a lousy time, or some expression that might transpire between people on a question of that sort.

Mr. MOSER. Do you tell him anything about specific transactions of the company?

Mr. SISTO. No.

Mr. MOSER. Do you ever discuss with him prospective activities the company is going to engage in?

Mr. SISTO. No; I do not.

Mr. MOSER. Do you ever discuss with him contracts that the company is anticipating going into?

Mr. SISTO. If I have made a good deal and he should ask me about it, I should tell him or any other stockholder, but as to the idea of reporting to him, which is indicated by your question, reporting to him about transactions——

Mr. MOSER. I do not mean report to him. I mean discuss them with him in advance.

Mr. SISTO. It would be no different than you and I discussing Mr. Hardy's wife having divorced him, or not.

Mr. MOSER. In other words, you do not discuss things with him any more than you would with a stockholder that owns 200 shares; is that correct?

Mr. SISTO. That is substantially correct.

Mr. MOSER. Who owns the largest single block of stock of Barium Steel Corp.?

Mr. SISTO. I believe the brokerage firm of Merrill Lynch, Pierce, Fenner & Beane.

Mr. MOSER. I asked you who owns the largest block and you answered Merrill Lynch, but you meant by that that the largest number of shares is registered in that name; is that correct?

Mr. SISTO. That is right.

Mr. MOSER. You do not know who owns the shares registered in their name, do you?

Mr. SISTO. No.

Mr. MOSER. And isn't that true of the stock registered in the name of Bache & Co. and Francis I. du Pont & Co.?

Mr. SISTO. Yes.

Mr. MOSER. The records we have, I believe, were obtained from you. They show that Merrill Lynch holds 19,071 shares.

Mr. EBERSTEIN. One hundred nineteen thousand.

Mr. MOSER. One hundred nineteen thousand and seventy-one shares. Bache & Co. holds 57,048.

Mr. EBERSTEIN. That is correct.

Mr. MOSER. Do you say that is correct on the basis of what your counsel advises you? You can so testify.

Mr. EBERSTEIN. That is the official figure as of August 6, 1951.

Mr. MOSER. Francis I. du Pont has registered in its name 71,504 shares.

We have consulted Merrill Lynch with regard to the shareholders whom they represent, and they tell us that the largest single stockholder that they represent holds 3,900 shares. We have also consulted F. I. du Pont, and they tell us that their largest single stockholder owns 4,400 shares. Bache & Co. say their largest stockholder holds 4,000 shares. Do you know of any other blocks that are larger than 4,000 shares other than the ones owned by you, and you own 27,286 shares, your wife and children own 41,197 shares, and Mr. and Mrs. Zwillman own 28,754 shares, while the Sisto Financial Corp. owns 55,843 shares.

Mr. SISTO. I think many of them own more than the 4,000 figure.

Mr. MOSER. Four thousand, four hundred is the highest figure.

Mr. SISTO. For instance, Mr. Rudolph Eberstadt shows 31 thousand-odd shares. Mr. Breauchaud owns 6,400.

Mr. MOSER. Mr. Sisto, how did Mr. Zwillman happen to buy the shares that he owns, and how did his wife happen to buy the shares she owns? Was it at your recommendation? I mean the shares in Barium Steel Corp.

Mr. SISTO. He asked me how our company was doing, and I spoke to him about it and felt it was a good speculation. Our company has been going along progressively. I would have recommended the shares to him.

Mr. MOSER. Zwillman first bought his shares back on October 19, 1946, according to the records of the Guaranty Trust Co., when he

bought 7,800 shares. The record also shows on February 2, 1949, he acquired 5,000 shares. Does that sound correct?

Mr. SISTO. I do not watch the purchases.

Mr. MOSER. You do not know?

Mr. SISTO. He may have asked me. I had nothing to do with his purchase.

Mr. MOSER. The reason I am asking about the 5,000 shares is because that is the exact number that his wife received from Mr. Sisto in connection with that loan transaction.

Mr. SISTO. Five thousand Sisto Financial. I do not believe it was just a figure of 5,000 shares of Barium Steel.

Mr. MOSER. Yes; you are right. That is correct. Then, on February 4, 1949, he acquired 300 shares. On March 15, 1949, as a result of a 10 percent stock dividend, he received 1,310 shares, making his total of 1,410.

Mrs. Zwillman purchased her shares, her first shares of 240, on November 19, 1946. On February 4, 1949, she purchased 12,800 shares and on March 15, 1949, she also received the stock dividend of 10 percent, consisting of 1,304 shares, making her total of 14,344.

I would like to ask you in connection with those various blocks of stock whether at the time they were purchased you had any discussion with Mr. Zwillman as to whether or not he should buy more, or with Mrs. Zwillman.

Mr. SISTO. I am sure they probably asked me how we were doing and how the company was getting along and whether I thought it was a good speculation for them.

Mr. MOSER. I notice that Mrs. Zwillman's first block of stock in 1945 was an odd figure of 240 shares. Have you any idea how she happened to buy that block?

Mr. SISTO. I believe there were some rights exercised by various stockholders and the rights had an odd figure of number of shares that you are entitled to subscribe to, issued ratably to the stockholders, and I merely assume that 240 would have been an odd figure based upon the rights which were given to all Barium stockholders.

Mr. MOSER. She, of course, did not hold any shares at that time. That was her first block. Do you think perhaps she purchased some rights?

Mr. SISTO. She may have.

Mr. MOSER. She didn't buy that stock from you?

Mr. SISTO. What year was that?

Mr. MOSER. November 19, 1945.

Mr. SISTO. No. I haven't dealt with shares in this company for a great many years and it would be an open market situation. I haven't done any business in a great many years in securities.

Mr. MOSER. Is it true that none of the shares bought by Mr. or Mrs. Zwillman were bought from you or in any other way, as far as you know, except through the market?

Mr. SISTO. Yes; that is correct.

Mr. MOSER. You think they were all bought on the open market?

Mr. SISTO. With the exception of the shares they were entitled through Sisto Financial Corp. transaction about which I explained previously.

Mr. MOSER. Mr. Chairman, I would like to have a discussion off the record, with your permission.

Senator HUNT. It will be off the record.

(Discussion off the record.)

Mr. EBERSTEIN. We would like to request a transcript of the testimony at our expense.

Mr. MOSER. We will authorize that.

Mr. CAHN. I wonder if it could be stated that the reason why this was held as an executive session was in the interest of fair play to some 8,200 shareholders of the corporation. There should be no impression on the part of the press that there was any other reason for holding it in executive session. I think the results of the session justify the fact that it was held in executive session.

(Discussion off the record.)

Mr. CAHN. An additional reason, as stated by the chairman, for holding this meeting in executive session was because a simultaneous hearing is being held in the Caucus Room by this committee, and in this way the hearing could be completed today by having one of the Senators sit as a subcommittee and hear this matter in executive session here.

Senator HUNT. The meeting is adjourned.

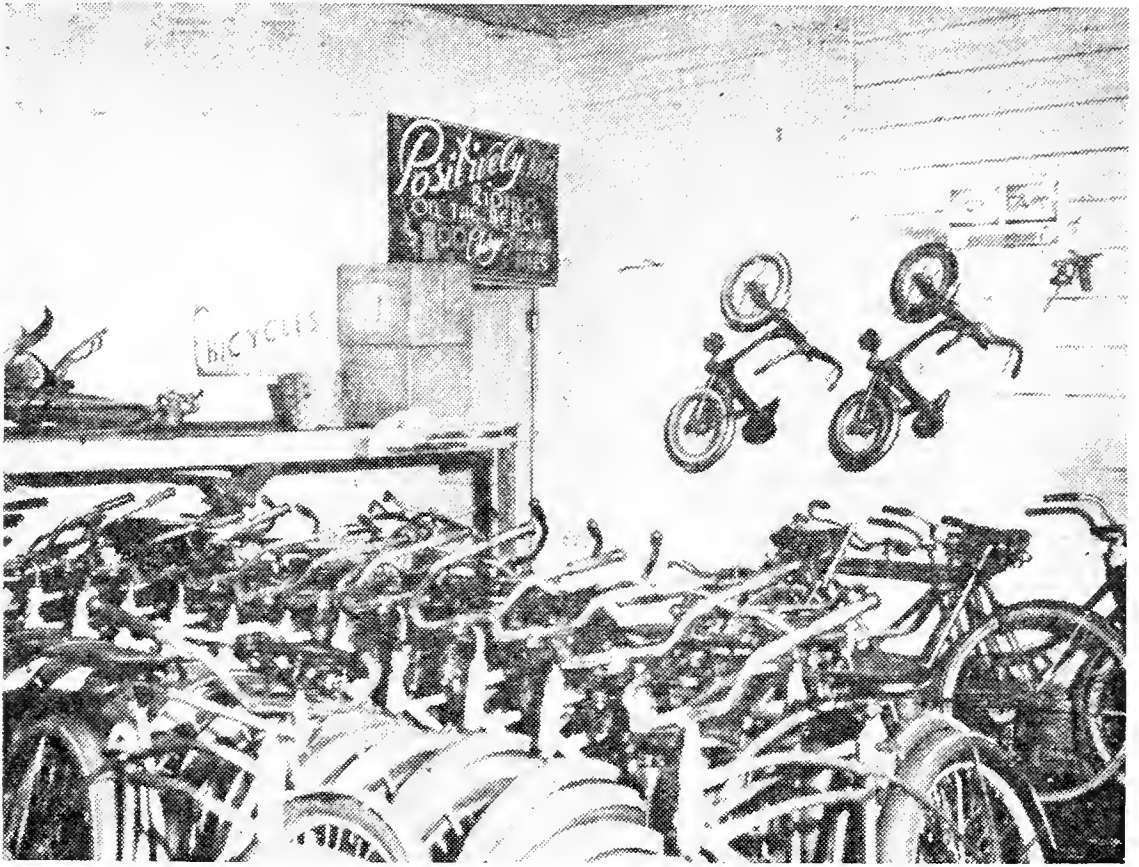
(Whereupon, at 4:45 p. m., the committee adjourned.)

EXHIBIT A

ORIGINAL—Must Be Issued To Member

THIRD WARD UNITED REPUBLICAN CLUB												
No. 664		DATE 6/27/50 19__										
RECEIVED OF <u>Geo Mc Collum</u>												
----- Five ----- DOLLARS												
DUES	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
	X	X	X	X	X	X	X	X	X	X	X	X
WELFARE	X											
INITIATION			REINSTATEMENT			TRANSFER			MISCELLANEOUS			
DATE	AMOUNT											
6/27/	\$ 5.00											
REMARKS												
1950 DUES			<i>Frank Beatty</i>									
			FINANCIAL SECRETARY									

EXHIBIT B



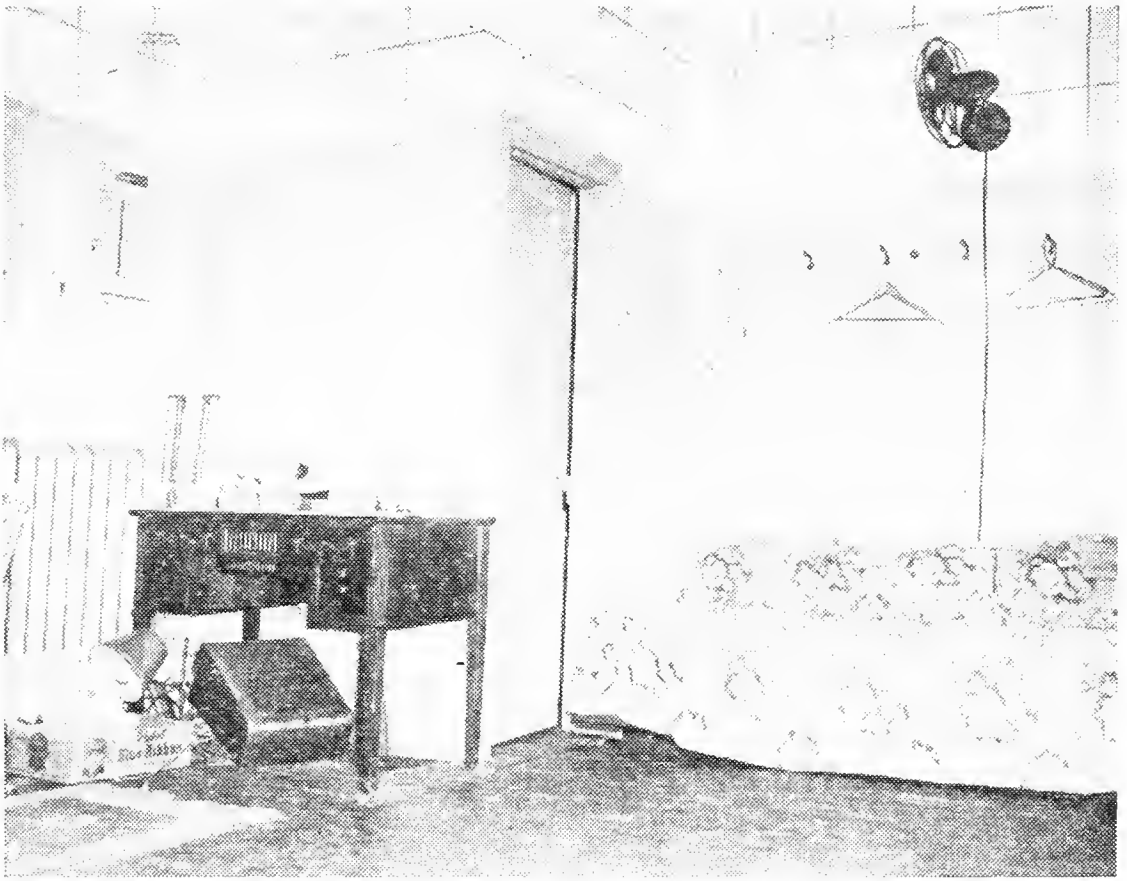


EXHIBIT C

DEPARTMENT OF POLICE

ATLANTIC CITY, N. J.

REPORT

Date: Saturday, December 9, 1950.
Tour: 12 Mid. to 6 a. m. Relief No. 2.

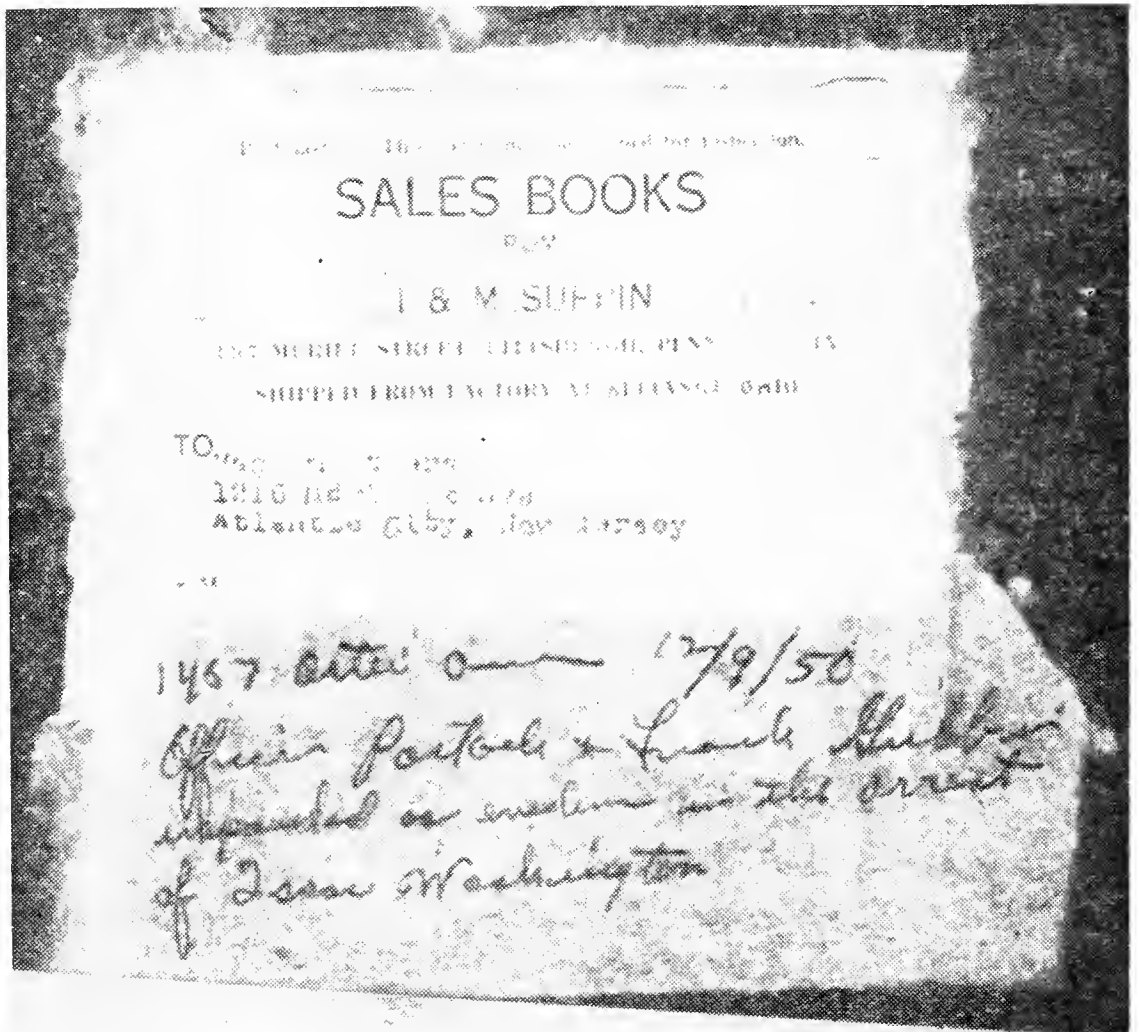
Subject: Request for Special Detail.
To: Howard Lewis, Captain of Police.
For Meredith B. Kerstetter, Assistant Director of Public Safety, and
Harry Saunders, Chief of Police.
From: Frank Gribbin, Shield No. 71,
Jack Portock, Shield No. 144,
Patrolmen.

Sir: Due to the fact that our gaming arrest of a Fred Solitare and Ellis Lewis has placed in our hands evidence that we confiscated at the scene of the arrest, which we believe warrants further investigation to help alleviate gaming and vice in this city, we request that we be placed in plain clothes on special detail to carry through the investigation.

It is further requested that we receive written permission from your office to obtain the help of the Bell Telephone officials. It is also requested that this matter be given your immediate consideration as time is of the essence.

Respectfully submitted.

FRANK GRIBBIN, *Patrolman.*
JACK PORTOCK, *Patrolman.*



Exhibits D and E are on file with the committee

EXHIBIT F

DEPARTMENT OF POLICE

ATLANTIC CITY, N. J.

REPORT

Date: Tuesday, January 2, 1951.

Subject: Follow-up arrests in cases of Fred Solitare, Ellis Lewis, and Isaac Washington, and request for Special Detail.

To: Harry Saunders, Chief of Police.

From: Frank Gribbin, Shield No. 71.

Jack Portock, Shield No. 144.

SIR: In our report on the arrest of Fred Solitare and Ellis Lewis on December 7, 1950, we stated that the mercantile license was issued to a Edward Concors for a bicycle shop where the arrest took place at 3203 Boardwalk. Since that time Solitare and Lewis have been held for the grand jury but no warrant has been sworn out for Edward Concors to the best of our knowledge. There was no rear entrance to this place so we feel that Edward Concors had knowledge of gambling and a warrant should be issued for his arrest.

In the case of Isaac Washington who was arrested on December 9, 1950, we found evidence showing that the number books found in his store were ordered by a Van Smothers of 1216 Adriatic Avenue, local.

We feel also that a warrant should be issued for Van Smothers for his arrest as none has so far been issued to the best of our knowledge.

Due to the fact that we have inadvertently stumbled onto many gambling arrests both on and off duty, we feel that a serious gambling situation exists in Atlantic City. We also feel that if we were allowed to give our full time to investigate this gambling problem we could alleviate it tremendously if not wipe it out in its entirety.

It is therefore respectfully requested that we be placed on special detail in plain clothes from your office so we can effectively combat the above problems.

Respectfully submitted,

FRANK GRIBBIN.
JACK PORTOCK.

EXHIBIT G

DEPARTMENT OF POLICE

ATLANTIC CITY, N. J.

REPORT

Date: Wednesday, February 7, 1951.
Special report.

Subject: Reference to report of January 2, 1951, and further request.

To: Meredith B. Kerstetter, Assistant Director of Public Safety.

Harry Saunders, Chief of Police

From: Jack Portock, Shield No. 144.

Frank Gribbin, Shield No. 71.

Fred J. Warlich, Shield No. 94.

SIR: On Tuesday, January 2, 1951, a report was sent to Chief Saunders by Officers Gribbin and Portock, relative to a request to be placed on special detail as they believed that they could alleviate what they believed to be a serious gambling situation in Atlantic City. To date no answer has been received on this report.

Since then (probably due to their numerous gambling arrests) Officers Portock, Gribbin, and Warlich have received numerous calls and requests from persons asking them to act on gambling information they had.

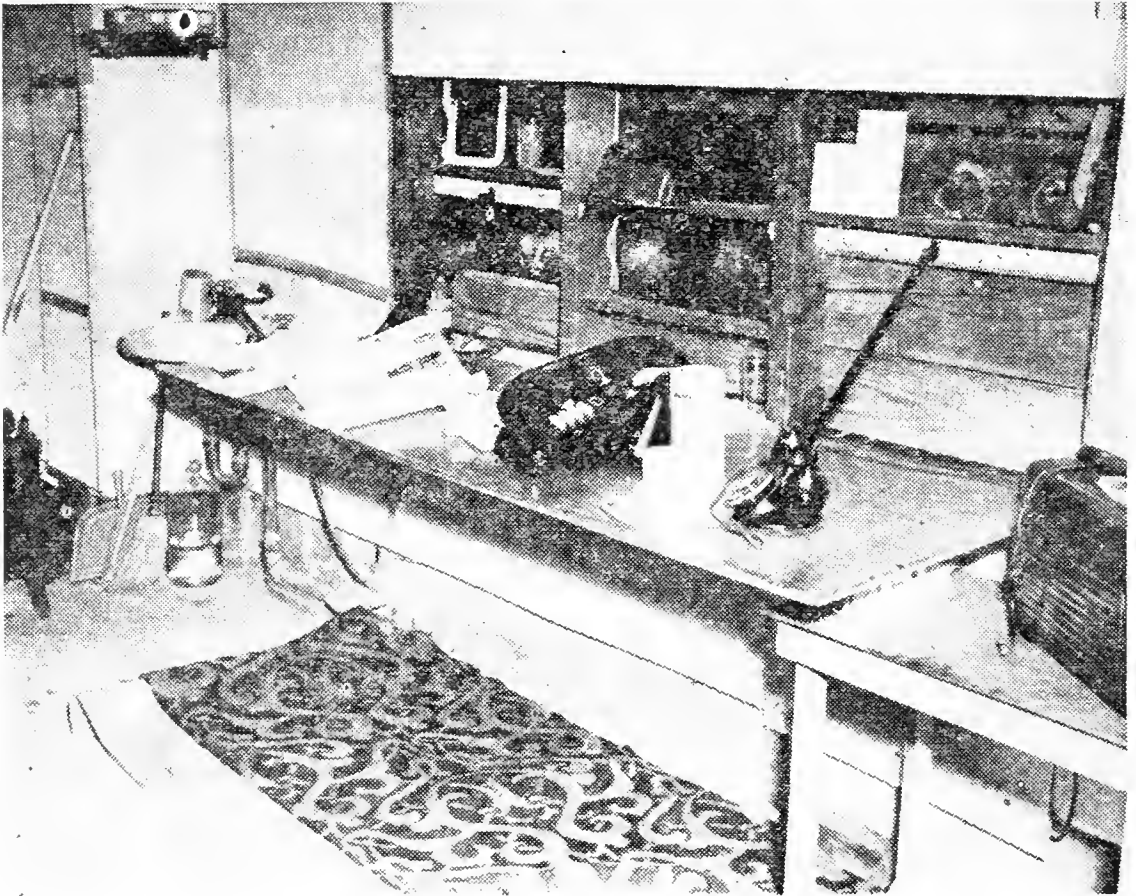
When asked by the officers what information they had, almost all of the people refused to divulge it unless the officers promised them that they would make arrests themselves on the information that was given to them.

This the officers told the people they could not very well do as they did not have the authority, facilities, nor time to make checks on information that they received. Upon this, almost all of the people either hung up on a telephone conversation or changed the subject or walked off, in a discourse upon the street, resulting in a loss of information that in all probability would result in good gambling arrests.

Due to the above facts which clearly indicate that the three officers, could no doubt make arrests from information and personal investigation, if they were given the necessary authority and freedom from their regular routine tour of duty, they respectfully request that they be put on a special assignment to combat gambling which they believe to be organized in this city. If due to the limited number of men this is not possible, it is requested that Portock and Warlich be returned to a regular relief and taken from traffic duty and that Gribbin, Portock, and Warlich be given the authority to investigate and act on information that they could receive, while on their off-duty time.

Respectively submitted.

JACK PORTOCK.
FRANK GRIBBIN.
FRED J. WARLICH.





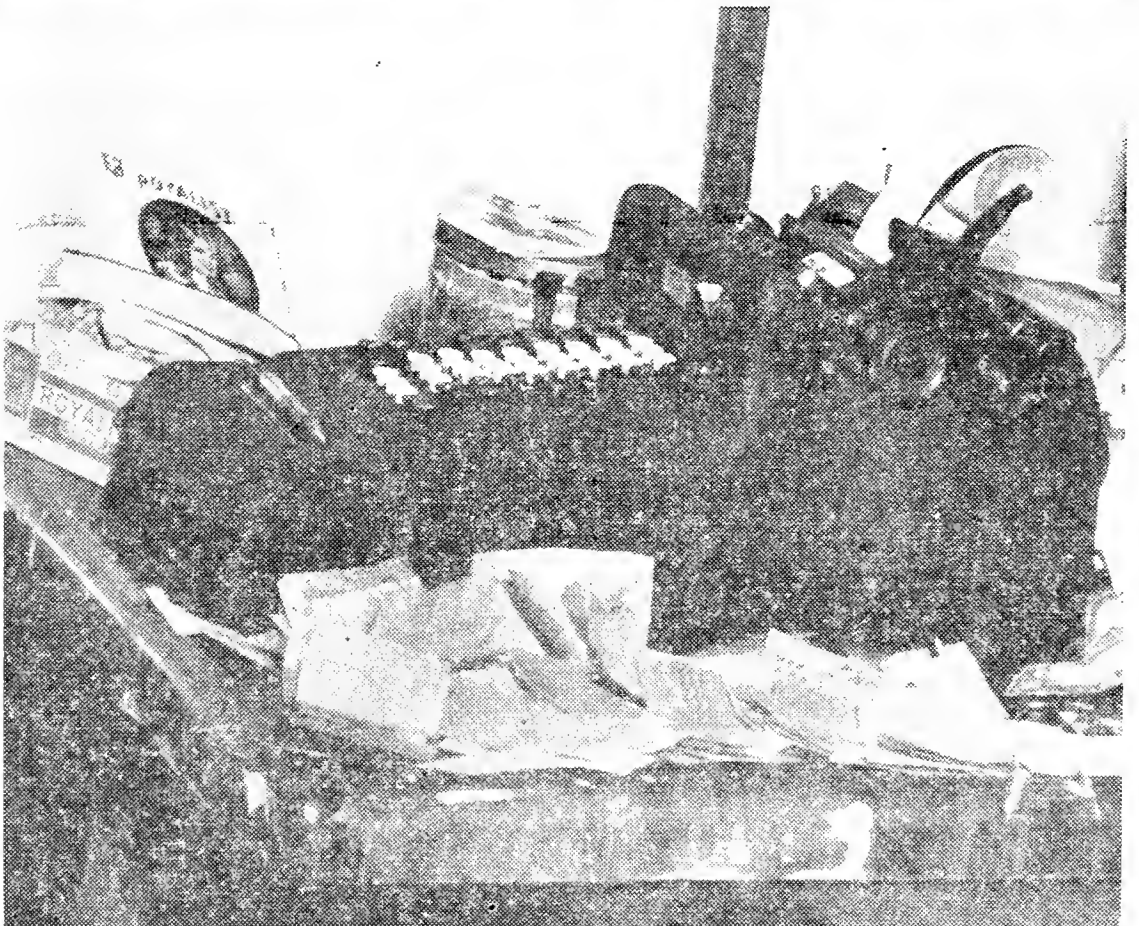


EXHIBIT KI

POST CARD DATED ATLANTIC CITY, N. J., NOVEMBER 10, 1950, ADDRESSED TO COLUMBUS HOTEL, ST. JAMES AND PACIFIC AVENUES, CITY

Acct. No. 11-99, St. James and Pacific Avenues.

NOTICE

A recent reading of your water meter indicates *excessive use* of water based on the minimum rate for your premises.

Your minimum rate for a YEAR is \$200.

You have used in 4 MONTHS \$621.83.

It is suggested that you make a thorough EXAMINATION of your PLUMBING to locate possible LEAKS or other WASTE of water.

THIS IS NOT A BILL

ATLANTIC CITY WATER DEPARTMENT.

POST CARD DATED ATLANTIC CITY, N. J., APRIL 23, 1951, ADDRESSED TO JOHN C. WAULFE, COLUMBUS HOTEL, LOCAL

Acct. No. 22-322, 3 South Plaza.

NOTICE

A recent reading of your water meter indicates *excessive use* of water based on the minimum rate for your premises.

Your minimum rate for a YEAR is \$35.

You have used in 8 MONTHS \$58.41.

It is suggested that you make a thorough EXAMINATION of your PLUMBING to locate possible LEAKS or other WASTE of water.

THIS IS NOT A BILL

ATLANTIC CITY WATER DEPARTMENT.

POST CARD DATED ATLANTIC CITY, N. J., DECEMBER 14, 1950, ADDRESSED TO JOHN C. WOULFE, COLUMBUS HOTEL, ST. JAMES AND PACIFIC AVENUES, LOCAL

Acct. No. 22-322, 3 South Plaza Place

NOTICE

A recent reading of your water meter indicates *excessive use* of water based on the minimum rate for your premises.

Your minimum rate for a YEAR is \$35.

You have used in 4 MONTHS \$36.96.

It is suggested that you make a thorough EXAMINATION of your PLUMBING to locate possible LEAKS or other WASTE of water.

THIS IS NOT A BILL

ATLANTIC CITY WATER DEPARTMENT.

NOVEMBER 30, 1949.

Acct. II-99—Columbus Hotel—Water payments the last 10 years

	Total yearly billing	Number of guests each year		Total yearly billing	Number of guests each year
1939.....	\$603.02	23,288	1945.....	¹ \$1,668.81	59,934
1940.....	555.17	21,439	1946.....	443.19	39,960
1941.....	987.14	28,959	1947.....	451.00	35,553
1942.....	¹ 1,011.32	(?)	1948.....	577.50	32,950
1943.....	¹ 796.18	(?)	1949.....	1,000.89	34,477
1944.....	340.32	34,019	1950.....	1,231.78	33,100

¹ Army.

ALLEN GRAFF, FARLEY'S FRIEND, BRIGHTON HOTEL (350×430), 325 ROOMS

	Land	Building	Personal	Total
1944.....	151,400	83,100	34,000	268,500
1946.....	151,400	105,000	34,000	290,400
1948.....	189,250	150,000	34,000	374,250

OWNED BY FETTER, FARLEY'S FRIEND, JEFFERSON HOTEL (50×180), 162 ROOMS

1944.....	9,000	160,000		169,000
1946.....	9,000	160,800	35,000	204,800
1948.....	11,250	192,960	35,000	239,210

OWNED BY HOLLINGER, FARLEY'S FRIEND, MADISON HOTEL (105×151), 210 ROOMS

1944.....	18,100	200,000	40,000	258,100
1946.....	18,100	215,500	40,000	273,600
1948.....	22,625	258,600	40,000	321,225

OWNED BY IZRA BELL, FARLEY'S FRIEND, MORTON HOTEL (200×150), 300 ROOMS

1944.....	25,000	194,600	30,800	250,400
1946.....	25,000	194,600	30,800	250,400
1948.....	28,750	233,520	30,800	293,070

OWNED BY YON, FARLEY'S FRIEND, FLANDERS HOTEL (137×50), 150 ROOMS

1941.....	10,100	75,000	10,000	95,100
1946.....	8,200	75,000	10,000	93,200
1948.....	10,250	91,000	10,000	111,250

OWNED BY J. C. WOULFE, COLUMBUS HOTEL (50×200), 111 ROOMS

1946.....	20,500	115,500	15,000	150,500
1948.....	25,000	138,600	15,000	178,000

OWNED BY FIORA, FARLEY'S FRIEND, PENN ATLANTIC, 150 ROOMS

1944.....	11,250	80,000	5,000	96,250
1946.....	11,250	80,000	5,000	96,250
1948.....	13,500	96,000	5,000	114,500

EXHIBIT N

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

To: Lester Burdick, Atlantic City, New Jersey, GREETING:

PURSUANT to lawful authority, You are hereby commanded to appear before the Senate Committee to Investigate Organized Crime in Interstate Commerce of the Senate of the United States, Friday, July 6, 1951, at 2 o'clock p.m., at their committee room No. 326, Hotel Traymore, Illinois and Boardwalk, Atlantic City, N. J., then and there to testify what you may know relative to the subject matters under consideration by said committee. You are also hereby commanded to then and there produce all your records, papers, statements, and documents concerning business, employment, and financial transactions and a copy of your income tax returns for the years 1947, 1948, 1949, and 1950.

HEREOF FAIL NOT, as you will answer your default under the pains and penalties in such cases made and provided.

To Robert Rehman, 1:25 p. m., July 5, 1951, to serve and return.

GIVEN under my hand, by order of the committee, this 3d day of July, in the year of our Lord one thousand nine hundred and fifty-one.

HERBERT R. O'CONNOR,

Chairman, Senate Committee To Investigate Organized Crime in Interstate Commerce.

EXHIBIT O
AN OPEN LETTER

United States Senator ESTES KEFAUVER,
Chairman, Senate Crime Investigating Committee,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Like most of the country, some of us in Atlantic City have been observing with interest and some perturbation the things uncovered by your committee.

No doubt, among your thousands of letters are some from this community, expressing the hope that your committee will continue the task it has so well begun, and that more particularly, it will get to the roots of the matter: The close association between master minds in the rackets and in politics.

Assuming you or somebody else succeeds in deporting the Costellos and Anas-tasias, and jail the rest of the top of the mob, such action will not have solved the problem of a community such like Atlantic City, with a racket empire all its own. You, Senator, know all about Atlantic City. You, yourself, have referred to it in your questioning of some of the boys. You are aware that we are considered "neutral ground," suitable for the conventions and meetings of gang-land, with only occasional and as yet unaccounted for executions. Perhaps, you also know that some of the second-flight racket boys, aides to the top command, make their homes on this island.

What perhaps you do not know, Senator, is that the situation here is pretty hopeless; that we have not only lost the chance, but almost the will to help ourselves and to clean house.

Like the people in ancient Macedonia, Senator, we can only plead with you, or some other Federal agency, to come over and help us.

Rackets and crooked politics of the kind and scope you and Senator Fulbright have shown up in the big cities and in Washington itself, must have their small beginnings. This is one of the places, we regret to confess, where some of the roots are. In a smaller way, perhaps—in degree, if not in kind—we are no different from New York, New Orleans, Philadelphia, Chicago, Miami, or other places you have held up before the country as horrible examples of the secret government that controls them through the corruption of key officials by their hoodlums, making common cause in plundering the taxpayers. Nor does it make any difference, as we see it, that here we are mostly Republicans, who on the State and National level, now point the finger of condemnation at the Democrats.

Some well-meaning folk have said that the real culprit is the man who bets \$2 with a bookmaker. If that be wholly true, Senator, then the real culprit in the drug traffic is the addict. To continue in business the Costellos and all the rest must see to it that there is a demand for their wares, and that is the job of their lieutenants and sublieutenants. And just as school children are turned into addicts in order to insure a continuing market for dope, so do the gambling czars try to make more converts to games of chance—by forcing small-business men to write numbers or take horse bets and so making it easier for everybody to contribute their \$2 or less to the millions of dollars required to make officers of the law look the other way; to corrupt officialdom right up to judges on the bench, as your committee has shown.

In circumstances such as these, where a whole community can be subjected to evil influences and example, and must surely become corrupt itself, in time, through loss or perversion of its once dominant moral sense, the people have become helpless to help themselves. We know, Senator, you or your committee cannot go into every small town or village to do the job the people themselves should do. But we plead that, inasmuch as it has been definitely established that we are a more or less important wayside station on the national highway of crime, that some slight degree of official attention be shown to those among us who still hope that Atlantic City was destined for a better future than seems now possible or probable.

If not your committee, Senator, then some other permanent group needs to be established in order—and we're right sorry to mention it—to ride herd on people who condemn or would even go to war against the "gangsters" in other parts of the world, but who either fail to recognize or else make common cause with the gangster in their own midst—for the crumbs that fall from his rich table.

Do what you can for us, Senator. We're not all bad, and some of us, we dare say, would be right glad to be able to stop paying for the boon of getting our

tax assessments lowered at so much per thousand; right glad to stop paying extra for the privilege of running a tavern, driving a taxi or jitney, or for engaging in some other business in which our political and racketeer overlords may become our chief competitors or most important creditors.

“Vice is a monster of such frightful mien
 “Which to be hated, needs but to be seen
 “But once familiar with her face, we first endure,
 “Then pity, then embrace.”

Give us a lift out, and up, Senator.

JERSEY TIMES.

EXHIBIT L

UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

To: Herman Orman, 105 South Lancaster Avenue, Margate, New Jersey.
 GREETING:

PURSUANT to lawful authority, YOU ARE HEREBY COMMANDED to appear before the Senate Committee To Investigate Organized Crime in Interstate Commerce of the Senate of the United States, on Friday July 6, 1951, at 10 o'clock a. m., at their committee room, No. 326, Hotel Traymore, Illinois and Boardwalk, Atlantic City, N. J., then and there to testify what you may know relative to the subject matters under consideration by said committee. You are also hereby commanded to then and there produce all your records, papers, statements, and documents concerning business, employment, and financial transactions and a copy of your income tax returns for the years, 1947, 1948, 1949, and 1950.

HEREOF FAIL NOT, as you will answer your default under the pains and penalties in such cases made and provided.

To Robert Rehman, to serve and return.

GIVEN under my hand, by order of the Committee, this 3d day of July, in the year of our Lord one thousand nine hundred and fifty-one.

HERBERT R. O'CONNOR,

Chairman, Senate Committee To Investigate Organized Crime in Interstate Commerce.

AFFIDAVIT OF BEN FABRIKANT

STATE OF NEW YORK,
 County of New York, ss:

Ben Fabrikant, being duly sworn, deposes and says:

1. I conduct a jewelry business at 66 Bowery Street, New York City.
2. Sometime in the spring of 1950, I was present at a conference held at the Twenty-One Club, 21 West Fifty-second Street, New York City, with four other gentlemen.
3. The purpose of the conference was to discuss the financial arrangement and underwriting of a horse race track at Secaucus, N. J.
4. Present at the conference were Mr. Hugh J. Strong and Mr. Hugh Mehorter of the New Jersey Racing Commission, Mayor John V. Kenny of Jersey City and Mr. Gustave Drescher, an officer of the Marine Midland Trust Co. of New York.

BEN FABRIKANT.

Sworn to before me this 13th day of August, 1951.

[SEAL]

JOHN P. CAMPBELL,
Notary Public in the State of New York.

AFFIDAVIT OF GUSTAVE DRESCHER

STATE OF NEW YORK,
County of New York, ss:

Gustave Drescher, being duly sworn, deposes and says:

1. I am a vice president of the Marine Midland Trust Co. of New York.
2. Some time in the spring of 1950, I was present at a conference held at the Twenty-One Club, 21 West Fifty-Second Street, New York City, with four other gentlemen.
3. The purpose of the conference was to discuss the financial arrangement and underwriting of a horse race track at Secaucus, N. J.
4. Present at the conference were Mr. Hugh J. Strong and Mr. Hugh Mehorter of the New Jersey Racing Commission, Mayor John V. Kenny of Jersey City, and Mr. Ben Fabrikant.

GUSTAVE DRESCHER.

Sworn to before me this 14th day of August, 1951.

[SEAL]

ROBERT A. SILVESTRI,
Notary Public for the State of New York.

AFFIDAVIT OF BEN FABRIKANT

STATE OF NEW YORK,
County of New York, ss:

Ben Fabrikant, being duly sworn, deposes and says:

1. I conduct a jewelry business at 66 Bowery Street, New York City.
2. Several days subsequent to our conference at the Twenty-One Club, 21 West Fifty-second Street, New York City, with four other gentlemen, I went to Secaucus and saw Mayor Kane upon the advice of Mayor John V. Kenny of Jersey City.
3. After talking to Mayor Kane I learned that the property known as the Curtiss-Wright grounds in Secaucus which I was interested in purchasing was already sold.

BEN FABRIKANT.

Sworn to before me this 15th day of August, 1951.

[SEAL]

ANTHONY J. TOMMASULO,
Notary Public, State of New York.

(The chairman introduced into the record mimeographed excerpts from editorial comments regarding Ambassador William O'Dwyer's career in New York, as magistrate, county judge, district attorney, and mayor. He stated that this was introduced at Ambassador O'Dwyer's request.

(The chairman also introduced into the record a report dated June 1950, prepared by Mr. Jackson, C. P. A., regarding various legitimate investments of Abner Zwillman.)

NEWARK, N. J., August 17, 1951.

U. J. STRONG,
O'Connor Committee, Room 318, Senate Office Building,
Washington, D. C.:

Following is a copy of your record of service while a member of the Newark police department: "Folder No. 1635; name, U. J. Strong; date of birth, July 17, 1897; residence, 143 Richlieu Terrace; date of appointment, April 7, 1921; patrolman, effective April 16, 1921; April 11, 1921; assigned to first precinct December 8, 1923; assigned temporarily to detective bureau for the holiday period; headquarters, December 14, 1923; assigned to auto patrol squad headquarters, November 2, 1934; transferred and assigned to regular patrol, seventh precinct, December 14, 1934; transferred and assigned to regular patrol, fourth precinct; resigned June 16, 1936. Record indicates no disciplinary action against you and record indicates resignation was for the purpose of accepting a position in private industry.

FRANK A. O'NEIL, Chief of Police.

REPORT ON EXAMINATION OF FINANCIAL RECORDS OF ABNER
("LONGIE") ZWILLMAN ENTERPRISES

An examination was made of voluminous files obtained from I. George Goldstein, C. P. A. (Goldstein & Goldfine) and Irving M. Pogash, C. P. A., containing working papers and income tax returns prepared by these accountants in the course of their audits of the following enterprises operated by or for the benefit of Abner ("Longie") Zwillman:

1. Public Service Tobacco Co.
2. Federal Automatic Co., Inc.
3. Greater GMC Truck Sales, Inc. (formerly Diamond T. Agency, Inc.).
4. Greater GMC Parts & Service Co., Inc. (formerly Diamond T. Parts & Service Co., Inc.).
5. A. & S. Trading Co., Inc.
6. United States Yeast Corp. (defunct).
7. Harr Kegtap System, Inc. (defunct).
8. E. & S. Trading Co., Inc.

The first five concerns listed above are audited by Goldstein and the latter three concerns were audited by Irving M. Pogash. The Pogash files were in possession of Goldstein and were obtained from the latter for this examination.

All facts or data relating to the connection of Zwillman with these so-called legitimate ventures as disclosed by these files are as follows:

1. PUBLIC SERVICE TOBACCO CO. (SUCCESSOR TO PUBLIC SERVICE TOBACCO CO., INC.),
146 NORTH BROAD STREET, HILLSIDE, N. J.

A. PUBLIC SERVICE TOBACCO CO., INC.

Business: Retail cigarettes through vending machines

Incorporated: New Jersey, August 17, 1937

Dissolved: November 29, 1944

Officers: Michael Lascari, president and treasurer; Virginia Lascari, secretary

Capital stock issued and outstanding: 600 shares, no par

Stockholders:

	<i>Shares</i>
Virginia Lascari, 1111 Park Avenue, New York City-----	297
Michael Lascari, 1111 Park Avenue, New York City-----	3
Mary Zwillman, 32 South Munn Avenue, East Orange, N. J.-----	299
Abner Zwillman-----	1
Total-----	600

Bank: Hillside National Bank, Hillside, N. J.

Federal income tax returns revealed the following gross sales and net taxable income for the years of operation as a corporation:

Period	Gross sales	Net income
Sept. 6, 1937, to Aug. 31, 1938-----		\$40,152.21
Fiscal year ending—		
Aug. 31, 1939-----		36,336.96
Aug. 31, 1940-----	\$610,126.54	21,092.02
Aug. 31, 1941-----	729,652.38	15,646.82
Aug. 31, 1942-----	903,964.61	35,975.10
Aug. 31, 1943-----	1,001,434.80	29,150.25
Aug. 31, 1944-----	1,048,626.60	31,099.44
Sept. 1, 1944, to Nov. 30, 1944-----	350,692.50	11,859.24

A corporate income tax return for this corporation was filed for the period from May 1, 1936, to April 30, 1937, but no record was found of a return being filed for the period from May 1, 1937, to September 5, 1937.

Officers salaries reported for the fiscal years 1940 to 1944 list salaries paid only to Michael Lascari. In the year ended August 31, 1939, officers salaries reported were:

Abner Zwillman-----	\$4,133.33
Michael Lascari-----	5,233.34
Total-----	9,366.67

In previous periods officers salaries were reported as follows :

	Sept. 6, 1937, to Aug. 31, 1938	May 1, 1936, to Apr. 30, 1937
Gerard Catena.....	\$6, 600	\$6, 900
Michael Lascari.....	7, 900	4, 200
William Lillian.....		9, 510
Total.....	14, 500	20, 610

The work papers for certain periods disclosed that Abner Zwillman drew substantial sums as "executive salaries" which were reported under "Salaries and wages" on the tax returns. In the fiscal year ended August 31, 1943, Zwillman received \$13,050 salary as compared with \$10,440 for Lascari. In the period from September 1, 1944, to dissolution on November 30, 1944, Zwillman was paid \$3,250 and Lascari \$2,600. Since Zwillman was not an officer, his salary was not disclosed on the returns.

At the time of dissolution of the corporation its net worth was shown as \$88,039.08. Liquidation values of assets transferred to stockholders were reflected on Forms 1099L as follows :

Virginia Lascari.....	\$43, 579. 35
Michael Lascari.....	440. 20
Mary Zwillman.....	43, 872. 80
Abner Zwillman.....	146. 73
Total.....	88, 039. 08

B. PUBLIC SERVICE TOBACCO CO.

Partnership organized : December 1, 1944.

Capital of \$88,039.08 contributed by following partners :

Name of partner	Contribution	Interest
Virginia Lascari, 1111 Park Ave., New York City.....	\$22, 009. 77	<i>Percent</i> 25
Donna Lascari, 1111 Park Ave., New York City.....	22, 009. 77	25
John Steinback, 50 Beverly Rd., West Orange, N. J. Later changed to 32 South Munn Ave., East Orange, N. J.....	11, 004. 88	12½
Lynn K. Zwillman, 50 Beverly Rd., West Orange, N. J. Later changed to 32 South Munn Ave., East Orange, N. J.....	11, 004. 89	12½
Mary Zwillman, 50 Beverly Rd., West Orange, N. J. Later changed to 32 South Munn Ave., East Orange, N. J.....	22, 009. 77	25
Total.....	88, 039. 08	100

The partnership agreement states that Abner Zwillman and Michael Lascari are trustees for John Steinback, Lynn K. Zwillman, and Donna Lascari, all of whom are infants.

A family partnership was formed to succeed the corporation, obviously as a tax savings device. There is no indication in the files that Federal gift-tax returns were filed to cover gifts the above minors received to the extent of the capital contributions shown.

The accountant's work papers for the partnership indicate that Michael Lascari and Zwillman continued to draw salaries from the business although amounts thereof were not disclosed.

The partnership information returns (Federal) showed the following gross sales and net income :

	Gross sales	Ordinary net income
Fiscal year ended—		
Nov. 30, 1945.....	\$1, 129, 914. 75	\$59, 122. 93
Nov. 30, 1946.....	1, 052, 446. 75	49, 204. 73
Nov. 30, 1947.....	1, 114, 778. 39	78, 315. 73
Nov. 30, 1948.....	1, 198, 678. 62	57, 636. 37
Nov. 30, 1949.....	1, 421, 881. 38	46, 564. 8

The balances in partners capital accounts at November 30, 1949, were:

Virginia Lascari.....	\$49,805.03
Donna Lascari, trust.....	52,097.53
John Steinback, trust.....	36,188.95
Lynn K. Zwillman, trust.....	36,188.95
Mary Zwillman.....	35,874.59
Total.....	210,155.05

The "Loans and exchange" account (account No. 110) at April 30, 1950, had a total debit balance \$32,064.00 of which \$20,000 was due from Dave Lieb since August 1949 and \$6,950 from Abner Zwillman.

The files contain a note dated January 3, 1946, from I. George Goldstein to Edward Diamond, apparently a staff member, instructing Diamond to make a journal entry as of the close of the fiscal year, November 30, 1945, crediting "United States Treasury bonds" with \$20,000 and charging the drawing accounts of Mary Zwillman and Donna Lascari \$10,000 each.

The files also contain an unsigned contract between one Thomas Yamouny, of Linden, N. J., and Charles Handler, trustee, whereby the latter agrees to purchase the cigarette vending machines, route and equipment from Yamouny operating business in Union City, N. J., for \$5,000. (Handler is legal representative for all of the Zwillman companies.)

Possible affiliation with Manhattan Cigarette Service Co. also audited by I. George Goldstein.

2. FEDERAL AUTOMATIC CO., INC., 1422 NORTH BROAD STREET, HILLSIDE, N. J., (WA 6-0914)

Incorporated:

November 7, 1945, in New Jersey

Commenced operations January 2, 1946

Business (collection of rentals from): Rental of washing and drying machines

Registered agent: Irving E. Blum, 24 Commerce Street, Newark, N. J.

Attorney: George Kisselhaut, 786 Broad Street, Newark, N. J.

Banks: Lincoln National Bank, Newark, N. J.

Hillside National Bank, Hillside, N. J.

Officers: Irving E. Blum, president and treasurer

Louis C. Jacobson, vice president (resigned in 1950)

Herman Albert, secretary

Capital:

100 shares, no par value authorized and issued

Capital stock account \$40,000

Stockholders (certificates issued November 13, 1945)

Certificate No.	Stockholder	Shares	Remarks
1.....	Irving E. Blum.....	50	Endorsed in blank, held by Public Service Tobacco Co.
2.....	do.....	25	Endorsed in blank, held by George Kisselhaut.
3.....	do.....	23	
4.....	Destroyed.....		
5.....	Pauline Moramarco (employee).....	1	Endorsed in blank, held by Irving E. Blum.
6.....	Louis Jacobson.....	1	Do.

Notes payable to stockholders as of April 30, 1950, amounted to \$10,340 as follows:

Public Service Tobacco Co.....	\$7,500
Kisselhaut.....	931
I. E. Blum.....	1,909
Total.....	10,340

Capital stock and surplus as at April 30, 1950, was \$59,384.11. Federal income tax returns filed by this corporation disclosed the following gross receipts and net taxable income :

	Gross receipts	Net income or (loss)
1946.....	\$18,978.19	(8,205.79)
1947.....	44,244.66	(6,832.64)
1948.....	65,583.23	7,844.79
1949.....	114,872.34	16,701.50

3. E. & S. TRADING Co., 790 BROAD STREET, NEWARK, N. J., AND LATER AT 283 SOUTH CENTER STREET, ORANGE, N. J.

Incorporated : May 29, 1947, in New Jersey

Business : Iron and steel dealers, sales promotion.

Registered agent : Charles Handler, 790 Broad Street, Newark, N. J.

Accountant : Pogash & Co., 17 Academy Street, Newark, N. J.

Banks :

Lincoln National Bank, Newark, N. J.

Union National Bank, Newark, N. J.

Officers :

Edwin Steiner, Jr., president and treasurer

Evelyn Steiner, vice president and secretary

Capital :

Capital stock authorized : 2,500 shares no par value

Capital stock issued : 100 shares—\$1,000 paid in

Stockholders :

Certificate No.	Stockholder	Number of shares
1.....	Abner Zwillman.....	97
2.....	Edwin Steiner.....	1
3.....	Evelyn Steiner.....	1
4.....	Mary Huefnagel.....	1
Total.....		100

Federal income tax returns examined disclosed sales and net taxable income as follows :

Period	Sales	Net income
1948.....	\$336,467.34	\$91,247.75
1949.....	147,890.58	19,484.55

The work papers for 1948 reflect that most of the income was derived from scrap-steel conversions and the nature of the business was shown on New Jersey franchise-tax return as iron and steel dealers and was given as sales promotion in 1949 return.

Federal income-tax returns show Edwin Steiner as the only officer receiving a salary. He received \$5,600 in 1948 and \$7,700 in 1949. The accountant's work papers disclose that Abner Zwillman received a salary of \$10,000 in each of the 2 years. Since his salary was recorded as a nonofficer under salaries and wages his name was not disclosed on the tax returns.

Capital and surplus at October 31, 1948, was \$76,490.76.

At December 31, 1949 the tax return disclosed loans receivable of \$82,686.80. At August 31, 1949, other assets included the following amounts due to the corporation :

Dave Lieb.....	\$60,500
Toots Shor.....	10,000
Heat Service, Inc.....	2,500

4. HARR KEGTAP SYSTEM, INC., 109 FRELINGHUYSEN AVENUE, NEWARK, N. J.

Incorporated: September 1936 in New Jersey

Business: Manufacturing beer-dispensing equipment

Registered agent: I. M. Pogash, 17 Academy Street, Newark, N. J.

Banks:

Union National Bank, Newark, N. J.

Lincoln National Bank, Newark, N. J.

Capital: Capital stock authorized, \$50,000; capital stock issued, \$10,000.

One H. Cohen was associated with Zwillman in this enterprise. This venture was apparently liquidated as of September 30, 1938. From journal entries reflected in the accountant's work papers it appears that Abner Zwillman assumed and paid certain liabilities of the corporation. The auditor's papers disclosed loans payable to Abner Zwillman at September 30, 1938 of \$24,252.41.

This venture operated at a loss from inception to liquidation.

5. UNITED STATES YEAST CORPORATION, 32 JONES STREET, NEWARK, N. J.

Incorporation: September 5, 1935, New Jersey

Registered agent: I. M. Pogash, 17 Academy Street, Newark, N. J.

Banks:

Union National Bank, Newark, N. J.

United States Trust Co.

Hartford, Connecticut Trust Co.

Officers:

Morris Charles Papier, president

Abner Zwillman, treasurer

Capital:

Authorized 500 shares, no par value

Issued 10 shares, \$20,000 stated capital

Stockholders:

Number of shares

Abner Zwillman ----- 4

Joseph Kletskin ----- 4

Morris Charles Papier ----- 2

Total ----- 10

Accountant's work papers indicate stock was issued to Zwillman for \$10,000 cash but Joseph Kletskin received 4 shares for the net assets of New England Yeast Co. and Papier received his stock for "goodwill."

Federal income-tax returns for fiscal year ending August 31, 1936, and August 31, 1937 reflected net losses of \$23,106.18 and \$28,222.76, respectively.

All corporate assets were sold on February 4, 1937 for \$100,814.77 or \$23,363.96 less than cost of \$124,178.73.

At August 31, 1936 the accountant's working papers showed the company owing Zwillman on notes—\$44,547.06. At April 10, 1937 the indebtedness was reduced to \$18,347.06. A balance sheet as of August 31, 1936 showed the following net worth:

Capital stock -----	\$20,000.00
Due to A. Zwillman -----	¹ 55,947.06
	<hr/>
	75,947.06
Less deficit -----	24,119.15
	<hr/>
Total capital -----	\$51,827.91

¹ To be converted into 6-percent preferred stock.

6. GREATER GMC TRUCK SALES, INC., 482 WASHINGTON STREET, NEWARK, N. J.

Name changed from Diamond T Agency, Inc., on June 24, 1949.

Business: Dealer in new and used trucks

Registered agent: Charles Handler, 790 Broad Street, Newark, N. J.

Bank: Lincoln National Bank, Newark, N. J.

Incorporation: August 25, 1944 in New Jersey

Officers :

Samuel Chasalow, president and treasurer.
 Alfred Habig, secretary
 Morris Safris, director
 Herman Cohen, manager

Capital stock :

Authorized, 2,460 shares
 Issued and outstanding, 40 shares
 Capital stock account as of December 31, 1949, \$8,000

Stockholders: As of December 30, 1949 all old certificates were canceled and new shares issued as follows :

Certificate No	Holder	Number of shares
1.....	I. G. Goldstein.....	4
2.....	I. G. Goldstein (in trust).....	23
3.....	A. Habig.....	1
4.....	Herman Cohen.....	4
5.....	Samuel Chasalow.....	4
	Total.....	36

Accountants schedules showed original stock certificates were issued as follows :

Certificate No.	Holder	Date issued	Number of shares	Disposition
1.....	Sam Schrenell.....	Aug. 25, 1944	10	Canceled Nov. 9, 1944.
2.....	Rose Schrenell.....	do.....	10	Canceled Oct. 4, 1945.
3.....	I. G. Goldstein (AZ).....	do.....	10	Endorsed in blank. Canceled Dec. 30, 1949.
4.....	Marie Hufnagel (AZ).....	do.....		Canceled Nov. 9, 1944.
5.....	Sam Schrenell.....	Nov. 9, 1944		Canceled Oct. 4, 1945.
6.....	do.....	do.....		Do.
7.....	Herman Cohen.....	do.....		Do.
8.....	I. G. Goldstein (AZ).....	do.....		Canceled Dec. 30, 1949.
9.....	Sam Schrenell.....	Oct. 4, 1945		Canceled Oct. 25, 1945.
10.....	I. G. Goldstein.....	do.....		Canceled Dec. 30, 1949.
11.....	Herman Cohen.....	do.....		Do.
12.....	I. George Goldstein.....	do.....		Canceled July 21, 1948.
13.....	Charles Handler.....	Oct. 25, 1945		Do.
14.....	Diamond T Agency.....	do.....		Do.
15.....	Sam Chasalow.....	July 21, 1948		Voided.
16.....	Alfred Habig.....	do.....		Do.
17.....	Morris Safris.....	do.....		Do.
18.....	Diamond T Agency.....	do.....		Do.
19.....	M. Safris (AZ).....	do.....		Canceled Dec. 30, 1949.
20.....	A. Habig (AZ).....	do.....		Do.
21.....	S. Chasalow.....	do.....		Do.
22.....	H. Cohen.....	do.....		Do.
23.....	I. G. Goldstein (AZ).....	do.....		Do.

The following original officers held office from inception to July 21, 1948: I. George Goldstein, president; Herman Cohen, treasurer; Charles Handler, secretary.

7. GREATER GMC PARTS & SERVICE CO., INC.

Business: Sale of auto parts and service.

Changed name from Diamond T Parts & Service Co., Inc., on June 24, 1949.

Capital stock account: \$1,000 as of December 31, 1949.

All other data including officers, stockholdings, stock certificates and addresses, banks, agents, is the same as listed under Greater GMC Truck Sales, Inc.

S. A & S TRADING CO., INC.

Business: Buy and sell used machinery and auto equipment.

Capital stock account: \$1,000 as of December 31, 1949.

All other data, including officers, stockholdings, stock certificates, address, banks, agents, is the same as listed under Greater GMC Truck Sales, Inc.

A recapitulation of stock holdings in the three affiliated companies at October 4, 1945 and as revised on July 21, 1948 follows:

DATE: AS OF OCTOBER 4, 1945

Holder	Percentage of outstanding	Diamond T Agency, Inc.	Diamond T parts and service	A. & S. trading
		Shares	Shares	Shares
I. G. Goldstein.....	13 $\frac{1}{3}$	4	4	4
Herman Cohen.....	20	6	6	6
Charles Handler.....	None			
Abner Zwillman.....	66 $\frac{2}{3}$	20	20	20
Treasury stock.....		10	10	10
Total shares.....		40	40	40

DATE: AS OF JULY 21, 1948 (REVISED)

I. G. Goldstein and A. L. Goldfein.....	10	4	4	4
Herman Cohen.....	20	8	8	8
Samuel Chasalow.....	10	4	4	4
Abner Zwillman.....	60	24	24	24
Total shares.....		40	40	40

July 21, 1948, notes:

Change on I. George Goldstein stock to read I. George Goldstein and Arthur L. Goldfein

Two extra shares in each company to be issued to Herman Cohen to make total 8 shares

Four shares in each company to be issued to Samuel Chasalow (for \$3,000)

Four additional shares to be issued to Abner Zwillman

The stock owned by Morris Safris (in each company), consisting of four shares (10 percent interest), was repurchased from him as of January 31, 1950, and capital stock and surplus accounts reduced as follows:

	Capital stock	Surplus (premium)	Total paid
Greater GMC Truck Sales.....	\$800	\$700	\$1,500
Greater GMC Parts and Service.....	100	400	500
A. & S. Trading.....	100	400	500
Total.....	1,000	1,500	2,500

Operating data—Gross sales and net income reflected by Federal income-tax returns filed by the three companies from inception to the last fiscal year end follows:

GREATER GMC TRUCK SALES, INC.

Fiscal year ended	Gross sales	Net taxable income
Aug. 31, 1945.....	\$119,566.15	\$9,324.06
Aug. 31, 1946.....	111,962.65	1,447.48
Aug. 31, 1947.....	320,567.91	20,342.56
Aug. 31, 1948.....	558,641.60	15,000.24
Aug. 31, 1949.....	437,755.36	4,800.46

GREATER GMC PARTS & SERVICE CO., INC.

Fiscal year ended	Gross sales	Net taxable income
Aug. 31, 1945.....	\$34,713.42	\$9,252.14
Aug. 31, 1946.....	64,574.22	9,632.07
Aug. 31, 1947.....	74,308.31	15,232.09
Aug. 31, 1948.....	98,900.55	15,791.52
Aug. 31, 1949.....	92,725.27	1,647.79

The records of Greater GMC Truck Sales disclose an investment in stock of Diamond T Motor Car Co., Chicago, Ill., with value at cost of \$32,782.44.

The sales records indicate many sizable transactions with the city of Newark and nearby municipalities.

GENERAL COMMENTS

The working papers, schedules, financial reports, and tax returns examined indicate that these Zwillman enterprises are being operated in a businesslike manner. Since the books of the various concerns, particularly cash records, were not available it cannot be stated that the transactions were properly disclosed and treated in the accountant's work papers.

Abner Zwillman received salaries from the active enterprises. He received \$25,000 in total per annum in 1948 and 1949 from A. & S. Trading and Greater GMC Truck Sales and Parts & Service in addition to undisclosed sums from Public Service Tobacco and Federal Automatic. Salaries reported in his personal tax returns should be checked with the foregoing.

The identity of Dave Lieb and Lieb Bros. and the nature of the \$100,000 loan to them by Zwillman Enterprises should be established. The connection of Manhattan Cigarette Service with Zwillman might also be explored.

Respectfully submitted,

BEN E. JACKSON,
Certified Public Accountant.

JUNE 21, 1950.

AUGUST 16, 1951.

Memorandum.

To: Richard G. Moser.

From: Nicholas John Stathis.

Subject: Proposed interrogation of James Rutkin based upon the testimony given by Joseph H. Reinfeld in the case of United States v. James Rutkin, alias Abe Rutkin, in the District Court of the United States for the District of New Jersey.

1. FACTS CONCERNING THE "HIGH SEAS OPERATION"

(a) In the year 1926 Joseph H. Reinfeld, in partnership with others, was engaged in a bootlegging business which he characterized as the "high seas operation." Reinfeld and some other members of the partnership would purchase liquor in Europe and in Canada and then ship it to the Islands of St. Pierre and Miquelon, which shipment was perfectly legal. Abner Zwillman, as a member of this partnership, went to Canada once or twice for the purpose of purchasing liquor for the combine from Seagrams. The combine maintained a sales office in Newark, N. J., for the purpose of disposing of the liquor. A customer would visit the Newark office and purchase a receipt which entitled him to a certain amount of liquor. He would then take a boat and then he would go out on the high seas where he would meet a boat which was operated by the combine, and upon which was stored a certain amount of liquor which had been loaded upon it at the islands of St. Pierre and Miquelon. The customer would then present his receipt to the person in charge of the boat operated by the combine, and he would receive the amount of liquor for which he had paid and to which he was entitled. In other words, the combine sold liquor in Newark for delivery on the high seas. Reinfeld would also go to the docks to meet the boats of the customers, whenever they were coming in with a shipment of liquor which they had taken off the boat operated by the combine on the high seas, and he would sometimes sell to them right on the docks receipts for additional amounts of liquor. The partners in the combine, acting as individuals, often purchased liquor for their own account from the combine.

(b) Among the members of the partnership which conducted the "high seas operation" together with the percentages held by some of them, were the following:

(1) James Rutkin, who became a partner in the enterprise about the year 1929 and who owned 6 percent.

(2) Kanengiser and his group, who had 31½ percent; Facher, Susskind, Samuel Lentz, Martin Schneider, Harrington, who had 5 percent; Mayer, who had 5 percent; Chick Callahan, who had 2½ percent; Felix Arnold, Edward Costi, and William White, who among them owned about 5½ percent; Joseph H. Reinfeld, who owned approximately 44 percent.

(3) There is indication in some parts of the testimony that Zwillman had as high as 50 percent interest in the partnership which operated the "high seas operation."

(c) The partnership which conducted the "high seas operation" dissolved either in 1932 or 1933. At the time of the dissolution there appeared to be about \$250,000 which had not as yet been distributed among the partners, and this was divided as follows: the Davis-Seaman group, of which Abner Zwillman was a member, got 50 percent, or approximately \$125,000; the remaining \$125,000 was divided among the Kanengiser group, the Reinfeld group, and Susskind as follows: Kanengiser group received \$50,000 to \$60,000; the Reinfeld group got \$50,000 to \$60,000; and Susskind got \$8,000 to \$9,000. James Rutkin received nothing from the distribution, as he had sometime prior thereto drawn out his interest of \$35,000.

2. FACTS CONCERNING THE FORMATION AND SALE OF BROWNE VINTNERS, AND THE PERSON WHO HAD AN INTEREST THEREIN, LOCATED AT 79 PINE STREET, NEW YORK, N. Y.

(a) The foregoing sum of \$250,000, which represented the undivided profits of the "high seas operation," was sent by the individuals who were entitled thereto, and who are above named, to a Mr. Bowers in Montreal, Canada, who was connected in some capacity with Seagram's, and the money was then sent back to New York, N. Y., where Browne Vintners was organized as a New York corporation in October 1933. Mr. Bowers was the owner of record of all of the stock of Browne Vintners, but he held it as a nominee for the person who made the original investment because none of them wanted to show that they had any interest in the corporation for the reason that the money was made illegally through the "high seas operation." In 1935 Norman Levin, Nellie Levin, and Sally Levin, who were relatives of Reinfeld, became the record owners of the \$250,000 worth of stock, but they still held it as nominees for the persons who originally had made the investment. From time to time the persons who had made the original investment of \$250,000 invested additional money in the corporation and the stock which represented the additional investment was also held by nominees. The stock of Browne Vintners cost \$1,000 per share.

(b) Among the stockholders of the Browne Vintners Corp. and the amount of stock held by each were the following:

(1) Of the stock representing the original investment in the sum of \$250,000, 24 percent was held by the Reinfeld group, 17 percent was held by the Kanengiser group, 6 percent by James Rutkin, and 3 percent by Susskind, but all of which was registered in the name of Mr. Bowers as the owner of record.

(2) Other stockholders in Browne Vintners were Lehroff; Facher, who at one time had \$20,000 invested; and Sam Lentz.

(3) Moe Silverman, Phillip Silverman, and David Silverman owned of record a total of at least 30 shares and possibly 40 shares, and all of the Silvermans were fronting for Zwillman and Stacher. Joe Davis was Zwillman's representative in Browne Vintners, and also held stock as Zwillman's nominee, but the exact number of shares which he held as Zwillman's nominee is not disclosed. There is nothing in Reinfeld's testimony to indicate what part of the original investment of \$250,000 was owned by Zwillman, but Reinfeld disclosed that, when the capital stock of Browne Vintners reached \$1,000,000, Zwillman and Stacher owned stock which was worth \$200,000 to \$300,000. It is intimated in one part of the testimony that Zwillman's interest in Browne Vintners at the time of its formation may have been as high as 50 percent.

(c) In December 1940, Browne Vintners was sold to Seagrams for \$7,500,000. The original cost of a share of stock to each owner was \$1,000, but when the business was sold the sale price of a share was approximately \$3,000. At the time that the business was sold a total of 700 shares of stock were held by nominees for the benefit of others, but there is nothing in the testimony which discloses the real owners of all of the 700 shares.

(d) Prior to December 1940, Schenley had offered to buy Browne Vintners, and their proposition was discussed by Reinfeld with both Zwillman and Stacher and they turned down the proposition.

(e) Seagram's offer to buy Browne Vintners was discussed by Reinfeld with Zwillman and Stacher both in Newark, N. J., and in the Park Central Hotel in New York City, at a meeting which was also attended by Harry Davis, Joe Davis, and James Rutkin. At that time District Attorney Thomas E. Dewey was investigating Browne Vintners and had examined their books several times

in order to find out who the real stockholders in the company were. It is contended by VanRiper, who was Rutkin's defense counsel in the case, that at the meeting which was held in the Park Central Hotel Reinfeld recommended the sale of Browne Vintners for the reason that Thomas E. Dewey was investigating the company and Rutkin did not know how long he would be able to keep from him information as to the real ownership of the stock, and because the company needed capital.

(f) After the sale of Browne Vintners the sum of \$225,000 was charged against Zwillman's share of the proceeds, as his share of the tax liability of Browne Vintners, and this sum of money was turned over to Reinfeld by Sam Cohen, who was the accountant for the company and kept its books. According to Reinfeld, Zwillman had instructed Sam Cohen to turn the money over to him. As the result of the sale, Browne Vintners had a Federal income tax to pay on the sale of its assets, and \$900,000 of the purchase price was held in escrow, of which \$574,000 was earmarked for payment of the tax, and the remainder had been earmarked for other liquidation expenses. After the liquidation had been completed, \$217,000 remained of the fund which had been held in escrow, and this was distributed pro rata among the stockholders. Zwillman and the other stockholders were furnished statements by Sam Cohen showing what their respective positions were with respect to the sale.

3. FACTS CONCERNING THE DISSATISFACTION OF ZWILLMAN AND STACHER WITH THEIR SHARE OF THE PROCEEDS OF THE SALE OF BROWNE VINTNERS

(a) Zwillman was dissatisfied with the statement which was furnished him by Sam Cohen showing his position with respect to the sale of Browne Vintners, and he complained, and several meetings were arranged by Joseph Davis in December of 1942 for the purpose of discussing Zwillman's dissatisfaction. Two of these meetings were held on a Saturday, one in the morning and one in the afternoon, and a third meeting was held on Sunday. All of these meetings were attended by Zwillman and Stacher, and were held at the home of Reinfeld's brother-in-law, Lewis Holtz, at 24 Wilbur Avenue, Newark, N. J. Rutkin attended the two meetings which were held on Saturday. At the meeting which was held on Saturday afternoon, Kessler, Zwillman's attorney, advised Reinfeld that according to the law he was liable for the payment of the Federal income tax on the sale of the assets of Browne Vintners, and Reinfeld agreed to refund to Zwillman the sum of \$225,000, which had been charged against him as a share of the said tax liability, and which had been turned over to Reinfeld by Sam Cohen, and he also agreed to pay to Zwillman and Stacher their share of the contingency fund which had been held in escrow to pay liquidation expenses. The total amount which Reinfeld agreed to pay to Zwillman and Stacher was \$358,000. At that same Saturday afternoon meeting Reinfeld agreed to pay Rutkin the sum of \$250,000 as his share of the proceeds of the sale of Browne Vintners. It appears that Rutkin had great difficulty in collecting this money from Reinfeld, and prior to the time that this meeting was held he had threatened to kill Reinfeld and his family unless Reinfeld paid him the money. In November or December of 1949, Reinfeld had a conversation with agents of the Treasury Department concerning the fact that Stacher and Zwillman had not reported in their income-tax returns that they had received the sum of \$358,000.

(b) At the Sunday meeting which was held in December 1942 at Holtz' house, Stacher and Zwillman complained that Reinfeld had bought bulk whisky through another company which he had organized and that he had sold this bulk whisky to Browne Vintners at a profit of \$500,000 and therefore they felt cheated and were entitled to share in this profit. They also made the claim against Reinfeld at this same meeting for certain dividends which he had received on stock of Browne Vintners to which they felt they were entitled. Reinfeld refused to pay anything to Zwillman and Stacher on account of any of these claims and stated to them that if they felt that they were entitled to any money on account of these claims then the matter would have to be litigated in court. At a meeting in Kessler's office which was held on Monday (following the Sunday on which the meeting was held at Holtz' house) which was also attended by Stacher and Rutkin, Kessler told Reinfeld that "the boys" wanted more money because Reinfeld had made a lot of money selling bulk whisky to Browne Vintners and had received a lot of dividends on stock to which he was not entitled, and because Zwillman, who had a 50 percent interest in Browne Vintners at the time that it was formed, wound up with 16 percent of the proceeds after Browne Vintners

was sold. Zwillman had also made the claim, when he demanded extra money from Reinfeld, that he should have been a partner in Cointreau Ltd., which Reinfeld had organized in 1941 or 1942. At a subsequent meeting in Kessler's office, which was attended by Zwillman and Stacher, Zwillman and Stacher finally agreed to drop these claims against Reinfeld and to accept the sum of \$358,000 in full settlement of all of their claims.

(c) On May 11, 1943, Reinfeld paid to Zwillman and Stacher the sum of \$358,000 and paid to Rutkin the sum of \$250,000, and on that date all of them signed and delivered to him a release.

(d) In order to pay Zwillman, Stacher and Rutkin, Reinfeld had instructed his son-in-law, Holtz to go to the bank vault and take out \$608,000 in currency. Holtz then took this money to the office of Popik, who was the attorney who represented Reinfeld in the settlement of all of the foregoing claims, and Popik, Holtz, and Pearce, another attorney, then took the money over to Kessler's office, where on May 11, 1943, the sum of \$250,000 was paid to Rutkin and the sum of \$358,000 was paid to Zwillman.

AUGUST 17, 1951.

Memorandum.

To: Richard G. Moser.

From: R. E. Frisch.

Subject: Items to be inserted into the record in the New Jersey hearings in the absence of Abner Zwillman, Joseph Stacher, and Gerald Catena.

I. Under item II. 3 entitled "Toll Calls and Associations with Members of the Underworld since Repeal":

1. Calls from Abner Zwillman, 32 S. Munn Avenue, Newark, N. J., 5-6999. Also: 109 Jerome Avenue, Deal, N. J., Deal 519.

To: Mrs. Esta Siegel, 82 Central Park West (wife of Benjamin "Bugsy" Siegel). ENd 2-6888:

12/8/45	2/26/46
12/11/45	1/12/46
12/16/45	1/14/46
12/29/45	

To: Frank Costello, 115 Central Park West, TR 4-3403:

8/25/42	5/6/46
1/9/46	1/23/46
3/17/46	5/15/46
1/20/46	

To: Myer Lansky, 22 Central Park West, TR-6269: 12/16/45 (2).

To: J. M. Bozzo, Laneview Avenue, Erskine Lakes, N. J., ER 1-374:

3/16/46	4/19/46	5/22/46
3/17/46	4/24/46	5/25/46
3/18/46	5/5/46	5/26/46 (3)
4/14/46	5/10/46 (2)	5/30/46
4/6/46	5/21/46	5/31/46 (2)
		6/9/46

To: Senator Barton, Room 709, Stacy Trent Hotel, Trenton, N. J., Trenton 3-3131:

3/26/46 (asked for Joseph Bozzo)
4/9/46 (talked with Senator Barton)

To: Lewis P. Marciante, 119 Morningside Drive, Trenton, N. J., Trenton 2-1406 (Lewis P. Marciante is president of the New Jersey State Federation of Labor (A. F. of L. and active in political circles):

3/23/46
5/9/46
5/30/46

To: Annenberg and Erickson, Inc., 605 Madison Avenue, PLa 8-2580:

4/17/46
4/20/46
5/8/46

To: Harold B. Hoffman, 28 West State Street, Trenton, N. J., TR 3-7477:

5/16/46
5/24/46

To: J. J. Distributing Co., Newark, N. J., BI 8-1234:

5/31/46
7/12/46
7/3/46

To: Joseph Stacher, 25 Van Velsor Place, Newark, N. J., WA 6-0773:

6/1/46

6/9/46

To: E. J. Catena, 1034 South, New York:

6/25/46

6/2/46

To: G. Catena: 5/2/42—Miami 5-7257, listed to G. Catena, 4370 Nautilus Drive

Mrs. C. Catena, 21 Overhill Rd., South Orange, N. J., SO 2-1282:

6/22/46

6/25/46

To: J. L. Silverman, 386 North Wyoming Avenue, South Orange, N. J., SO 2-0061

To: Meyer C. Ellenstein, 19 Lyons Avenue, Newark, N. J.: 6/17/46

To: Mrs. G. E. Lieb, ES 3-6970: 6/24/46

[From the Brooklyn Eagle of December 30, 1937]

EAGLE PRAISES MAGISTRATE O'DWYER'S APPOINTMENT TO COUNTY COURT BENCH AS NONPOLITICAL

Governor Lehman is to be congratulated on the nonpolitical nature of his selection to fill the vacancy on the county court bench created by the election of Algeron I. Nova to the supreme court. William O'Dwyer is not a politician in the ordinary sense of the word. He is a former policeman. While on the force he studied law. In 1932, Joseph V. McKee, then acting mayor, appointed him a city magistrate over the opposition of the local Democratic organization. When his term expired Mayor LaGuardia reappointed him to a full term. Magistrate O'Dwyer had made a fine record on the bench. Also the mayor felt his police experience was an asset; in fact, the mayor had devised a procedure whereby competent policemen may get legal training with a view to having them finally become "career" judges.

Not only has Magistrate O'Dwyer been a first-class policeman and a first-class magistrate; before he came to this country in 1919 he had a fine education, being graduated from the ancient University of Salamanca in Spain. This is the sort of career men that are needed in our public life.

O'DWYER INDUCTED AS COUNTY JUDGE

The Brooklyn Eagle in its home talk and star section on Friday, January 7, 1938, described Judge O'Dwyer as "an independent Democrat" and added that he had no club affiliations and had "stamped himself as a friend of the working-man" and was a "popular figure in all circles."

On December 21, 1938, the Eagle had another editorial which began:

"Judge William O'Dwyer, incoming district attorney, has made good on his campaign pledge to clean house in the prosecutor's office and to base his appointments on fitness and experience without regard to politics.

"Judge O'Dwyer is to be congratulated on the discrimination he used, and the community has good reason to look forward with confidence to the new deal in the district attorney's office."

[From the Brooklyn Eagle, November 26, 1939]

O'DWYER'S BAN ON "PULL"

The real friends and well wishers of District Attorney-Elect William O'Dwyer are delighted at the plan he is putting into effect with the announced intention of eliminating pull in the selection of the new prosecuting staff.

It requires every candidate—and it is reported that there are already over 2,000—to fill out a questionnaire, similar to a civil service application, which sets forth in a sworn statement his qualifications and reasons for wanting the job.

[From the Brooklyn Eagle, December 4, 1939]

O'DWYER'S HOUSECLEANING

It was because of confidence in his independence that Judge O'Dwyer won a large part of his support in the campaign.

The next step is to appoint an able, honest, and fearless staff. Judging by the way he is going about it by means of questionnaires, similar to a civil service application, and his warning that any attempt to bring political pressure to bear would cause disqualification, there is ample evidence that the highest standards will be enforced.

All this will redound to the benefit of the law-abiding people of Kings County.

[From the Brooklyn Eagle, December 31, 1939]

O'DWYER'S APPOINTMENT

Judge William O'Dwyer, incoming district attorney, has made good on his campaign pledge to clean house in the prosecutor's office and to base his appointments on fitness and experience without regard to politics.

Up to the moment he announced his new staff yesterday, insiders in the Democratic organization were in the dark about his plans and many of his selections were complete surprises.

This was notably so in the case of the man picked to be his chief assistant, Joseph F. Hanley, of Flatbush, World War captain, who has never been active in politics or held public office before. In fact veteran politicians knew of him only by reputation as a lawyer with a responsible civil practice.

Judge O'Dwyer slightly modified his original plan by reappointing six instead of two of those who served in the office, a step which he felt necessary because of pending criminal trials of importance with which they were familiar. Two others who would become eligible for retirement allowances in a few weeks were retained temporarily.

Of the 32 assistants, 24 are new appointments which will be increased to 26. Among the new men were a number of widely known Brooklyn figures like Burton B. Turkus, retiring Municipal Court Justice Nathan Sweedler, Miles F. McDonald, and Rutherford S. Moorehead. Two were picked from Attorney General Bennett's staff and one from that of United States Attorney Kennedy.

Judge O'Dwyer is to be congratulated on the discrimination he used and the community has good reason to look forward with confidence to the results of the new deal in the district attorney's office. It will be judged strictly on results.

[From the Brooklyn Eagle, February 14, 1940]

O'DWYER'S DRIVE ON RACKETS

With the indictment of three men in a 6-year-old street murder, District Attorney O'Dwyer has embarked on his first big case since he took office.

As soon as the grand jury acted, the new prosecutor announced that he was launching a determined drive on all Brooklyn rackets. This is most reassuring.

The men indicted—all reputed Brownsville gangsters—were Abe Reles, Martin (Buggy) Goldstein, and Anthony Maffetore. They are accused of killing Alec (Red) Alpert on November 25, 1933. All three were arrested at the time but were released for lack of evidence.

The three prisoners between them had a total, before the current action of 91 arrests since 1933, including 5 arrests for murder by Reles and four by Goldstein. Neither of these two was ever convicted of any serious charge and Maffetore has never been convicted.

[From the Brooklyn Eagle, April 7, 1940]

HOPE FOR BROOKLYN CRIME CLEAN-UP GROWS AS O'DWYER INQUIRY DEEPENS

District Attorney O'Dwyer's drive on organized crime in Brooklyn became more promising with each passing day.

If there has been any political tie-up with the Brownsville mob, we feel sure that District Attorney O'Dwyer will bring it to the surface, too * * *.

[From the New York News, April 5, 1940]

O'DWYER

Brooklyn's new district attorney, William O'Dwyer is accused by various people of fighting his cases in the newspapers before trial, grabbing publicity, and all that. Nevertheless, he is building up a reputation for himself as a fearless prosecutor.

If he gets a reasonable number of convictions in the drive against the Brownsville mob of alleged cut-rate murderers, O'Dwyer will most likely develop into the logical next Democratic candidate for mayor of New York. He's a man for all of us with a stake in New York City politics—meaning just about all of us—to keep our eyes on.

[From the New York News, Tuesday, October 1, 1940]

A PLATFORM FOR O'DWYER

There is a persistent rumor that Mayor LaGuardia is going to be made Secretary of War sooner or later. This would be a good thing—the present incumbent being a bit on the downhill side of life and a real war looking more and more likely.

In such case, Bill O'Dwyer, because of his exquisite work in discombulating Murder, Inc., may be our next mayor.

[From the Brooklyn Eagle, April 23, 1940]

NEW FUNDS FOR O'DWYER

It is a source of gratification to note that the board of estimate in finally adopting the city budget has voted a further increase of \$36,426 for 23 new positions in the office of District Attorney William O'Dwyer.

Furthermore it is a notable demonstration of how the Kings County district attorney's vigorous investigation of the murder-for-money gang has won the confidence of the LaGuardia administration.

[From the Brooklyn Eagle, May 22, 1940]

O'DWYER ON CRIME PREVENTION

District Attorney O'Dwyer's address the other night to a group of Brownsville organizations indicated a thoroughly forward-looking attitude toward the problem of crime.

While pledging himself to carry through his present drive against the murder-for-money gangsters, the prosecutor made it clear that he considers his responsibilities do not end there.

The second and equally essential part of his anticrime campaign will be an effort to "find out and root out the cause of crime." By next fall the prosecutor said he would have an assistant in each neighborhood of Brooklyn, cooperating with civic, health, and educational groups "to do all that is possible to prevent crime."

Judge O'Dwyer conceded that bad housing, poor health, and improper recreation facilities all contributed to driving young men into lines of crime. It is indeed encouraging to hear a district attorney declare that his chief ambition is to be able to point to a record of having prevented youths from seeing the inside of a jail.

The first step, of course, must be to bring about the conviction and punishment of those involved in murders, rackets, and other offenses against society. But the community has not even begun to solve this problem until practical

means are found of preventing the development of new criminals in the rising generation.

[From the Brooklyn Eagle, May 24, 1940]

TWO MURDER GANG CONVICTIONS

When O'Dwyer was campaigning last fall he promised to rid Brooklyn of "vicious criminals and cheap punks." Yesterday's developments in county court were a good start in the right direction.

All decent citizens here will be heartened by these convictions and will hope that similar success will follow the continuation of the O'Dwyer drive against the forces of the criminal underworld.

[From the Brooklyn Eagle, September 20, 1940]

MURDER RING CONVICTION GOOD NEWS FOR BROOKLYN

Everybody who had any part in this case deserves the thanks of the community.

But, above all, credit should go to District Attorney William O'Dwyer, who initiated the investigation and was its spark plug throughout. He is certainly well on his way to make good his pledge when elected last fall that he would rid Brooklyn of vicious killers and cheap punks. It was a job badly in need of doing.

[From the Brooklyn Eagle, October 21, 1940]

PREVENTING YOUTHFUL CRIME

District Attorney O'Dwyer's attempt to curb crimes among juveniles is a praiseworthy effort to solve the crime problem. It is a big job, and one not likely to be accomplished in a day or a year but a start must be made. If criminal tendencies can be prevented in the young, a long step will have been taken to prevent the growth of a criminal class.

[From the Brooklyn Eagle, November 19, 1940]

O'DWYER PLAN TO REDUCE CRIME

District Attorney O'Dwyer is to be congratulated on his plan for reducing crime in Brooklyn.

The test of the idea will come in the degree to which it is supported by the police. Mr. O'Dwyer has no jurisdiction over the way in which the police perform their duties.

[From the Brooklyn Eagle, December 29, 1940]

TACKLING CRIME IN TIME

District Attorney O'Dwyer is to be congratulated for his determination to stamp out vice and racketeering in Kings County. We do not believe that organized crime is the problem it has been in the past, but surely no one would deny that crime always is with us.

Too often public officials are prone to ignore the growth and spread of organization in the criminal world until its foul tentacles have the whole community in its grip, or until some outside agency turns the light of publicity on it. Mr. O'Dwyer seems determined to stamp it out before it becomes so dire a growth and is not waiting 'til his attention is called to it from outside. In this determination he has the support of every civic-minded resident of Brooklyn.

[From the Brooklyn Eagle, January 2, 1941]

ADOLESCENTS COURT A SUCCESS, SHOULD BE USED IN ALL BOROUGHS

The report of the courts committee of the Brooklyn Bureau of Charities on the success which has marked the first 5 years of the operation of the adolescents court in this borough comes at an opportune moment.

District Attorney William O'Dwyer, then a magistrate was responsible for the idea which made the adolescents court possible.

[From the Brooklyn Eagle, January 13, 1941]

LEGALIZE ADOLESCENT COURT BROOKLYN PLEA TO LEGISLATURE

Fears that the adolescent court experiment in Brooklyn might not be continued apparently can be laid at rest is a result of the hearing held here by the special legislature committee on juvenile delinquency.

This method was warmly defended before this committee by the man who devised it when he was magistrate—District Attorney William O'Dwyer—"If a boy can be saved" said Mr. O'Dwyer "from that terrible fingerprint record, he should be saved. I ask you gentlemen to scrutinize what has been accomplished, and if you can find the court has done good, save it, if not scrap it."

To scrap it would be unthinkable. We are convinced that Brooklyn sentiment is strongly back of the proposal to legalize it.

[From the Brooklyn Eagle, January 18, 1941]

MR. HANLEY'S PUBLIC SERVICE

The retirement of Joseph F. Hanley as chief assistant district attorney to resume the private practice of law marks the completion of a year of devoted service as District Attorney O'Dwyer's right-hand man. That year has been one of the busiest and most notable in the history of the prosecutor's office. Its outstanding feature, of course, was the murder-for-money case with all its sensational ramifications. In that investigation Mr. Hanley played a leading part.

The case of Mr. Hanley was one of those rarities of the office seeking the man. Politics was not involved. It was a real sacrifice for him to give up his lucrative civil practice. Now that he finds it necessary to return to it a grateful community should recognize that public service such as he has rendered represents the highest expression of good citizenship.

Mr. O'Dwyer's appointment of Thomas Crodock Hughes to fill Mr. Hanley's place will undoubtedly mean the continuation of the same sort of superior service.

[From the Brooklyn Eagle, January 21, 1941]

MR. O'DWYER'S FINE RECORD

District Attorney O'Dwyer's report on his first year as prosecutor discloses an unusually fine record. Only 1 murder out of 49 committed during 1940 remains unsolved and the percentage of solved cases is 97.9 compared with 76.6 percent for the past 9 years.

The murder-for-money investigation was the outstanding accomplishment of the district attorney's office in this period, uncovering an underworld murder syndicate and solving 50 killings here and 11 in other counties in recent years.

Brooklyn can undoubtedly thank Mr. O'Dwyer's vigorous handling of this campaign against crime for the fact that there was not a single gangster slaying here during the entire 12 months. We know of no more effective crime prevention.

Further indication of the efficient conduct of the prosecutor's office is seen in the records showing large reductions in the number of cases pending in county court, special sessions, and before the grand jury—891 in all.

That means an end of the scandalous overcrowding of Raymond Street Jail where there are now actually 75 vacant cells. Such a result could be accomplished only by hard unremitting work.

[From the Brooklyn Eagle, January 31, 1941]

DIGGING UP A MURDER CASE

The second body unearthed by workmen under the direction of District Attorney O'Dwyer in the course of his investigation of murder-for-money ring that committed 83 underworld slayings throughout the country is believed to be that of Peter Panto, crusading rank-and-file Brooklyn longshoremen's leader.

The prosecutor's office has named three gangsters who they suspect were responsible for this murder. In view of the dramatic circumstance of finding the body so long after the murder it will be another feather in the cap of Mr. O'Dwyer if he can bring about convictions in this case.

[From the Brooklyn Eagle, April 25, 1941]

O'DWYER'S REASSURING SPEECH

District Attorney O'Dwyer in his address Wednesday on the steady increase of major crimes throughout the Nation struck a most reassuring note as far as the situation in Brooklyn is concerned.

In 1940 he said there had been a reduction of between 20 and 32 percent in crimes such as murder, manslaughter, robbery, burglary, and felonious assault in this borough and that there had been a further reduction of 4 to 6 percent in these same crimes in the first quarter of this year.

That is a fine record and it is due in large part to the vigorous handling by the district attorney's office in that period. Furthermore, Mr. O'Dwyer pointed out that the organized gangsters here are not a Brooklyn group but are largely the tail end of a vast machine that stretches across the continent.

Just because there has been such an aggressive job of prosecuting criminals here, there has been a tendency in some quarters to jump to conclusions about the character of this community. This is unfair and not supported by the facts. The most effective reply to these critics should be the figures cited about showing the steady reduction in crime here during the past year and a quarter.

[From the Brooklyn Eagle, June 16, 1941]

NO COUNTY LINES

To the district attorney of another county may Newark's gratitude go for the disposition of the Arthur (Dutch Schultz) Flegenheimer murder case. A belated echo of the prohibition era, the murder was complicated by ties with Brooklyn's murder-for-money killing syndicate.

It was District Attorney O'Dwyer who in his pursuit of the Brownsville hoodlums came upon evidence linking Charles (The Bug) Workman to the Schultz killing. The whole story may not have been told, even now that Workman has pleaded non vult to the Newark indictment, and been sentenced to life imprisonment.

Enough has been done to clear the record partly of an unsolved murder. Mr. O'Dwyer's capacity for cleaning up crime goes farther than the boundaries of Brooklyn.

[From the Brooklyn Eagle, July 10, 1941]

JUDGE LIEBOWITZ'S FINE RECORD

A number of factors enter the situation. District Attorney O'Dwyer has continued his relentless war on, not only the murder-for-money gang, but on all manner of criminals and evildoers here. The police have been especially alert and active.

[From the Brooklyn Eagle, July 17, 1941]

BROOKLYN CAN TAKE PRIDE IN O'DWYER'S SELECTION

Brooklynites regardless of party have reason to take pride in the selection of District Attorney William O'Dwyer as Democratic candidate for mayor.

For it is many years since Brooklyn has seen one of its sons running for the mayoralty on either of the major tickets. And this community has always felt that it has never been given recognition which it is entitled.

Election is a long way off and the plans of the Republican-Fusion group are still uncertain. Although it looks more and more as if Mayor LaGuardia will be a candidate to succeed himself. And he will be a hard man to beat.

But, regardless of all other considerations, Mr. O'Dwyer stands out as a man of unassailable character with a fine record in every public office he has occupied. He is a strong campaigner, having amply demonstrated his vote-getting abilities when he was elected district attorney in 1939. Prior to that he served effectively as city magistrate and as county judge. His success as prosecutor is still fresh in everyone's mind.

He has broken up the murder-for-money gang, solving 85 murders in all, and it required a lot of courage to wage this fight on entrenched gangsters and criminals. When he took office conditions here were insufferable. Mr. O'Dwyer has cleaned them up. Brooklyn is deeply in his debt.

In fact, there will be many mixed feelings about his nomination for mayor, some regretting that his election would mean his withdrawal from a post which he is so ably qualified to fill and in which he is so badly needed.

Mr. O'Dwyer's career is a typical American success story. He came from Ireland, an immigrant in 1910 at the age of 20. He has worked as a day laborer, as a longshoreman and as a plasterer's helper, in which role he helped build the Woolworth Building. Then he became a policeman making a fine record. While on the force he studied law and was finally admitted to the bar in 1925. So he is in a very real sense a man of the people. From his own experiences and contacts he understands the problems of the poor. It is no wonder he has been known as a liberal in politics.

Now Mr. O'Dwyer comes to the most important milestone in his life and the Eagle is happy to congratulate him on the high honor the Democratic Party has conferred upon him.

[From the Brooklyn Eagle, July 23, 1941]

LAGUARDIA-O'DWYER RACE ASSURES FINE ADMINISTRATION

Neither the Republicans nor Fusionists have anyone else they could call upon who would have any chance to defeat the revived Democratic Party in the city with as able and popular a man as District Attorney O'Dwyer heading its ticket.

So we look forward to a close and exciting campaign. And no matter who wins we are confident there will be a strong, high-grade administration at city hall in the next 4 years.

[From the New York News, Saturday, July 12, 1941]

LOCAL POLITICS

The White House would like to have the local Democrats support LaGuardia, but they seem determined to put up somebody against him in next November's city elections, probably William O'Dwyer, of Brooklyn.

As we've often said, we think Mayor LaGuardia is the greatest mayor New York ever had, and on the record of his first two terms deserves a third.

There are no flies on O'Dwyer's record, however, as "Brooklyn Thomas E. Dewey," so to speak, putting Murder, Inc., and assorted rackets out of commission in suburb style.

[From the New York News, Wednesday, July 23, 1941]

LAGUARDIA TO RUN AGAIN

In O'Dwyer, the Democrats will have a candidate of whom they can be proud. He has been one of the best district attorneys Brooklyn ever had. His biggest achievement to date has been a Dewey-like cleaning out of assorted entrenched rackets and one big murder ring in Brooklyn. O'Dwyer's energy, courage, and honesty are likewise undoubted, which is more than could be said for Republican Party candidates we can recall.

It promises to be a hard-fought city campaign. We aren't trying to predict a winner as yet.

We hope for one thing; namely, that Mr. O'Dwyer, whose term as Brooklyn district attorney doesn't expire till December 31, 1943, will not resign that job in order to run for mayor. Thomas E. Dewey has several times demonstrated that there is nothing injurious in holding one public job while running for another. Brooklyn needs O'Dwyer's services as long as it can have them.

[From the Brooklyn Eagle, August 25, 1941]

AUTO BOOTLEGGING AND DEFENSE

When Nicholas Pugleese pleaded guilty to the theft of an automobile in the county court it was revealed that District Attorney O'Dwyer had uncovered a form of skullduggery which assumes a novel and ominous significance because of the effect on the American defense effort on the production and sale of pleasure cars. Mr. O'Dwyer described Pugleese as the "foremost automobile thief in the country's history" and there is little doubt that the culprit has earned the unenviable distinction.

The one check on the spread of such an illicit practice will be strong and sharp action, as was taken by District Attorney O'Dwyer in this case.

[From the New York News, Wednesday, August 27, 1941]

THE MAYORALTY ELECTION CHAMPION PROSECUTOR

There are no complaints against O'Dwyer that we know of.

He began adult life as a cop; he has now come so far as to Brooklyn district attorney. He has been probably the best district attorney Brooklyn ever had. O'Dwyer, breaking up Murder, Inc., and uncovering some of the most dastardly corruption and crime ever uncovered anywhere, has done in Brooklyn a job equivalent to Thomas E. Dewey's job in Manhattan.

[From the New York News, Monday, October 20, 1941]

AS WILLKIE IS TO ROOSEVELT SO IS O'DWYER TO LAGUARDIA—PROMISE AND DISCLAIMER

William O'Dwyer, Democratic candidate for mayor, has made two interesting campaign statements in the last week. For one, Mr. O'Dwyer, speaking at Tammany Hall last Thursday evening, said that if he is elected mayor he will retain in office all department heads who "have measured up to their jobs" in the LaGuardia set-up. He mentioned Park Commissioner Robert Moses by name, and said that Moses was sure of keeping his job in an O'Dwyer administration.

Mr. O'Dwyer, addressing a Hebrew Alliance meeting in Brooklyn last Wednesday evening, said: "I have no backing from any group that is not in 100 percent sympathy with the foreign policy of the President of the United States."

The O'Dwyer promise about Moses speaks for itself, and should reassure a lot of us who have been worried about a sudden end to Big Bob the Builder's career as a public works wizard.

NO LONGER AN ISSUE

The O'Dwyer statement of complete sympathy for the President's foreign policy takes the war issue out of this campaign for anybody who thinks logically. LaGuardia likewise is in 100 percent sympathy with the President's foreign policy.

[From the New York News, Saturday, October 25, 1941]

FOR MAYOR—LAGUARDIA

O'Dwyer has been (and will continue to be if defeated a week from next Tuesday) as fine and fearless a district attorney as Brooklyn has yet had. He is the ex-cop who broke up Murder, Inc.

[From the New York News, Thursday, November 6, 1941]

LAGUARDIA WINS AGAIN—GOOD WINNER: GOOD LOSER

Congratulations are due Mr. O'Dwyer on the fair and fearless fight he puts up, and on the sporting way in which he took his defeat. O'Dwyer has been the best district attorney in function in any borough in many years, with the possible exception of Tom Dewey. We're glad Brooklyn will continue to have his services as district attorney, and we think O'Dwyer definitely has a political future.

[From the Brooklyn Eagle, November 2, 1941]

O'DWYER'S OWN RECORD SPIKES THE "MACHINE CONTROL" ISSUE

The major issue raised against William O'Dwyer is that he would be subservient to Tammany and the Democratic machine in Brooklyn, that he would be the tool of party bosses.

Up and down the town Mayor LaGuardia and the Fusion orators are ringing the charges on this theme. It was on the issues of bossism and corruption that Mr. LaGuardia was originally swept into City Hall. But times have changed and men have changed.

Bill O'Dwyer has no connection with the old era. His candidacy must be considered on its own merits. And his whole record in public life gives the lie to any charge that he is or would be the tool of any machine.

As a magistrate and as a county judge, he was above reproach. When he ran for district attorney that office had been in ill repute. He pledged himself to clean it up, to keep politics out of it, and to do his best to end racketeering and gangsterism in this borough.

O'Dwyer made good in a big way. He redeemed his pledges about steering clear of politics. He put the crooks and the murderers on the run in a way which rivaled District Attorney Dewey's performance in Manhattan.

Mayor LaGuardia has praised the O'Dwyer record as district attorney. No intellectually honest person could do otherwise.

We in Brooklyn know O'Dwyer's character, his ability, his courage. On the basis of his proven performance in office, we know that when he says he will kow-tow to no boss he means it.

Confident that he would make a great mayor, the Eagle strongly urges his election.

[From the Brooklyn Eagle, December 1, 1941]

CONVICTION OF LEPKE FOR MURDER CLIMAX OF O'DWYER'S CRIME CRUSADE

The people of Brooklyn should take deep satisfaction in the conviction of Louis Lepke Buchalter for first-degree murder. All those who had anything to do with this fortuitous result deserve the thanks of the community.

It is a wholesome thing when the State can secure murder convictions against gangsters and racketeers of the type that ran wild in this and other cities in the years before Amen, Dewey, O'Dwyer, and other fearless prosecutors got on their trail. The day of convicting gentry of this sort for income-tax violations is, we hope, a thing of the past.

It was because men of Lepke's type were "in the saddle" that the development of a "Murder for Money" gang was possible.

It is due to the courageous leadership of District Attorney O'Dwyer that wholesale murder has been given the coup de grace in Brooklyn. The Lepke conviction is the dramatic climax of a long series of such prosecutions.

[From the Brooklyn Eagle, January 8, 1942]

NAMING O'DWYER BRIGHT SPOT IN MAYOR'S DEFENSE MUDDLE

Mayor LaGuardia's annual message to the city council yesterday in some respects clarified the problems facing him as a National Director of Civilian Defense and as mayor, but in other ways only served to complicate the situation.

One concrete development that was of outstanding importance to Brooklyn was the mayor's announcement that District Attorney O'Dwyer had agreed to serve as borough chairman of a new group and mass educational force.

The mayor apparently considers this work of primary importance and stressed the great need of informing the people of the rules for the protection of themselves and their homes. He spoke most feelingly of the "generous, patriotic offer to help in any way" which he received from Mr. O'Dwyer shortly after the attack on Pearl Harbor on the afternoon of December 7.

[From the Brooklyn Eagle, April 28, 1942]

O'DWYER IN THE ARMY

Policeman, lawyer, magistrate, judge, district attorney—and now a major in the United States Army. That's William O'Dwyer's enviable record of service for his community and his country. You can't help being proud of a man like that. His record now being rounded out with a self-sacrificing enlistment is enviable.

Mr. O'Dwyer's new duties will take him to Washington May 9, and after that whence the fortunes of war direct. Maybe we can spare Bill now, but this is fair warning to Uncle Sam that if things get bad we'll be calling him back.

[From the World-Telegram, January 3, 1946]

MAYOR'S FIRST IS FIRST

When Mayor O'Dwyer sees rehabilitation of the city's dangerously rundown subways as the most important job of his administration, he sees straight and true. He is also right in putting the potential peril which "might cause many deaths in 2 minutes," ahead of the comforts. Mayor O'Dwyer makes an excellent start by promptly putting his eye and mind on the present disgrace and danger of the city's subways. He could have picked no better or more urgent "first."

[From the East Side News, January 5, 1946]

CONGRATULATIONS, MR. MAYOR

The East Side News adds its good wishes to Mayor William O'Dwyer and his administration for the next 4 years. Mayor O'Dwyer can do the job for he has the ability and confidence of the people. His various cabinet appointments include men of experience and men with fresh, liberal viewpoints, not the Hackneyed stereotyped minds that get snarled up in red tape.

[From the Herald Tribune, January 13, 1946]

THE MAYOR'S MESSAGE

Mayor O'Dwyer made sound sense in his report to the city council by presenting a forward-looking program of improvements anchored on two pegs: the undeniable fact that New York needs more revenue and the axiom that until the income is in sight "we must cut our cloth to fit our means." In anticipating an increase (for education) and also in giving a lead as to educational policy—without meddling in administrative matters—Mayor O'Dwyer has taken a big step forward.

[From the Brooklyn Eagle, January 20, 1946]

THE CITY'S HOUSING SURVEY

It is one thing to know how many people need housing facilities and another to supply these facilities, but, at least, the formal survey by the city housing

authority on the exact extent of the shortage is a step in the right direction. Our hats are off to Edward B. Butler, authority chairman, and to Mayor O'Dwyer who deserves praise for instituting the census.

[From the Herald Tribune, February 1, 1946]

THE MAYOR AND THE BOSSES

Mayor O'Dwyer has shown a mind of his own to the Democratic State committee and its leaders in the legislature, and the latter were reported yesterday to be right put out about that. They resent the mayor's working with the Governor Dewey's Republican State administration on such pressing problems as housing and the city's fiscal problem. It strikes us that the mayor has simply met the Governor's challenge, with the result that, as to housing, emergency shelter is at last going up and sights have been raised for the real solution, permanent housing, and as to finance, New York City has the substantial opportunity to quit temporizing and plan a stable fiscal future for itself.

[From the Long Island Star Journal, February 5, 1946]

BUS FRANCHISES

The committee appointed by Mayor O'Dwyer to look into the matter of renewing Queens bus franchises expiring this fall, can do much to improve the service given thousands to whom busses are a vital, everyday concern. Mayor O'Dwyer has acted in a laudably forehanded manner in naming his bus franchise committee.

[Brooklyn Eagle, February 8, 1946]

O'DWYER FUEL RESTRICTIONS EFFECTIVELY MEET FUEL CRISIS

Mayor O'Dwyer has acted promptly, effectively and courageously in meeting the fuel crisis into which the city has been plunged by the tugboat strike. Having done everything in his power to attempt to settle the tugboat strike, Mayor O'Dwyer now deserves the support of the people in the steps he has taken to assure the continuance of the really essential services here.

[From the Brooklyn Eagle, February 8, 1946]

THREE ALL-YEAR RECREATION CENTERS FINE O'DWYER MOVE FOR BOROUGH

Further demonstration of Mayor O'Dwyer's deep understanding of and keen interest in Brooklyn's problems and needs is seen in his warm support of Park Commissioner Robert Moses' proposal for three all-year-round recreation centers in this borough.

[From the New York Times, February 9, 1946]

MR. O'DWYER AND THE STRIKE

The city now faces a situation that can very easily develop into a major disaster resulting in death, starvation, and great property damage. It is to the credit of Mayor O'Dwyer, however, that he recognized immediately the extent of this danger, laid his plans with foresight and wisdom, carried them out to the extent necessary, worked incessantly along with his labor adviser to avert and then to settle the dispute and in everything he did, lived up to his responsibilities as mayor and his military reputation as general.

[From the Herald Tribune, February 9, 1946]

ROOT WORK

It appears that Mayor O'Dwyer not only loves children, but understands them, especially the wayward ones * * *. Apparently, William O'Dwyer had his eyes open, when he was a policeman, judge, and prosecutor, to the complex interplay of family, community, and economic error which the average lawbreaker personifies * * *. Mayor O'Dwyer's approach carries the pleasant evidences that he is not a politician of the old school, content to demonstrate a basically sound human grasp of things, to the satisfaction of a less knowing public, by chucking infants under the chin.

[From the Staten Island Advance, February 13, 1946]

HOW COULD IT HAPPEN?

Mayor O'Dwyer acted swiftly and with laudable firmness in declaring an emergency affecting the health and safety of the city's millions and closing all nonessential business establishments and services to conserve the city's critically short supply of fuel. The mayor, as a matter of fact, could not have acted otherwise. There was no alternative.

[From the Brooklyn Eagle, February 15, 1946]

WITH TUG STRIKE INFORMATION HE HAD, O'DWYER COURSE WAS WELL FOUNDED

The tugboat strike which made New York look ridiculous is at an end. The tugs are at work again supplying the vital necessities of this island metropolis * * *. Meantime, we think it is a good thing to know that we have a mayor in city hall who has the courage to take decisive, if unprecedented, action in the face of emergency.

[From the New York Sun, February 25, 1946]

MAYOR O'DWYER AND THE LAW

In the face of the threatened subway strike, Mayor O'Dwyer has taken the only course open to him as an honest public official. He has decided to stand by the people and the law, and against Mike Quill and the Transport Workers Union * * *. This is a decision in which the mass of the people stand solidly behind the mayor. A strike on the transportation systems can work untold harm. Nobody wants it.

[From the World-Telegram, February 26, 1946]

TRANSIT STRIKE OFF

The threatened city-wide transit strike is off. And Mayor O'Dwyer and others who stood firm against major concessions to Michael J. Quill, pro-Communist strike leader, have the thanks and congratulations of the entire city.

[From the Daily News, February 27, 1946]

STRIKE IN KEY INDUSTRIES

The threatened New York City rapid-transit strike, which could have brought disaster to the world's greatest city, was called off yesterday. It's a fine piece of news; and several million New Yorkers can well extend heartfelt thanks to Mayor O'Dwyer and all those who helped in this strenuous and finally successful effort to avert the strike.

[From the New York Times, March 2, 1946]

NO FISHING EXPEDITIONS

Mayor O'Dwyer has now completed 2 months in office. He now has had time and much opportunity to make some mistakes. But he has given the impression of trying earnestly to learn his job and little evidence of playing politics.

[From the Herald Tribune, March 3, 1946]

NO "WITCH HUNT"

Consider his (O'Dwyer), emphatic statement that, "every department in my administration—including investigation—is going to be entirely too busy turning in a good job in my 4 years"; that "if we succeed in doing that, I'll be very happy."

Well, who cares whether O'Dwyer is a Tammany Democrat so long as he displays this firmness and wisdom.

[From the Brooklyn Eagle, March 6, 1946]

NEGRO IN EDUCATION POST

Mayor O'Dwyer exercised fine judgment in filling the first vacancy on the board of higher education that has occurred since he took office. He chose a man, who, through his own efforts, secured a thorough education and is now interested in helping others in that direction. The Reverend John M. Coleman, rector of St. Philip's Protestant Episcopal Church, is the appointee and the Eagle warmly congratulates him.

(FOR AVERTING TRANSIT STRIKE)

[From the Herald Tribune, February 27, 1946]

MR. QUILL'S DEBACLE

On at least two counts New Yorkers can rejoice that the threat of a transit strike has been withdrawn—one, that the appalling hardships in prospect have been averted, and two, that the settlement appears to be a very definite defeat for the egregious Mr. Quill, indicating his complete deflation. The mayor, to be sure, has accomplished this happy result with the valuable aid of Mr. Philip Murray, president of the Congress of Industrial Organizations, to which the Quill union belongs. But that seems to us to detract no whit from the tribute that should be Mayor O'Dwyer's for the victory he has won. * * *

[From the Daily Mirror, February 27, 1946]

THE BIG BLUFF

Mike Quill has taken a beating as surely as if he had been bushwhacked with his own blackthorn shillelagh. He bluffed like a bully. He backed down like a bully. Mayor O'Dwyer emerged from the battle a much bigger man, a strong man in the most enlightened sense of the term. New Yorkers can be thankful for his courageous stand. * * *

[From the Daily News, February 27, 1946]

STRIKES IN KEY INDUSTRIES

New Yorkers can well extend heartfelt thanks to Mayor O'Dwyer and all those who helped in his strenuous and finally successful effort to avert the strike. * * *

[From the New York Sun, February 27, 1946]

THE SUBWAY STRIKE AVERTED

New York City rode to work as usual this morning by subway, bus, elevated and trolley car. The threatened strike of the Transport Workers Union hadn't come off. For this end to a worry which had bothered it for several days the city had various persons to thank, chief of whom is Mayor O'Dwyer.

(FOR APPOINTING COLEMAN)

[From the New York World Telegram, March 8, 1946]

A STEP FORWARD

The naming of the Reverend John M. Coleman of Brooklyn to the city board of higher education gives that governing body its first Negro member. By this appointment Mayor O'Dwyer not only has chosen an exceptionally able man but has made a real contribution to the cause of education—a cause that should recognize no creed or color.

(FOR HIS CRACKDOWN ON GAMBLERS)

[From the Brooklyn Eagle, March 23, 1946]

O'DWYER SILENCES WHISPERERS BY CRACKDOWN ON GAMBLERS

There has always been the fullness confidence among those who know Mayor O'Dwyer that he would never knowingly permit any recrudescence of gambling in this city while he sits in authority at city hall. But rumors to that effect have been current along with other whispers that Police Commissioner Wallander is in disfavor and would have to walk the gangplank soon.

So we were glad to see the mayor step into this situation and clear it up in dramatic fashion. He went right to police headquarters and addressed a meeting there of division and other chiefs, making it perfectly plain that there is absolutely nothing to all the gossip. In his talk the mayor demanded that gambling and vice as well as crime be kept down to the minimum. * * *

It was back during the campaign last fall that we first heard the talk about how the town would be wide open if O'Dwyer were elected. It was sheer political propaganda and was generally recognized as such except by the most gullible.

(FOR APPOINTING MAXIMILIAN MOSS TO BOARD OF EDUCATION)

[From the Brooklyn Eagle, May 12, 1946]

MAYOR'S NAMING OF MOSS TO BOARD OF EDUCATION DESERVES PRAISE

Mayor O'Dwyer's appointment of Maximilian Moss, prominent Brooklyn lawyer and community worker, as a member of the board of education is deserving of the warmest praise. An able, conscientious citizen who has given generously of his time to a great number of civic, communal and patriotic organizations, Mr. Moss should make a fine member of the board.

(FOR APPOINTING DR. ISRAEL WEINSTEIN HEALTH COMMISSIONER)

[From the New York Times, May 27, 1946]

NEW HEALTH COMMISSIONER

Mayor O'Dwyer's 3-month search for a satisfactory health commissioner has ended in his appointment of Dr. Israel Weinstein of Brooklyn. Dr. Weinstein's standing as a medical authority and his record in public health work would seem to qualify him fully for this important post. * * *

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR HIS FIGHT TO
REFORM TAMMANY)

[From the New York World-Telegram, June 21, 1946]

FIRST TEST FOR NEW TAMMANY LEADERS

All minor revolts and rows in the wigwam pale in the present prospect that the Loughlin-Neal-Stand regime, with its sinister Marcantonio and Costello tie-ups, will be ousted and replaced by an entirely new Tammany leadership backed by Mayor O'Dwyer.

This should mean not only brighter days for a Tammany now in imminent danger of total disintegration, but also better political going for the whole Democratic Party in city and State.

(FOR APPOINTMENT OF WILLIAM H. DAVIS TO BOARD OF
TRANSPORTATION)

[From the New York Post, June 25, 1946]

WISE MOVES BY THE MAYOR

Mayor O'Dwyer made an outstanding appointment when he placed William H. Davis on the board of transportation. This \$20,000-a-year job is a fat political plum, but the mayor refused to hand it over to any political machine as a reward for partisan services rendered.

Instead, he went out and acquired one of the best and most experienced labor-relations men in the Nation.

(PRAISES APPOINTMENT OF JOSEPH B. CAVALLARO TO BOARD OF
HIGHER EDUCATION)

[From the Brooklyn Eagle, August 13, 1946]

A GOOD APPOINTMENT

The community activities of Joseph B. Cavallaro, Brooklyn lawyer who has been appointed by Mayor O'Dwyer as a member of the board of higher education, should prove to be a good training to meet his new responsibilities.

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR HIS PROBE OF
CHARGES AGAINST POLICE)

[From the New York Times, August 28, 1946]

MR. O'DWYER AND THE POLICE

The mayor is jealous of the good reputation of New York's finest and he wants to keep it good. He knows that in a department of thousands of men some will go wrong. Last June, after reports that detectives were getting a rake-off from bookmakers, he announced that the commissioner of investigation would make an inquiry. Three hours later he changed his mind on the petition of Mr. Wallender, and decided to give the police a chance to clean their own house. Now, apparently, Mr. Wallender is not satisfied with this house-cleaning, and the mayor has told Commissioner Murtagh to go ahead. "This check-up will continue through the balance of my administration," the mayor says.

The laws on betting on horse races are full of contradictions and many upright people differ on the right and wrong of gambling. But there can be no question about the necessity of keeping the police free of corruption. We suspect that it was an unpleasant course that the mayor and the police commissioner were forced to take yesterday in admitting that a clean-up from within had not wholly succeeded. We commend them for their determination to see it through for the good of the department and the city.

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR SETTLING TRUCK STRIKE)

[From the New York Post, September 20, 1946]

GOOD WORK, MR. MAYOR

In some ways the trucking strike hit harder at every individual citizen of our town than any in years. It was a situation that lent itself to hysteria. In many another city and even in this city at another time, such a strike could easily have meant street battles between pickets and police, fights between "loyal employees" and strikers, and runs on grocery stores.

It didn't happen in our town. For many reasons, and not the least among them is Bill O'Dwyer. He didn't waive the dispute over to the State mediation board as he had every right to do. Nor did he try to run the show in detail from city hall, which could easily have been the case.

It just happened that the mayor's office was open to both sides night and day, including Sundays. And that was important in a situation where the rank-and-file union members were, for a while, not talking to their leaders; where the national teamsters chiefs didn't know how to approach their local cohorts, and where the employers and the union were miles apart and didn't every try to shout across the void.

The idea of separate contracts, the best formula for a progressive settlement of the dispute, saw the light of day in city hall.

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR ESTABLISHING DIVISION OF LABOR RELATIONS)

[From the New York Daily News, September 24, 1946]

FIND THE FACTS—COOL OFF—THINK IT OVER

This agency's job will be essentially that of a trouble shooter. Whenever some industrial storm, such as the truck strikes, is spotted on the New York City horizon, the division of labor relations will attempt to head it off.

Coercive methods will not be used. The object will be the same as that of the Railway Labor Act; namely, to persuade all parties involved to talk matters over, make the facts public, and cool off before any drastic action is taken.

New York's mayor, it seems to us, is showing true industrial statesmanship in establishing this city labor relations agency. Many other American city governments might do well to follow this example—or at any rate to keep careful tabs on the progress of the New York experiment. * * *

(FOR ESTABLISHING DIVISION OF LABOR RELATIONS)

[From the New York Daily Mirror, September 24, 1946]

LEAD, NEW YORK

Mayor O'Dwyer deserves and should have the cooperation of both management and labor in the functioning of his new city agency; the division of labor relations. The Mayor has been in office not quite 10 months.

His job is to administer New York City's government, keep the town running smoothly and plan for its future.

But he has had very little time to spend on his regular job. He has had to be the arbiter of strikes. * * *

(FOR ESTABLISHING DIVISION OF LABOR RELATIONS)

[From the New York Post, September 24, 1946]

OUR TOWN'S PLAN FOR LABOR

We roll out the red carpet before the mayor's new labor board, which is staffed by three able men—Edward Maguire as chairman, plus Theodore Kheel and Julius Kass. * * *

[From the New York Times, September 25, 1946]

THE CITY'S LABOR DIVISION

It is intolerable that every labor dispute involving an essential industry here should be dumped directly into the mayor's lap for solution. His normal duties call for all the energy and devotion any one man can muster. When he has to endure the long hours and strain imposed on him during the trucking strike, the mayor suffers, the city suffers and the civic machinery slows down. The division of labor relations will relieve Mr. O'Dwyer of some of that strain, and in many cases, we hope, prevent the necessity of it.

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR RAISING SALARIES OF NURSES AND TEACHERS)

[From the New York World-Telegram, October 3, 1946]

RAISES FOR NURSES AND TEACHERS

Mayor O'Dwyer's action in putting through raises in the starting pay of nurses in city hospitals and some 33,000 teachers in the public schools is a merited recognition of two deserving groups. It is a sad state of affairs that these public servants, who must spend years and much money preparing for and keeping up with their professions, are paid less than some unskilled labor.

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR BANNING SUBWAY STRIKE)

[From the New York Herald Tribune, November 9, 1946]

STRIKING FOR POWER

Mayor O'Dwyer's decision to meet the strike threat head on by mobilizing the city's forces according to plans prepared last February is courageous. * * *

[From the New York Daily News, November 12, 1946]

QUILL'S LATEST STRIKE THREAT

To meet this third Quill strike threat in a year, Mayor O'Dwyer cut short the vacation his physician ordered him to take in California, and go back to town yesterday. O'Dwyer is on record as saying that he will not stand for a transit strike. We think public opinion will back up the mayor in anything he may do about all this. * * *

(FOR SETTling SUBWAY STRIKE)

[From the New York Daily News, November 15, 1946]

O'DWYER DOES IT AGAIN

A subway strike was shreatened this week for the third time in a year. For the third time, also, Mayor William O'Dwyer went to bat for the people of New York City, who would have taken a grade A disaster on their collective chin if the subways had been struck.

(FOR APPOINTING JOHN J. BENNETT AND CHARLES E. MURPHY)

[From the Brooklyn Eagle, December 27, 1946]

BROOKLYN'S IMPORTANT ROLE AT CITY HALL

It was a great day for Brooklyn at City Hall yesterday. Two of the best-known residents of this borough were sworn in to take over the responsibilities

of two of the most important posts in the administration of a mayor of New York who hails from Brooklyn. And the ceremony took place in the presence of their sponsor, the borough president and Democratic leader of this community.

Mayor O'Dwyer has exercised fine judgment in making these appointments and Borough President Cashmore can take pride in their sponsorship. And, what is most important, we are sure that Col. John J. Bennett in his new role as deputy mayor and Charles E. Murphy in his first public office as corporation counsel will discharge their responsibilities ably and conscientiously to the complete satisfaction of their fellow citizens.

(FOR APPOINTING, ALBERT O. WILLIAMS, COMMISSIONER OF CORRECTION, AND ROBERT F. WAGNER, JR., AS COMMISSIONER OF HOUSING AND BUILDINGS)

[From the New York Herald Tribune, December 28, 1946]

TWO GOOD APPOINTMENTS

We believe the appointment of Albert O. Williams, first deputy police commissioner, as commissioner of correction, is a good one.

(FOR THE POLICE SHAKE-UP BECAUSE OF THE SCOTTORIGGIO CASE)

[From the New York Post, December 13, 1946]

THE BIG POLICE SHAKE-UP

The police department is shaking up. And that tells us that Mayor O'Dwyer and Commissioner Wallender are doing their job faithfully and honestly.

For one of the best measures of the integrity and independence of a city administration is the management of its police department. You don't get police shake-ups in bossed cities. It's a case of "influence" at headquarters; of racketeering winked at and accommodated to, because the bosses running the town have a working arrangement with the chiselers and gunmen; so much protection for so much graft and/or help on election day.

O'Dwyer deserves particular kudos because as a rule Democratic mayors in New York don't go in for police reform.

(FOR HIS FIRST YEAR IN OFFICE)

[From the Brooklyn Eagle, December 31, 1946]

MAYOR ENDS FIRST YEAR BATTING AVERAGE HIGH

Mayor William O'Dwyer is just completing about the liveliest first year in office ever experienced by any mayor of this city. The moment he crossed the threshold of city hall things began popping and that rapid-fire tempo has continued uninterruptedly ever since.

In meeting one issue after another as they have arisen with breath-taking rapidity it is our judgment that the mayor has compiled an amazingly high batting average.

[From the New York Times, January 1, 1947]

THE MAYOR'S FIRST YEAR

New York's City Hall is a rugged testing ground for the man who sits in the mayor's chair. William O'Dwyer has stood up well, in general, to the trial of his first year in office, a year which in some respects offered unusual difficulties. His administration has been devoid of scandal, achieved a reputation for honesty, and given the impression of serious-minded effort to govern well and humanely.

(FOR THE START OF HIS SECOND YEAR)

[From the New York World-Telegram, January 8, 1947]

INVESTIGATION DAYS HERE

Mayor William O'Dwyer has started his second year in city hall to a lively and healthy accompaniment of continuing probes, investigations, oustings, new appointments and departmental shake-ups, of which the end is not yet.

(FOR OUSTING TAMMANY TRIUMVERATE)

[From the New York Herald Tribune, March 4, 1947]

CONGRATULATIONS TO MAYOR O'DWYER

Another leader of Tammany Hall has walked the plank. Edward V. Loughlin turned in his resignation yesterday without waiting for the formality of an elective ouster by the district leaders.

Mayor O'Dwyer is to be congratulated on his victory. Tammany Hall has been around a long time, and presumably he is under no illusions that reform is an overnight matter. But Mr. O'Dwyer deliberately chose to make a fight on his own issue of cleaning up the Democratic Party and is off to a good start. We hope he keeps on fighting.

THE MAYOR AND TAMMANY

[From the New York Times, March 5, 1947]

Mayor O'Dwyer is off to a good start in his reorganization of Tammany Hall. * * *

(FOR APPOINTMENT OF ANDREW G. CLAUSON, JR., TO BOARD OF EDUCATION)

[From the New York Sun, April 3, 1947]

CLAUSON'S ABILITY RECOGNIZED

Mayor O'Dwyer's reappointment of Andrew G. Clauson, Jr., as a member of the board of education will be applauded by all who are aware of the painstaking, conscientious way Mr. Clauson has performed his duties as head of the school board. Never an easy job, it has been more difficult than usual during the past year * * *

(FOR LEADERSHIP IN SMALLPOX THREAT)

[From the New York Daily Mirror, April 15, 1947]

POX WITHOUT PANIC

Thanks largely to the calm, swift leadership of Mayor O'Dwyer, we are meeting the smallpox crisis without undergoing a smallpox scare * * * Congratulations to Mayor O'Dwyer for his speedy emergency work.

FIGHTING THE THREAT OF SMALLPOX

[From the New York Sun, April 14, 1947]

The O'Dwyer administration deserves commendation and public support for its prompt mobilization of all its resources to fight smallpox.

(FOR APPOINTING MAJ. GEN. THOMAS F. FARRELL)

[From the New York Herald Tribune, May 7, 1947]

A TOP-NOTCH APPOINTMENT

Mayor O'Dwyer has selected Thomas F. Farrell, construction engineer and former major general, to head the reorganized city housing authority. Mr. Farrell has a distinguished record won in near and far parts of the world.

A GOOD HOUSING CHAIRMAN

[From the New York Times, May 7, 1947]

Mayor O'Dwyer has made an excellent appointment in selecting Maj. Gen. Thomas F. Farrell to be the first paid chairman of the New York City Housing Authority.

(FOR FIGHTING GARAGE RACKET)

[From the New York Post, May 10, 1947]

AUTO SPACE

Mayor O'Dwyer is showing real energy in going after the garage racket. Motorists lead a tough enough life in our town without being charged cash by private garage operators for the privilege (?) of parking on the public streets and then finding their tires slashed when they complain.

(FOR HIS PIER GRAFT INVESTIGATION)

[From the New York Sun, May 13, 1947]

HOUSECLEANING ON THE PIERS

With the Department of Investigation's finding that the Department of Marine and Aviation had flouted the administration rule against granting pier permits to stevedoring firms, Mayor O'Dwyer acted promptly. James Brody is out as Deputy Commissioner of Marine and Aviation and G. Joseph Minetti is in as the new deputy with a "scrubbing brush, some soap, and a pail of water."

(FOR APPOINTING SIDNEY H. BINGHAM AS TRANSIT COMMISSIONER)

[From the New York Times, May 20, 1947]

A GOOD CITY APPOINTMENT

Mayor O'Dwyer in filling the vacancy on the board of transportation has at the same time revealed a career man and obtained for the city's benefit a commissioner with life-long experience in the operation of our municipal railroads.

[From the New York Sun, May 20, 1947]

PROMOTION FOR CAREER MAN

To succeed William H. Davis as a member of the board of transportation, Mayor O'Dwyer has selected Col. Sidney H. Bingham who, for practically his entire business life, has been associated with the city's transit.

(FOR HIS STUDY OF TRANSIT FARE—A MOMENTOUS BREACH)

[From the New York Herald Tribune, June 13, 1947]

Mayor O'Dwyer has announced an official study to determine whether the city should increase the subway fare to meet operating costs on the city's transit system. This move, marking the first time a mayor of this city has dared to question in any degree the sacredness of the 5-cent fare, is big and important news. However tentative and limited this first breach of mighty political taboo, it is an act of courage.

(FOR HIS DRIVE AGAINST HIGH MEAT PRICES)

[From the Herald Tribune, June 14, 1947]

MEAT PRICES

The director of the last Office of Price Administration, Mr. Chester Bowles, seems to be about the only person getting a very wry satisfaction out of the current uproar over prices in the butcher shops. In the midst of this dither Mayor O'Dwyer has directed a vigorous and complaining inquiry to Washington. We hardly expect words to bring down prices, but at the very least, we are entitled to know what goes on.

(FOR HIS PLEA FOR MORE POLICE)

[From the New York Times, June 18, 1947]

MORE POLICE NEEDED

Last month the police department revealed that major crime in this city has been steadily rising for the past 3 years. Because the increase over last year was almost 12 percent, Commissioner Wallender hit on the expedient of night patrols by volunteer members of his force. It will be a relief to troubled citizens, therefore, to find Mayor O'Dwyer getting down to cases and discussing a police force really large enough to deal with our complex local-crime problems. The mayor suggests not only staffing the department up to its full authorization but perhaps even expanding that figure if it is found necessary.

(FOR HALTING WILD CAT QUEENS BUS STRIKE)

[From the New York Times, July 24, 1947]

THE MAYOR ENDS A STRIKE

Restoration of bus service in Queens is due to the firmness of Mayor O'Dwyer. To be sure, the men voted to return on the advice of their AFL high command, but it was the refusal of the mayor to budge from his stand for fair dealing that actually ended the walkout. * * *

(IN HIS WAR ON BOOKIES)

[From the New York Daily News, August 5, 1947]

TAX ASPIRIN

Mayor Bill is trying vigorously to drive New York's estimated 30,000 illegal bookies out of business, but they will probably continue to be bookies until we Americans lose our zest for betting, or until betting is legalized.

[From the New York Journal American, August 5, 1947]

WALLENDER'S FIGHT ON BOOKIES HAILED

Commissioner Wallender, in full concurrence with Mayor O'Dwyer, has acted with exemplary promptness in response to charge of police-protected gambling.

Postponing his vacation, the commissioner has issued clear-cut orders to commanders to jail or oust the bookies, and has spanned all five boroughs in a shakeup of the higher police echelons. * * *

(FOR APPOINTING JOHN P. McGRATH CORPORATION COUNSEL)

[From the Brooklyn Eagle, August 11, 1947]

A WISE APPOINTMENT

Mayor O'Dwyer's offer to John P. McGrath of appointment to the post of corporation counsel, contingent upon the election of Charles E. Murphy as justice of the Supreme Court, is a wise choice. With the endorsement of the two major parties, Mr. Murphy is of course assured of election to the bench.

(FOR APPOINTING THEODORE W. KHEEL HEAD OF DIVISION OF LABOR RELATIONS)

[From the Brooklyn Eagle, August 28, 1947]

THE MAYOR'S NEW LABOR AIDES

One of the most successful phases of Mayor O'Dwyer's administration has been its work in the labor relations field under the direction of Edward C. Maguire. The latter's retirement is naturally a serious loss.

Mr. Maguire's successor is Theodore W. Kheel, his own deputy. The mayor thus rewards good service by advancement within the department. At the same time he avails himself of a useful man.

(FOR OPPOSING RESALE OF CONDEMNED PROPERTY TO PRIVATE INTERESTS)

[From the Brooklyn Eagle, August 31, 1947]

ACTION WELL TAKEN

The board of estimate has approved the project of the city planning commission to improve the approaches to the United Nations site in midtown Manhattan, at a probable cost of \$18,000,000. So the acrimonious give and take which led to an attack on City Construction Coordinator Robert Moses by the president of a real estate firm may be considered so much heat gone up the chimney.

On the other hand, Mayor O'Dwyer's refusal to condone the condemnation of property for resale to private interests is so right as to admit of no debate. * * *

(FOR APPOINTING WILLIAM REID CHAIRMAN TO BOARD OF TRANSPORTATION)

[From the New York Herald Tribune, October 3, 1947]

THE NEXT TRANSIT HEAD

Mayor O'Dwyer's choice of William Reid to succeed Charles P. Gross as chairman of the board of transportation is excellent. He has selected a level-headed, hard-working career man who has served the city well for 34 years. * * *

[From the New York World Telegram, October 7, 1947]

POLITICS VERSUS NECESSITY

That, in choosing William Reid for the new board of transportation chairman, Mayor William O'Dwyer appointed an experienced, long-recognized expert in both city finance and transit there can be no question. * * *

(FOR DEMANDING RETURN OF PRICE CONTROLS AND RATIONING)

[From the New York Post, October 15, 1947]

Go To It, Mr. Mayor

Mayor O'Dwyer, by demanding immediate return of price controls and rationing not only shows good sense but also—and it's just as important—the courage to act.

Alone, among politicians holding important office, he looked at the facts, recognized their meaning, and was bold enough to risk putting himself on record in favor of the distasteful remedy. * * *

(FOR APPOINTING ROBERT F. WAGNER, JR. HEAD OF CITY PLANNING—HAILED AS A TRULY DEMOCRATIC MAYOR)

[From the New York Post, October 25, 1947]

NEW DEAL FOR NEW YORK

Mayor O'Dwyer's appointment of Robert Wagner, Jr., to head the city planning commission is of national political significance * * *

It is clear warning to the party chiefs in Washington that their attempt to lead the Democrats into more conservative paths just won't work in New York City. * * *

We congratulate the city on its new planning commissioner.

(FOR AVERTING MILK STRIKE)

[From the New York Herald Tribune, October 26, 1947]

ANOTHER HAPPY SETTLEMENT

The milk goes through. Ten million persons in the metropolitan area will continue to get their deliveries as the result of a dramatic settlement in the early hours at city hall yesterday. After hours and hours of continued conference, the milk distributors and units of the International Brotherhood of Teamsters finally came to agreement. Both sides yielded—money was the chief issue, but to the 10 million persons even more importantly involved the big thing was milk. As usual, Mayor O'Dwyer had the correct grasp when he said Friday evening: "A milk strike cannot be allowed to take place." * * *

This settlement is another feather in Mayor O'Dwyer's cap.

(FOR APPOINTING EDWARD C. MAGUIRE TO DEPARTMENT OF COMMERCE)

[From the New York Herald Tribune, November 1, 1947]

AN EXCITING CALL

We consider it an exciting and important development that Mayor O'Dwyer has roused the city's department of commerce, and placed in charge a man of first rank, Edward C. Maguire. * * *

(FOR APPOINTING DR. HARRY S. MUSTARD HEALTH COMMISSIONER)

[From the New York Herald Tribune, November 5, 1947]

A SPLENDID APPOINTMENT

Mayor O'Dwyer, now engaged in a reorganization of city departments, has enlisted Dr. Harry S. Mustard, director of Columbia University's School of Public Health, to head the city health department. The appointment brings to the city's

service, and to one of the most important public health posts in the country, a nationally known expert. It would be hard to think of a man better fitted for the post by training, experience and standing in his profession. * * *

(FOR HIS STAND ON HIGHER FARE)

[From the New York World-Telegram, November 7, 1947]

SLOW MAYORAL ADVANCE ON FARE

Mayor William O'Dwyer now says he will ask the legislature to empower this city's board of transportation to increase the transit fare enough to cover operating expenses, thus freeing some \$31,500,000 for the city to spend on hospitals.

This is welcome news in showing the mayor has brought himself another step nearer to facing squarely the whole fare question, also that he realizes the legislature is his shortest route to a higher fare. * * *

[From the New York Sun, November 7, 1947]

MAYOR O'DWYER'S FARE PROPOSAL

It has been perfectly obvious for a long time that if New York is to have the hospitals, the schools, and the other equipment it needs properly to serve its citizens it cannot go on handing out partly free rides on its subways and buses. Now Mayor O'Dwyer has the courage to announce that "It's high time all of us quit playing politics with the health of the people and the sick in the hospitals."

[From the New York Daily Mirror, November 8, 1947]

O'DWYER ON THE FARE

It looks as though Bill O'Dwyer has faced it. Maybe not all of it. At least part of it. He could have said it a year ago. But that does not detract from his political courage in telling the people, now, that they can't have their cake and eat it, too.

They can't have a half-free ride on the subways—and at the same time have proper hospitals, schools, protection, and the other services necessary to an organized society. * * *

(FOR DEMANDING FEDERAL AID ON HOUSING)

[From the Brooklyn Eagle, November 13, 1947]

MAYOR HITS NAIL ON HEAD—ABOUT HOUSING

Mayor O'Dwyer's appeal—or should we say, challenge?—to the Congress to make 20,000 city dwellings available in what might be called, in understatement, an "acute" situation is certainly a proper function of his office. * * *

Mr. O'Dwyer, as mayor of the country's greatest port of entry, has every right to demand that the Federal Government lend a hand. One might say our mayor hit the nail on the head.

(FOR HIS CITY PROGRAM INVOLVING NEED OF HIGHER FARE)

[From the New York World Telegram, December 8, 1947]

MAYOR O'DWYER'S COURAGE

New Yorkers heard something historic last Friday evening, when for the first time on record, a mayor of New York City had the courage to pull down the old political nickel-a-ride idol and urge publicly to the whole city the need for a higher transit fare.

(FOR HIS ACCOMPLISHMENTS AFTER HE ROUNDS OUT SECOND YEAR)

[From the New York Times, December 13, 1947]

WHEN THE MAYOR RETURNS

Mayor O'Dwyer will have rounded out 2 years in office and be at the half-way mark of his term when he returns from vacation. We believe Mayor O'Dwyer has made an earnest effort to be a good mayor and the record shows progress.

(FOR HANDLING OF CITY'S BIG SNOWSTORM)

[From the New York World Telegram, December 30, 1947]

BIG EMERGENCY WELL MET

New Yorkers, wriggling from under their 99,000,000-ton snow blanket, owe their thanks to the 23,000 workers who are making swift progress in their huge removal job. * * *

There may be lessons to be learned about future preparedness for big snows. But in this instance, it seems to us the city's and workers, from Mayor O'Dwyer down, together with others supplying quick and generous aid, have so far met a big emergency in a way that all New York citizens can applaud.

(FOR HIS FIRST 2 YEARS IN OFFICE)

[From the New York Times, January 15, 1948]

THE MAYOR'S GOOD NEWS

At the dinner in which 10 civic groups paid tribute to progress made in Mayor O'Dwyer's first 2 years in office the mayor himself broke two pieces of excellent news. He made known for the first time his intention to build housing without rental subsidy, a departure in policy of much importance. He also expressed his determination to develop a master plan for the city, and to have a city planning commission that really plans. * * *

(FOR HIS GOODNESS OF HEART, AND URGING HIM TO REST, SAYING
CITY NEEDS HIM)

[From the Brooklyn Eagle, February 13, 1948]

MAYOR O'DWYER'S HEALTH

* * * We are fortunate to have at this time a mayor whose goodness of heart and sagacity we can count on. In fact, we need just such a man as he. We would be in a very tough spot without him. And so we ask him a favor. * * * Please, Mr. O'Dwyer, take care of yourself. If your good heart is tired, give it a rest. Do what the doctor tells you to. Be a good patient. Take a day off when he says you should. Stay in bed as long as he asks. We need you. Take care of yourself.

(FOR HIS PROGRAM)

[From the New York Herald Tribune, February 21, 1948]

GOOD LUCK TO THE MAYOR

* * * The mayor's program, in essentials, is too sound to be lightly pushed aside by timorous politicians. His stand has won him general applause. His friends will welcome the opportunity to fight in his stead. A courageous and much loved mayor, taking time out by his doctor's orders, surely need not worry about small enemies in either party.

(FOR HIS HARD WORK)

[From the New York Times, February 23, 1948]

THE MAYOR'S BURDEN

Nobody ever worked harder in office than Mayor O'Dwyer.

Nobody not trained to the tough routine of a working cop could have stood it. Now he is in the hospital hoping through rest to escape the penalty of his labors. Every voter in Baghdad-on-th-Hudson wishes him a quick recovery. * * * Mayor O'Dwyer is a brave man and a willing one, but what New York really needs is two mayors to spell each other off.

(FOR APPOINTING RAYMOND M. HILLIARD, COMMISSIONER OF WELFARE)

[From the Brooklyn Eagle, March 12, 1947]

O'DWYER ACTS WISELY IN PICKING ILLINOIS EXPERT FOR WELFARE POST

Mayor O'Dwyer is to be congratulated on securing such a well-qualified man as Raymond M. Hilliard, public aid director of the State of Illinois, to take over the important post of commissioner of welfare. * * *

[From the New York Times, March 13, 1948]

NEW MAN FOR WELFARE

The new commissioner of welfare, sworn in yesterday by Mayor O'Dwyer, brings with him good qualifications and broad experience for one of the hardest jobs to do well in the city administration.

A man of force and energy, he was chosen from among some 15 or 20 candidates. He can be expected to run his department with a firm hand, and to dispense welfare with compassion and justice. * * *

[From the Herald Tribune, March 13, 1948]

Assignment of an able outsider to head the reorganized city department of welfare is a wise move on the mayor's part. He has chosen Raymond M. Hilliard, young executive of the Illinois Public Aid Commission, to be the new commissioner of welfare. The post, at best a difficult one, has not been made easier by the department's recent troubled history.

[From the World Telegram, March 15, 1948]

NEW WELFARE HEAD, NEW VIEWPOINT

In going well outside this city to find a new commissioner of welfare, Mayor William O'Dwyer made a wise move.

(FOR HIS UNSUBSIDIZED HOUSING PLAN)

[From the Brooklyn New York Eagle, March 15, 1948]

MORE CITY HOUSING PROJECTS PLANNED FOR BOROUGH

Mayor O'Dwyer's announcement that the city will soon enter the field of unsubsidized housing with a \$200,000,000 program to provide apartments for 17,000 families is welcome and heartening news.

(FOR REITERATING STAND AGAINST STRIKES BY CITY EMPLOYEES)

[From the New York Times, April 15, 1948]

MR. O'DWYER TO MR. QUILL

Mayor O'Dwyer has promptly and properly pointed out to City Councilman Michael J. Quill, top officer of the transport workers union, that the city cannot tolerate a strike against itself. There is a significant distinction between a strike against privately operated bus lines—which would be serious enough—and a strike against the city-owned transit system, which would be illegal.

(FOR COURAGE AND FORESIGHT IN 10-CENT FARE)

[From the New York Times, April 26, 1948]

A BETTER CITY BUDGET

* * * Mayor O'Dwyer has contributed the great achievement of getting the transit operating deficit out of the expense budget. He has demonstrated his concern that the city's educational plan shall be built up, and that social health services shall not be undermined but expanded. * * *

(FOR BANNING COMMUNISTS FROM CITY HALL)

[From the World Telegram, September 1, 1948]

MAYOR AND MARCANTONIO

On the face of it, amid the current shocking revelations of Communist spy rings and plots, few things could be healthier or more creditable to Mayor William O'Dwyer than the pitched battle he is now openly waging against pro-Communists Vito Marcantonio, leader of the Communist dominated American Labor Party.

(FOR GUARANTEEING PROTECTION TO SPEAKERS TO ALL POLITICAL PARTIES)

[From the New York Times, September 10, 1948]

THE MAYOR AND FREE SPEECH

The people of New York City who were listening on WNYC and the top-ranking officers of the police department who were his immediate audience could not mistake Mayor O'Dwyer's sincerity in his talk ordering the most thorough protection of free speech during the political campaign. The mayor has no sympathy with the candidacy of Henry A. Wallace for President. But he is determined there shall be no repetition here of the uncurbed rowdyism that attended some of Mr. Wallace's appearances in the South recently.

(FOR FIGHTING RACKETEERS IN GARMENT INDUSTRY)

[From the World Telegram, September 23, 1948]

TWO CASES FOR POLICE PROTECTION

Mayor William O'Dwyer, District Attorney Frank S. Hogan and the police have promptly and rightly pledged their combined efforts to protect this city's great billion-dollar garment industry against any return of the gang and racketeer violence that so often shocked New Yorkers in the former infamous Lepke and Gurrah era.

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR PLAN TO SOLVE
TRAFFIC PROBLEM)

[From the New York Sun, October 7, 1948]

CITY TRAFFIC ACTION

Announcement by Mayor O'Dwyer that he is taking steps to set up a traffic commission, headed by an experienced traffic engineer, to treat New York City's traffic problem is indeed good news.

(FOR CONTRIBUTING MOST TO CITY'S ADVANCEMENT)

[From the New York Herald Tribune, October 30, 1948]

AN AWARD TO MAYOR O'DWYER

The general and spontaneous feeling among New Yorkers is that the Hundred Year Association has bestowed this year's medal where it belongs—on Mayor O'Dwyer. The medal is an annual award to the citizen who has contributed most to the advancement and welfare of the city during the preceding year.

(FOR IMPROVED STREET CLEANING)

[From the New York Times, November 6, 1948]

THE STREET CLEAN-UP

We believe that the determined efforts of Mayor O'Dwyer's reorganized sanitation department to do a better job on street cleaning are having an effect and, what is equally important, that the public is becoming aware of its responsibility for partnership in these efforts.

(FOR HIS FIGHT ON PINBALL RIGHTS)

[From the Brooklyn Eagle, June 20, 1948]

MAYOR'S DRIVE ON PINBALL MACHINES IS WELL BASED

The board of estimate has unanimously approved the bill to drive pinball machines from the city. Mayor O'Dwyer, speaking forcefully, heads a drive against them. There must be hearings so that no injustice may be done. But it seems the pinball machine, with all its attendant evils is to be a thing of the past.

It is the attendant evils that make the seemingly harmless machine a menace. The mayor says bluntly that pinball machines make gangsters, that they are part of the machinery of gangsterism. In the days of Murder, Inc., he recalls, "killers were recruited to handle pinball machines with the understanding that they would be available when there was a dirty job to do." Murder, Inc., he says, "is not going to grow up again while I am mayor." He speaks of "underground connections."

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR OPPOSING TAMMANY
SURROGATE DEAL)

[From the New York Herald Tribune, July 2, 1948]

MR. O'DWYER CHOOSES TO FIGHT

The big news in New York is that Mr. O'Dwyer, as the No. 1 Democrat in this city and State, has declared open and full war on Tammany Hall. From his position of power and prestige, he had dramatically stated the issue against

the curious lot of Tammany Hall. From his position of power and prestige, he has dramatically stated the issue against the curious lot of Tammany district leaders, and the masters behind them, in their persistent efforts to annex the surrogate's court. It is, as Mayor O'Dwyer says, a plundering "political conspiracy" of the rawest sort, a drive to collect a patronage tax from widows and orphans for the benefit of a discredited political organization trying to slink back into the juicy areas of control and profit.

[From the New York World Telegram, July 2, 1948]

MAYOR O'DWYER INTO BATTLE

Mayor Bill O'Dwyer has taken on the biggest, toughest, and bitterest fight of his embattled career.

No decent citizen or politician can stomach that present group of district leaders who have no qualms about trafficking with vice and gambling, and domination of the surrogate's court, that last line of defense of widows and orphans.

[From the New York Times, July 3, 1948]

THE MAYOR'S LEADERSHIP

Mayor O'Dwyer is in fine fighting form, apparently, and we say all power to him in a battle to the finish for a cleaned-up Democratic organization in New York and for the good government of the city.

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR BANNING COMMUNISTS FROM CITY HALL)

[From the New York Sun, August 30, 1948]

MAYOR O'DWYER DEFIES THE RADICALS

With Mayor O'Dwyer's defiance of Vito Marcantonio in particular, and of Communists and the left-wing leaders of the Congress of Industrial Organizations in general, this newspaper is in complete sympathy. Whatever his reasons for tossing the radicals out on their collective ear, the deed stands upon its own merits. It was good citizenship for him so to do.

(FOR COURAGE AND FORESIGHT IN 10-CENT FARE)

[From the Daily Mirror, April 28, 1948]

CONSIDER THE CUSTOMER

It is good news that some 150,000 city employees are to be raised at least \$259 a year, and that the pay of 15,000 city teachers will be increased \$375.

Certainly these people need a raise, to meet their obligations in a period of menacing inflation.

Transit workers are next on the list.

The reason the city is able to get up the money for all these pay increases is that Mayor O'Dwyer had the courage to ditch the nickel ride, for which we congratulate him. * * *

(EDITORIAL PRAISE OF MAYOR O'DWYER FOR HIS DRIVE AGAINST SMOKE)

[From the New York Herald Tribune, November 6, 1948]

FOR A DRIVE AGAINST SMOG

Mayor O'Dwyer's announcement that he is preparing a concerted city drive for smoke abatement is good news. The need was never greater.

(FOR APPOINTING JOSEPH E. O'GRADY TO HEAD DIVISION OF LABOR RELATIONS)

[From the New York Star, December 19, 1948]

A WISE CHOICE

Mayor O'Dwyer has acted wisely in his appointment of Joseph E. O'Grady as the successor to Theodore W. Kheel as the head of the city's labor relations division. Mr. O'Grady, who has served as Mr. Kheel's deputy, is already familiar with the pattern of the principal trouble spots in the city's labor picture and has acquired a great deal of experience in dealing with many of them.

(FOR COPING WITH SNOWSTORM)

[From the Brooklyn Eagle, December 22, 1948]

HATS OFF TO O'DWYER FOR THOROUGH CLEAN-UP OF BROOKLYN STREETS

Last year's snowstorm extraordinary that sealed up the city for days will be remembered for a generation or two. And so will this year's, but for different reasons. When the snow came down inch by inch the day after Christmas, 1947, and made the streets impassable for weeks, the city, and particularly that part of it that is Brooklyn, found it extremely depressing. Today we have something of great importance to rejoice about at Christmas time. Brooklyn streets are no longer neglected.

Thank you, Mr. Mayor, and bravo.

(FOR REPLACING TEMPORARY EMPLOYEES WITH CIVIL SERVICE APPOINTEES)

[From the New York Herald Tribune, January 1, 1949]

NO MORE TEMPORARY WORKERS

Replacement of temporary city employees with permanent civil-service appointees is decidedly in the interest of good government. Uniform application of the merit system and of the benefits it entails is required to secure continuity in the city's work and to attract first-class men and women tonight. Mayor O'Dwyer rightly regards such replacement as an essential part of the major overhauling of the civil-service system already launched.

(FOR APPOINTING DR. MARCUS D. KOGEL AS COMMISSIONER OF HOSPITALS)

[From the New York Times, January 13, 1949]

NEW CITY COMMISSIONER

In appointing Dr. Marcus D. Kogel as commissioner of hospitals, Mayor O'Dwyer has chosen a civil-service career man with 20 years' experience in the city hospital system.

The mayor's confidence in Dr. Kogel's ability to meet those responsibilities is shared by many hospitals and medical authorities in the city, who speak of Dr. Kogel as a good man for the job.

(FOR APPOINTING DR. MARCUS D. KOGEL AS COMMISSIONER OF HOSPITALS)

[From the New York Sun, January 13, 1949]

DR. KOGEL'S NEW JOB

In choosing Dr. Marcus D. Kogel to succeed Dr. Edward M. Bernecker when the latter retired as a commissioner of hospitals on February 1, Mayor O'Dwyer has recognized merit and given proper regard to a career man. Except for the period when he was in uniform, Dr. Kogel has devoted his entire medical career to New York City's hospitals.

(FOR AVERTING 1949 TUGBOAT (AND FUEL) STRIKE)

[From the Brooklyn Eagle, January 16, 1949]

TUG STRIKE CRISIS PROVES NEED OF PERMANENT SET-UP FOR PEACE

A tugboat strike in New York Harbor has been averted. The calamity was headed off just 1 hour before the final deadline. Millions of residents of Brooklyn and the four other boroughs have been saved from the sufferings and inconveniences that would have resulted from such a stoppage. Among all those involved, Mayor O'Dwyer deserves the principal credit.

(FOR HIS ADDRESS TO CITIZENS BUDGET COMMISSION)

[From the New York Times, January 19, 1949]

MR. O'DWYER AMID HIS CRITICS

Mayor O'Dwyer as guest speaker at the annual dinner of the Citizens Budget Commission provides an occasion somewhat comparable to a prime minister facing parliament on question day.

One thing demonstrated anew was that Mayor O'Dwyer will advance the worthy causes that are closest to his heart by better informing the people of the city. He cleared the air of some misunderstandings that should not have existed or persisted. He undoubtedly won sympathy and support for his program by merely stating the facts.

(FOR ATOMIC STUDY IN SCHOOL)

[From the New York Times, January 24, 1949]

TEACHERS AND THE ATOM

Mayor O'Dwyer's announcement of a training course on all aspects of atomic energy for teachers in the city schools demonstrate once more the alert leadership of New York's schools system.

Mayor O'Dwyer has given earlier evidence of his interest in the spread of understanding of atomic energy. It was through his initiative that an excellent exhibit was included in the city's golden anniversary celebration at the Grand Central Palace last year.

(FOR LEADERSHIP IN UNION BUS TERMINAL PLAN)

[From the New York Times, January 28, 1949]

A NOTABLE GROUND BREAKING

Considerable ceremony surrounded the start of excavation yesterday for the port authority's \$20,000,000 Union Bus Terminal, west of Eighth Avenue in midtown Manhattan.

We should, finally, observe that it was Mayor O'Dwyer's leadership in the public interest that established city policy receptive to this undertaking, for without that, as Chairman Cullman of the port authority pointed out, there could be no Union Bus Terminal.

(FOR APPOINTING T. T. WILEY TO TRAFFIC COMMISSION)

[From the New York Times, February 2, 1949]

TRAFFIC ENGINEER

We welcome Mayor O'Dwyer's choice of T. T. Wiley, of Detroit, for the post of executive director of New York's new traffic commission. Mr. Wiley is a trained engineer, with broad experience.

[From the New York Sun, February 3, 1949]

NEW YORK'S TRAFFIC COMMISSION

For pressing for adoption of the law and seeking admittedly successful traffic experts to staff it, Mayor O'Dwyer can take a bow. It gives New Yorkers reason to hope that better traffic conditions are ahead.

(FOR REAPPOINTING T. T. WILEY TO TRAFFIC COMMISSION)

[From the New York World Telegram, February 4, 1949]

THE NEW TRAFFIC CONTROL SET-UP

In the city's new centralized department of traffic, Mayor O'Dwyer has wisely filled top positions with recognized expert traffic engineers, both where the new law so required and where it does not.

(FOR APPOINTING WILLIAM P. O'BRIEN POLICE COMMISSIONER)

[From the New York Herald Tribune, February 3, 1949]

EXCELLENT TRADITION

To the new Commissioner O'Brien, who succeeds to full title on March 1, we say welcome. Mayor O'Dwyer has chosen well. Again a lifetime policeman, up from the ranks, heads the police department. The excellent tradition carried on.

(FOR HIS 1949 MESSAGE: "REPORT OF SUBSTANTIAL PROGRESS")

[From the New York Times, February 9, 1949]

THE MAYOR'S MESSAGE

Mayor O'Dwyer's annual message to the city council yesterday is a report of substantial progress achieved during 1948, especially in renovation of the city's transit system, in school construction, in erection of low-cost housing, and in recognition that a determined attack must be made on certain long-neglected

problems. It records the abandonment of the 5-cent fare, the decision to rehabilitate the water front, the acceptance of an agency solely committed to relief of traffic congestion in our streets. The message is, as the mayor says, a report prepared "in great detail," and answers a felt want which we have several times commented upon—the need for fuller official information on various aspects of city affairs.

This is, on the whole, a sober, nonpolitical, and businesslike document.

(FOR HIS PROPOSED WIRE-TAPPING CONTROL)

[From the Brooklyn Eagle, March 24, 1949]

O'DWYER'S SENSIBLE PLAN TO CONTROL WIRE TAPPING

Mayor O'Dwyer's proposal for legislation to control wire tapping sounds like a sensible one. He would have the legislature in Albany make illegal the possession of wire-tapping equipment by persons not authorized to use it, classing its possession as a felony, like the possession of burglar's tools.

(FOR AVERTING VIOLENCE IN TAXI STRIKE)

[From the New York Daily Mirror, April 2, 1949]

WHO DOES HE THINK HE IS?

Mayor O'Dwyer has steadily and firmly insisted that there will be no violence in today's taxi strike, if it takes 3,000 extra police to keep order. We congratulate him for his determination.

POLICE DOING GOOD JOB IN HANDLING TAXI STRIKE

Mayor O'Dwyer and our police department under Commissioner O'Brien have done a magnificent job of averting disorder in the taxicab strike.

[From the New York Herald Tribune, April 7, 1949]

THE TAXICAB PROBLEM

The taxicab strike could only have been effective if the organizing committee of the union, having refused an election under the State labor board, had so terrorized the independent drivers as to keep them off the streets. Thanks in large part to the firm but impartial attitude of Mayor O'Dwyer, threats of violence never bore fruit. * * *

[From the New York Daily Mirror, April 7, 1949]

NOW, A BREAK FOR THE DRIVER

The taxi strike is dead, even though the final agonies may linger for a few more days. The Lewis brothers, John L. and Denny, have seldom taken such a licking.

From Bill O'Dwyer down to the newest rookie cop on emergency 12-hour duty, the city handled the Lewis threat admirably. * * *

[From the New York Times, April 9, 1949]

THE CAB STRIKE ENDS

* * * New Yorkers appreciate the calm firmness with which Mr. O'Dwyer handled the strike, and the long hours of extra duty put in by the police in a potentially dangerous situation. * * *

(FOR ADVOCATING \$150,000,000 FOR HOSPITALS)

[From the New York Times, April 25, 1949]

\$150,000,000 FOR HOSPITALS

A policy emphasized by Mayor O'Dwyer from the start of his administration moves nearer to fulfillment with the signing by Governor Dewey of the measure, still to go to referendum, to exempt from city debt limit \$150,000,000 in borrowing power to build hospitals. "The people of New York need this money desperately," Mr. O'Dwyer told a medical meeting recently. There is every reason to believe that the voters next November will support this service to the indigent ill. * * *

(FOR CLEANING HARLEM'S VACANT LOTS)

[From the New York Times, April 30, 1949]

HARLEM CLEAN-UP

The inspection tour of Harlem made early this week by Mayor O'Dwyer is bearing fruit in a drive by several city departments to clean up vacant lots and make playgrounds out of some of them.

(FOR FIGHT ON TAMMANY)

[From the New York Herald Tribune, May 4, 1949]

O'DWYER AND TAMMANY

Tammany Hall charged \$50 a plate for the One Hundred and Fiftieth anniversary dinner at the Waldorf, which is entirely too much for filet mignon and champagne, especially when the city's leading Democrat is absent. Mayor O'Dwyer chose to visit a little meeting of insurgents who call themselves the Fair Deal Democrats, where he returned to an old and favorite subject—the politician's responsibility to the people. For all his studied generality the mayor, by his timing, was telling Tammany off. And despite the impressive gathering of politicians at the Waldorf, where everybody from Jake Arvey to Governor Dever, of Massachusetts, gathered to hear Hugo Rogers again on the defensive, the absence of one man spoiled the party * * *

Whatever Mr. O'Dwyer's plans as he picks his way toward the future, we enjoy the sight of New York's chief Democrat returned to the job of kicking Tammany around.

(FOR HIS ACHIEVEMENTS)

[From the New York Times, May 27, 1949]

MAYOR O'DWYER'S DECISION

* * * We regret this decision by the mayor not to seek reelection. He seems to us to be head and shoulders above the likely candidates from official circles who are mentioned as his successor to the Democratic nomination. Starting from the ranks of common labor, he worked to educate himself, and through diligence and ability rose to what is, perhaps, the second highest administrative office in American public life. He has worked hard at the job of being mayor. He made his mistakes, and he has been subjected to considerable criticism from time to time. We have contributed no small amount of this criticism, and we must say that the mayor has stood up to it like a man. Furthermore, he has often responded to this criticism with a change of course * * *

We should like now to mention some of these contributions briefly.

First of all, in importance, he broke with the old 5-cent-fare political fetish. He put underway major rehabilitation of the transit system, and has made headway in stabilizing transit labor relations. He has greatly improved our public-school plant, with the building of about 50 new schools and the renovation of others. Hospital conditions are better, and a further building program of

\$150,000,000 or more is in prospect because of his initiative. He has worked steadily and effectively for more housing, both subsidized and unsubsidized; the accomplishments in this field are outstanding. He cleared the way for port authority erection of the Union Bus Terminal, and has made other constructive beginnings toward traffic amelioration. He removed the burden of airport development from the city's capital budget, and at the same time assured adequate aviation facilities.

He has given the city's civil-service employees as generous treatment as financial conditions permitted, he strengthened the police force and fire department. He has an antismoke program underway. He endorsed a study for wiser zoning, looking to land use for industry. Health services have been notably broadened. The city's capital construction has been directed at the most urgent needs. Programs for garbage incineration and the cleaning up of polluted waters on our beaches are begun. The welfare and marine and aviation departments underwent a reorganization and are better equipped. A considerable number of emergencies, some man-made and some a visitation of nature, were dealt with, most of them capably.

This is a pretty good list of accomplishments, although we are at the moment considering only the favorable side * * *

With the strong hold that the Democratic Party has on New York City, we must always face the possibility that, even if fusion elements succeed in finding a strong candidate, our next mayor may be Democratic. It is highly important, then, that the strongest possible Democratic candidate be named. This may well be, to our way of thinking, Mayor O'Dwyer himself, and if so—his health permitting—the city would gain by his reversing his decision and agreeing to run again * * *

THE MAYOR WITHDRAWS

[From the New York Herald Tribune, May 27, 1949]

Mayor O'Dwyer's announcement that he will not run for reelection heralds the close of what has been an eventful and, on the whole, a successful administration. The mayor has been faced during his term of office by a series of crises, ranging from record snowstorms to recurrent threats of strikes in vital areas of the city's life. He has met these with calmness and efficiency, benefiting from an instinctive ability to handle men. In getting away from the 5-cent fare, long a bogey even to reform administrations, he showed as much courage as realism. Coordination of the airports around New York and the establishment here of permanent headquarters for the United Nations, both accomplished during his term, will long stand as landmarks in the city's development * * *

A strong fusion candidate, drawing a full measure of support from anti-Tammany Democrats in addition to that from other sources, offers the best hope of continuing in New York City the kind of Government which Mayor O'Dwyer at his best has been able to provide.

[From the Brooklyn Eagle, May 27, 1949]

MAYOR'S REFUSAL TO RUN AGAIN SURPRISE AND DISAPPOINTMENT

Mayor O'Dwyer's surprise announcement that he would not be a candidate for reelection has got the whole town talking. It was a political bombshell. It was a surprise not only to the plain citizens but also the politicians, even to top-flight municipal leaders.

It took us by surprise, too, but our principal reaction was one of intense disappointment. For Mr. O'Dwyer has made a splendid record as mayor, and his departure from city hall would be a real loss to the city.

We hear a lot of nonsense these days from politicians who are anxious to elect a Republican or Fusionist as mayor. But the people of this city are too sensible to be impressed by the bogeyman of corruption and incompetence which they are lifting to the skies and with which they hope to drive popular support away from O'Dwyer * * *

Mayor O'Dwyer is thoroughly competent, conscientious, and hard working. After he had mastered the intricacies of the municipal government he had maintained a high batting average on the decisions and his policies. His appointments

have generally been fine. Indeed, he has surrounded himself with many unusually able men. Naturally, they are mostly Democrats as were La Guardia's mostly Fusionists. But many have been completely nonpolitical. Arthur Wallander was one of the best police commissioners in the history of the city. Not a scandal has marred the record in this department, the conduct of which has been the downfall of many previous administrations.

This is not the occasion for a detailed account of Mayor O'Dwyer's constructive accomplishments, which were numerous. One of his notable successes was the handling of labor troubles through the labor relations division set up in his office. He has prevailed on many able men to serve on those three-man emergency committees representing the public, labor, and employers, and in addition he has personally cleared up some of the most serious of these crises. * * *

[From the New York Times, June 10, 1949]

THE MAYOR'S FINAL NO

* * * The mayor of the city of New York carries a heavy burden and it grows heavier every year. Although an able mayor had preceded him, Mr. O'Dwyer, on taking office in January 1946, inherited grave problems, some dating back to depression days and others to the war. So, in addition to the normal strains of administering a city of 8,000,000 people, Mayor O'Dwyer had the task of attempting to rebuild with limited funds a governmental plant that was at best shabby and, at the worst, in ruins. Hospitals, schools and especially the transit system were in a painfully run-down condition. At the same time an abnormally high birth rate, after the war, made even more pressing the housing and school problems.

To these unusual tasks and many others Mr. O'Dwyer addressed himself with vigor, and his record has, on net balance, been good. On many occasions we have commended his accomplishments, and on others criticised his mistakes and his omissions. The many warm expressions of regret that he was stepping down at the end of 1949 may be accepted by the mayor as the public's thanks for what he has done to try to make New York a better place to live in.

Now the field is thrown open for the search for a successor, both among the Democrats and those of varying political hue who may throw their lot together in fusion. The responsibilities that lie ahead, in completing the O'Dwyer program and in new undertakings, are a challenge demanding greatness. They call not only for integrity and other highest qualities of character, but also the ability to manage large enterprise * * *

[From the Herald Tribune, June 10, 1949]

MAYOR O'DWYER MEANS IT

* * * For all the progress under LaGuardia and O'Dwyer, there is still a lot of work ahead. Being mayor is more than a one-man job; it is a steady continuation which projects itself ahead. Our needs are constantly growing—in transit, housing, schools, hospitals, sanitation, water-front rehabilitation, smoke control, and so on. With all the increasing demand for more and better public services, there is also a rising insistence on efficiency and economy in government. The billion-dollar budget is already habitual in New York, and the incompatibilities of income and expense will need to be faced with growing intelligence and mastery. This is the challenge ahead for the next mayor, even more than for any predecessor, and it is up to every voter right now to insist on the best possible candidates.

[From the New York Daily News, June 11, 1949]

O'DWYER STEPS OUT

* * * We're sorry to see this development because we think Mr. O'Dwyer has been a hardworking, conscientious and 100 percent honest mayor, and has made an excellent start at cleaning up the confusions and inefficiencies he in-

herited from the LaGuardia administration, which got scatterbrained in its last years * * *

(FOR APPOINTING THEODORE W. KHEEL IMPARTIAL CHAIRMAN)

[From the New York World-Telegram, May 31, 1949]

KHEEL RIGHT CHOICE

Mayor O'Dwyer could have appointed no better man than Theodore W. Kheel, former director of the city division of labor relations, to serve as impartial chairman in disputes involving the 12 privately owned bus companies and the unions representing some 9,000 of their employees * * *

(FOR HIS 4 YEARS IN CITY HALL)

[From the New York Herald Tribune, June 22, 1949]

POLITICS AND THE NEXT MAYOR

* * * What every New Yorker wants in the next mayor is the best available combination of qualities. All who have an ounce of pride and personal interest in New York know that the first consideration is to insure continuance of high standards and devoted responsibility to which this city has become accustomed under LaGuardia and O'Dwyer * * * There is no party label on economy and efficiency, no honest difference on how to suppress rackets or clean the streets * * * The truth is that there is neither a Democratic nor Republican way of running New York. * * *

[From the Brooklyn Eagle, July 14, 1949]

O'DWYER'S DECISION TO RUN ENDS WEEKS OF VACILLATION

* * * The fundamental facts about Mayor O'Dwyer's administration remain the same. Although he has made a number of mistakes, he has been a good mayor. He is able, conscientious, hard working. He has especially had at heart the interest of the little people although many of the city's leading businessmen have been active in the efforts to get him to run again.

Mr. O'Dwyer has won general respect among the decent elements of the city without regard to party because of his hostility to the vicious fringe in Tammany Hall which has brought it to such low repute. He has thus demonstrated that it is possible to be a good Democrat and also to refuse to play ball with the sinister forces of Tammany. That is a healthy situation.

PUBLIC HOUSING REPORT

The New York City Housing Authority has just reported to Mayor William O'Dwyer the city's accomplishments in providing and planning public housing from January 1946 to June 30, 1949.

In the 42-month period, 47,600 apartments were provided by projects built or under construction in 42 wisely chosen localities throughout the city. Forty-nine neighborhoods, most of them in slum districts, have been approved tentatively as possible sites for 80,000 additional apartments with State and Federal aid.

Rounded up, these total statistics—a housing project a month—are striking enough. But behind the cold figures, behind the high-rising piles of stone and steel is a stimulating story when translated in terms of men, women and children. The courage and intelligence and speed with which the city tackled the pressing and difficult problem of the housing shortage brought happiness in many forms to many families.

Temptations to delinquency and unsightly disease-breeding areas where wiped out with eradication of slums. Tensions in overcrowded living quarters were eased. Young men home from the war were given fair chances to raise families

and start on careers. Safe open spaces with grass and trees were provided for children.

It may be mere coincidence that the housing record makes a timely public appearance at the start of a political campaign. Its use as an O'Dwyer appeal for votes will not, however, detract from the value and extent of the public service rendered.

Politics aside, the mayor and the members of the housing authority should have the city's gratitude for doing a hard job well.

[From the New York Times, October 10, 1949]

A GOOD APPOINTMENT

The reappointment of Dudley F. Sicher as justice of the domestic relations court will be greeted with satisfaction by all who are interested in maintaining the highest standards of the local bench.

Mayor O'Dwyer was reportedly under some pressure to name a political appointee to this post, and it is to his credit that he has resisted such a temptation and named the one man best suited to fill the vacancy arising with the expiration of Justice Sicher's term, namely, Justice Sicher himself.

[From the New York Times, December 12, 1949]

MAYOR O'DWYER'S VACATION

Leaving the gray city of New York yesterday in search of Florida sunshine, Mayor O'Dwyer described himself as a "refugee from a hospital." He is, in fact, a victim of one of the world's hardest jobs. His most active political opponents would never deny that he works at the job with a soldierly devotion to duty and gives it the last ounce of his strength. Before his breakdown, he gave it more than he had to spend.

[From the New York Times, December 12, 1949]

THE REID APPOINTMENT

Mayor O'Dwyer's choice of William Reid to be deputy mayor in his second term, beginning January 1, can be applauded heartily and without reservation.

Mr. Reid is a civil servant of more than 30 years' experience in city employ, much of it in intimate relation to financial problems. He had the confidence of the late Mayor LaGuardia, who appointed him to high office. He is a sound man on finance. He can be counted on for independence in presenting a point of view to the mayor.

[From the New York Herald Tribune, January 2, 1950]

THE CITY'S NEXT 4 YEARS

Mayor O'Dwyer's second term will be officially launched when old and new appointees are sworn in at city hall this morning. The appointments reflect, it seems to us, a renewal of the mayor's earnest intention to give the city sound and forward-looking government. There are not too many changes. Good men, like Bob Moses, have either been continued in their jobs, or, like former transportation chairman, now Deputy Mayor William Ried, given new and greater responsibility.

[From the New York Times, January 2, 1950]

MR. O'DWYER'S SECOND TERM

William O'Dwyer began yesterday his second 4-year term as the one hundredth mayor of the city of New York. The tasks that lie ahead are imposingly large,

but are in some respects simplified as compared with the first 4 years in office. The mayor brings to his responsibility for better equipment personally. He has experience behind him that embraced coping with almost every form of emergency that could present itself. He is surrounded by a term of officials, also experienced.

[From the New York Times, January 3, 1950]

CITY APPOINTMENTS

The appointments with which Mayor O'Dwyer filled out his administration for the second term for the most part good. We believe he starts with a stronger team, and certainly far more experienced, than in January 1946.

[From the New York World Telegram, January 10, 1950]

OUT OF RUT—NOW STAY OUT

The immediate result of the recent police department shake-up, the biggest in many years, was a desirable slow-down in horse-racing bookmaking. But the reorganization program should do a lot more to improve law enforcement in New York City if it continues the way Mayor O'Dwyer says he intends it to.

The mayor has made it clear that he wants the department clicking along in high gear.

[From the New York Herald Tribune, January 13, 1950]

WORKING PROMOTION

Mayor O'Dwyer's appointment of Doris Byrne to the court of special sessions is a good one. Her qualifications are unmistakable; she has the knowledge, training, and temperament that make for a first-class judge. It is also a recognition of merit, which makes pleasant news.

[From the New York Times, March 4, 1950]

CRACKING DOWN ON TRAFFIC

Mayor O'Dwyer laid down the law to his traffic commission yesterday. He expressed himself as thoroughly dissatisfied with the progress being made and intimated that a "czar" for traffic relief might be in the offing. In the meantime it is reassuring that the mayor is thoroughly aroused about the failure to get anywhere on traffic reforms.

[From the New York Herald Tribune, March 6, 1950]

AND HIGH TIME, TOO

We are delighted that Mayor O'Dwyer has got around to the traffic mess. The sight of a city official in eruption is always stimulating. Mayor O'Dwyer is disgusted with the city traffic commission for failing to solve the traffic outrage. And now Mayor O'Dwyer, angry at general failure, has yanked the rug from under.

[From the New York World Telegram, March 6, 1950]

WHO GOT THIS CASH?

A flock of embarrassing questions are boiling up in the city's inquiry into the taxicab industry with its 11,800 cabs and nearly 40,000 drivers.

Mayor O'Dwyer commendably ordered an over-all inquiry by Commissioner of Investigation James H. Sheils after a city accountant got a look at some records. We hope Commissioner Sheils got the answers to all questions in a thorough and honest investigation.

[From the Brooklyn Eagle, March 8, 1950]

O'DWYER'S SUPPORT OF THRUWAY SHOULD END POLITICAL FIGHT ON PLAN

Mayor O'Dwyer's announcement of his whole-hearted support of Governor Dewey's proposals for the State Thruway should end any serious fight against the project. It is to be hoped that the Mayor's common-sense attitude in the interest of his city will lead to the abandonment by State Democratic leaders of their fight on the superhighway.

[From the New York Daily News, March 8, 1950]

THRUWAY DETOURS POLITICS

The long-discussed State Thruway, or express highway between New York City and Buffalo, got a surprise boost day before yesterday when Mayor O'Dwyer came out flatly for Governor Dewey's plans for carrying the project through. Now that Mayor O'Dwyer has acted like a statesman instead of a politician, why should the legislature hesitate?

[From the New York World Telegram, March 8, 1950]

ANOTHER DEAL FOR THE LIMBO

Mayor O'Dwyer is to be congratulated for coming out flatly against the bill which would have given Queens two more county judgeships. It was just another of those political deals which would have benefited the county leaders. It would have added \$80,000 annually to the mandatory drain which the county courts place on the city budget—a rather fancy price for a portion of political plums.

[From the New York Times, March 13, 1950]

THE CITY AND ALBANY

It is a pleasure to observe that working relations between the New York administration and the State during this legislative session seem to have taken a considerable turn for the better. A number of reasons may account for this. But whatever is mainly responsible, the result is that for the first time in recent years the city administration has presented its requests with dignity and without partisan bombast, and because it refrained from extravagant demands for the sake of making a political show, has not suffered the humiliation of being turned down.

That this attitude has not endeared Mayor O'Dwyer to the Democratic leaders in the legislature is obvious. The displeasure of some leaders became acute when the mayor, after his only visit to Albany this session, gave his hearty endorsement to the thruway and the Dewey method of financing it.

We believe Mr. O'Dwyer deserves warm tribute for the nonpolitical fashion in which he conducted himself on that trip.

[From the New York World Telegram, April 1, 1950]

THE MAYOR AND BUS FARES

We like the way Mayor O'Dwyer has picked up the bus fare baby which the legislature took away from the public service commission and left on the doorstep of city hall. He has named a three-way committee to study fare increase

applications and called a special meeting of the board of estimate so that applications can be received without unnecessary delay.

The promptness with which the mayor has acted indicates that this is something he wants to prevent.

[From the New York Times, April 12, 1950]

FREE SPEECH ON THE BUDGET

On his return to city hall, Mayor O'Dwyer has quickly set right one matter. The board of estimate will not refuse to hear representatives of political parties who wish to express their views on the city's \$1,243,451,794 budget for 1950-51. This means free speech and democratic method. We congratulate the mayor on letting everybody have a say on the budget.

[From the New York Herald Tribune, April 23, 1950]

SUPPORT FROM THE MAYOR

Mayor O'Dwyer has sent to Jerry Finkelstein, chairman of the city planning commission, a reasoned and eloquent plea for replanning the area around the United Nations headquarters. The city's plans, he wrote, "must embrace the vision of the world capitol in the heart of our metropolis for many years to come."

This mark of the mayor's interest promises that the city planning commission is at long last to be entrusted with the job outlined for it in the city charter. And that is a most happy and hopeful prospect in this era of rapid growth and change.

[From the New York Daily Mirror, May 1, 1950]

PROBLEMS OF THE PORT

Mayor O'Dwyer appointed a whopper of a committee yesterday to study the reasons for the sickness of New York City's shipping industry. There being no more vital city problem, we wish the committee great success and hope it accomplishes more than committees usually do.

The mayor has put a badly needed plan in motion. We hope he presses it with his customary vigor.

[From the Brooklyn Eagle, May 7, 1950]

ANOTHER GOOD JUDGE RENAMED

Mayor O'Dwyer's reappointment of Magistrate Charles E. Ramsgate to another 10-year term on the bench is recognition of the valuable public service this Brooklynite has given the city for 30 years.

In 1940, the late Mayor Fiorello H. LaGuardia elevated him to the magistrate's court. His reappointment by Mayor O'Dwyer was a praiseworthy decision.

[From the Brooklyn Eagle, May 25, 1950]

O'DWYER'S SENSIBLE PLAN FOR SEWER RENTAL LEVY

In spite of the natural unpopularity of any new tax, the sewer rental levy proposed by Mayor O'Dwyer seems to us very sensible. Its effect on the average homeowner will be negligible, as the new charge would be only about 40 cents a month. Furthermore, the funds raised would go toward financing a wide and most important project, the freeing of waters around the city from pollution. Few things are as important as ridding the waters around us of the growing menace they carry.

[From the New York Times, May 27, 1950]

THE PORT STUDY

"We mean business" Mayor O'Dwyer has told his joint committee on port industry. "We want teamwork. We are not playing games. I want the committee to dig deep."

We welcome and applaud this new assurance of the mayor's sincerity and determination to get at the fundamentals that will guarantee New York's improving future as a seaport.

The committee is getting under way in a workmanlike fashion. We wish it clear sailing and an early landfall.

[From the New York Times, June 3, 1950]

A GOOD APPOINTMENT

Based on past performance, New Yorkers may look forward with solid hope to the betterment of traffic in this city through the announcement that the mayor will appoint Lloyd B. Reid to head the newly approved department of traffic. Mr. Reid has made a fine contribution to the solution of traffic problems in Detroit and has also served as highway commissioner of the State of Michigan.

[From the New York Times, June 27, 1950]

MOVING IN ON SMOKE

Mayor O'Dwyer's announcement yesterday that the city has called in Raymond R. Tucker, of St. Louis, as a consultant for drafting antismoke rules is news of first importance for our residents who have grown increasingly impatient for action. Professor Tucker, who is head of the department of mechanical engineering of Washington University in St. Louis, served as smoke commissioner of that city from 1937 to 1942. He helped draft the laws that are generally credited with working a great improvement in St. Louis. Many other cities have borrowed his methods or his services, among these Pittsburgh, Los Angeles, and Syracuse.

The employment of Professor Tucker is a good sign and city acceptance of the type of regulations that emerge from his study will be the critical test.

[From the New York Times, June 28, 1950]

A PLEDGE OF TRANSIT PEACE

The memorandum of understanding, signed, sealed, and delivered late yesterday afternoon at City Hall between the board of transportation and union labor on the transit lines, is the most constructive step in a long time for improving transit labor relations.

We heartily congratulate Mayor O'Dwyer, the board, and the Transport Workers Union.

[From the New York Times, July 17, 1950].

TOUGHER SMOKE RULES

The board of smoke control has come up with a third set of rules and regulations to enforce smoke abatement in the city, but this time the surrounding circumstances are different. It is not surprising that Mayor O'Dwyer was regarded as "not entirely satisfied" with the earlier drafts of these rules. Many of their provisions were half-hearted and left loopholes, suggesting a fear of stepping on somebody's toes.

Now, apparently prodded by the mayor to "get tough and stay tough", the board, advised by the consultant summoned by Mr. O'Dwyer from St. Louis, Prof. Raymond R. Trecker, has offered revisions to its rules and regulations that put new punch into the proposed controls over smoke emissions, fuels, and heating equipment.

[From the New York Times, August 16, 1950]

MAYOR O'DWYER'S DECISION

We did not support Mr. O'Dwyer for reelection but we regret his decision now to leave office. We lose an experienced executive who had a close knowledge of municipal affairs.

He has done many good things for New York City. His warm sympathies for the underprivileged and the sick will not be forgotten.

We wish the Mayor well.

[From the New York Times, September 1, 1950]

MAYOR O'DWYER'S DECISION

New York City said good-bye to Mayor O'Dwyer yesterday at the end of an abbreviated second term. He was the center of many controversies and differences of opinion, but it is true, as he said yesterday, that "the major accomplishments will live in the public mind long after these differences are forgotten."

He tried to make this a better city to live in. He worked hard while trying. His mistakes left no irremediable damage.

New York will miss him and will watch with friendly interest his career as Ambassador O'Dwyer.

[Telegram sent to Kefauver committee]

HON. ESTES KEFAUVER,

Senate Chamber Building, Washington, D. C.:

In accordance with your permission granted when I appeared before you I am sending, under separate cover, evaluations and appraisals of my programs, my purpose, and my conduct as a public official, contained in editorials of New York City newspapers. I respectfully call your particular attention to the editorials of the Herald Tribune, May 4, 1949, and May 27, 1949; the New York Times May 27, 1949, and June 10, 1949; the Daily News, June 11, 1949; the Brooklyn Eagle May 27, 1949, and July 14, 1949.

In the closing minutes of your hearings in New York, Mr. John Crane of the Uniform Firemen's Association testified that in the 1949 mayoralty campaign he made a campaign contribution of \$10,000 to me. There was no corroboration, nor was there any cross-examination to test the truth of this statement.

Mr. Crane's accusation is a vicious lie. It was made under the pressure of desperate necessity to save his own skin and to account for \$135,000 of union funds which he handled. His financial manipulations of these funds was, at the very moment of Mr. Crane's appearance before your committee, the subject of investigation by grand jury of New York County. This investigation is still in the stage of inquiry and has not yet been completed.

I have spent over 25 of my 60 years in public life as policeman, magistrate, county judge, district attorney, Army officer, minister, mayor, and now as an Ambassador. In these positions of trust I have earned a reputation for honesty that is the dearest possession of my life. I cannot believe that your committee intended to allow or be a party to an attempt by Mr. Crane to destroy, in 10 minutes by an unsubstantiated and unsupported charge, a reputation earned in a lifetime. In view of these circumstances, common justice demands that this telegram be made part of the record of your committee and that no consideration be given to, or conclusions based upon Mr. Crane's accusation against me.

WILLIAM O'DWYER.

WASHINGTON, D. C., August 27, 1951.

AFFIDAVIT OF WILLIAM GREEN, PRESIDENT, AMERICAN FEDERATION OF LABOR

William Green, of full age, being duly sworn according to law, on his oath deposes and says:

1. I am president of the American Federation of Labor.

2. I have been president of the American Federation of Labor since 1925.

3. It has been brought to my attention that a Mrs. Muriel Krieger testified before a Senate committee on August 16, 1951, that I attended a dinner held at a night club during the winter 1948-49 as a guest of a Mr. Zwillman. I never attended such a dinner at a night club, never met Mr. Zwillman, nor was I ever his guest nor was he ever my guest.

The statement made by Mrs. Krieger is not a fact and is untrue. I might further add I do not recall ever meeting Mrs. Krieger either.

WILLIAM GREEN,
President, American Federation of Labor.

[SEAL]

Sworn and subscribed to before me this 27th day of August, 1951.

ROBERT J. MCKENNA, *Notary Public.*

My commission expires March 1, 1953.

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