

**FREEDOM OF INFORMATION
AND
PRIVACY ACTS**

**SUBJECT: BARKER/KARPIS GANG
BREMER KIDNAPPING**

FILE NUMBER: 7-576

SECTION : SUB 3 Section 19



FEDERAL BUREAU OF INVESTIGATION

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SUBJECT Barker/Karpis Gang (Bremer Kidnapping)
FILE NUMBER 7-576 Sub 3
SECTION NUMBER 19
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EXEMPTION(S) USED -

Hot Springs Arkansas

April 8 - 1939

J. Edgar Hoover
Department of Justice
Washington D.C.
Dear Sir:

15014-55

RECORDED
&
INDEXED

7-576-3-3

FEDERAL BUREAU OF INVESTIGATION

APR 12 1939

ANONYMOUS COMMUNICATION
KEEP ENVELOPE ATTACHED

ONE

With reference to the Hot Springs Arkansas
elimination that has given your Department
so much trouble, Major Geo P. Mc Sweeney and
Judge V. S. Sedgewood the higher up. That it
has been stated that the Department never
was able to complete a case against them on
a Federal charge.

It has been revealed that a money cut
was made last week from the cut in Hot Springs
to them from the gambling racket after the
racing season closed here.

It has been revealed that the go between
man or the collector from the gambling
racket for Mc Sweeney and V. S. Sedgewood
is Archie Sedgewood, a brother of Judge

Wanted by mail
78 MAR 26 1965
Patt's by Rock
+
4/24/39

V. S. Ledgerwood.

On afternoon of April 6th 1939, Archie Ledgerwood appeared at the Hot Springs Arkansas Post Office and in some manner arranged to transfer or forward between 8 and 10 thousand dollars to a firm by the name of SPEAR AND CO - or SPARKS and CO. New York City New York.

There was quite a delay with the transaction and Archie Ledgerwood seemed to be very nervous and uneasy as to who might take notice of their transaction.

Citizen

15015

J. Edgar Hoover
Department of Justice
Washington, D.C.



DEB:MEC

7-576 - 3-556 April 24, 1939

RECORDED

15013

Special Agent in Charge
Little Rock, Arkansas

Dear Sirs:

There are enclosed, for your information,
copies of an anonymous communication signed "Citizen",
dated April 8, 1939, at Hot Springs, Arkansas.

Very truly yours,

John Edgar Hoover
Director

Enclosure
cc-Cincinnati (Encl.)

APR 24 4 48 PM '39
RECEIVED-DIRECTOR
F. B. I.
DEPT. OF JUSTICE

- Mr. Tolson
- Mr. Nathan
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Crowl
- Mr. Egan
- Mr. Foxworth
- Mr. Glavin
- Mr. Harbo
- Mr. Lester
- Mr. McIntire
- Mr. Nichols
- Mr. Quinn
- Mr. Tracy
- Miss Gandy

COMMUNICATION SECTION
APR 25 1939
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

Handwritten initials and a 'C' mark.

0317

The Director will be interested in reading this letter on conditions in Hot Springs, Arkansas. An amazing letter. We ought to contact him. It might be valuable.

Federal Bureau of Investigation
United States Department of Justice
500 Rector Building
Little Rock, Arkansas
April 9, 1939

7-2

Director
Federal Bureau of Investigation
Washington, D. C.

Dear Sir:

RE: BREKID.

Reference is made to letter dated January 3, 1939 (not 1938), from the Bureau to the Little Rock Field Division (7-576) in this case in which it was requested that an Agent interview SETHOLIA ATKINSON SMITH at Hot Springs, Arkansas, and advise her that the Bureau could not be of assistance to her because of the loss of her place at the Majestic Hotel in Hot Springs.

On March 22, 1939, Special Agent J. R. CALHOUN, of the Little Rock Field Division, interviewed this colored woman and her husband at their home at # 9 Mallard Street, Hot Springs, Arkansas, at which time she stated that when she returned to Hot Springs from testifying in the BREKID case in Little Rock in the fall of 1938, she telephoned to Mrs. EDNA MILLER, housekeeper of the Hotel Majestic, to advise of her return to the city. This lady told her that her time was made out and that she could get her money. SETHOLIA SMITH did not ask any questions over the telephone, she stated, and did not talk with this lady when she went for her money, or later. She asked the Manager why she was let out, and he replied that he did not know.

Agent CALHOUN then told her that the Bureau was sorry that she had lost her position but that no Federal law had been violated by reason of the Hotel's failure to continue her employment. She appeared satisfied with the state of affairs, and her husband stated that they would not starve; that she had secured temporary employment since that time.

Very truly yours,

H. E. Andersen

H. E. ANDERSEN
Special Agent in Charge

RECORDED
&
INDEXED

7-576-3-557
FEDERAL BUREAU OF INVESTIGATION
JRC-jhb APR 18 1939
cc - Cincinnati
U. S. DEPARTMENT OF JUSTICE
ONE *Lawler*

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice

BMS:JC

Washington, D. C.

April 25, 1939

MEMORANDUM FOR MR. NICHOLS

Re: Brekid Index of Informants
and Other Persons in Hot Springs,
Arkansas.

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Coffey.....
Mr. Crowl.....
Mr. Egan.....
Mr. Foxworth.....
Mr. Glavin.....
Mr. Harbo.....
Mr. Lester.....
Mr. McIntire.....
Mr. Nichols.....
Mr. Quinn Tamm.....
Mr. Tracy.....
Miss Gandy.....

Pursuant to your request there is attached hereto a letter directed to the Special Agent in Charge at Little Rock, Arkansas, advising that the Bureau was returning, under separate cover, the index established in the harboring case in Hot Springs in 1937, as there is no need to maintain this file any longer in the Bureau.

Respectfully,

B. M. Suttler
B. M. Suttler

Ko

Edward A. Hoover
Handwritten note

Enclosure

RECORDED
&
INDEXED

7-576-3-558

FEDERAL BUREAU OF INVESTIGATION
APR 28 1939
U. S. DEPARTMENT OF JUSTICE

TOLSON
NICHOLS
GNE

BMS:JC

April 25, 1939

7-576-3-55-8

RECORDED

Special Agent in Charge
Little Rock, Arkansas

Re: Brekid

Dear Sir:

Reference is made to your letter of November 4, 1938, at which time you forwarded, under separate cover, an index on various types of informants established during the investigation of the harboring angle of the above-entitled case during 1937.

This index is now being forwarded to you, under separate cover, to be maintained in the Little Rock Field Office.

Very truly yours,

John Edgar Hoover
Director

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Coffey.....
- Mr. Crowl.....
- Mr. Egan.....
- Mr. Foxworth.....
- Mr. Glavin.....
- Mr. Harbo.....
- Mr. Lester.....
- Mr. McIntire.....
- Mr. Nichols.....
- Mr. Quinn Tamm.....
- Mr. Tracy.....
- Miss Gandy.....

COMMUNICATIONS SECTION
 MAILED
 ☆ APR 25 1939 ☆
 P. M.
 FEDERAL BUREAU OF INVESTIGATION,
 U. S. DEPARTMENT OF JUSTICE

119

Little Rock, Arkansas

May 11, 1939

PERSONAL AND CONFIDENTIAL

24
X

Director,
Federal Bureau of Investigation,
Washington, D. C.

RECORDED

INDEXED

Re: CONDITIONS IN HOT SPRINGS, ARKANSAS.

Dear Sir:

Mr. WILLIAM SIEZ, JR., of Hot Springs, Arkansas, came to the Little Rock Field Division on the afternoon of May 9, 1939, and talked with me concerning conditions in Hot Springs, Arkansas.

7-576-3-55
FEDERAL BUREAU OF INVESTIGATION
MAY 29 1939

U. S. DEPARTMENT OF JUSTICE

It should be noted that Mr. SIEZ has been a reliable source of information for the Bureau for a number of years and is hostile to the present administration at Hot Springs.

Mr. SIEZ stated that the chief reason for his coming by the office was that he had noted that in the personnel of the Grand Jury now in session at Little Rock, Arkansas, was SAM SMITH, owner of a filling station in Hot Springs, Arkansas, an individual extremely friendly to LEO McLAUGHLIN, the Mayor in Hot Springs. Mr. SIEZ stated that he had noted through newspaper accounts in the past that every Federal Grand Jury and every Federal Petit Jury convened at Little Rock, Arkansas, has contained the name of one or more persons very friendly to the Hot Springs city administration. Mr. SIEZ stated that he did not know who picked these jurors but that the jury commissioners or the United States Clerk appeared to be friendly to the city administration.

He stated further that Mr. GRADY MILIER, United States Clerk of the Eastern District of Arkansas, and a brother-in-law of the late Senator JOSEPH T. ROBINSON of Arkansas, is considered rather friendly to the Hot Springs officials.

DOLSON
EAMM
NICHOLS
ONE
ORIGINAL FILED IN 62-43100-31

PARTIALLY
DEINDEXED
THIS SERIAL ONLY
9/17/57 JJ

DIRECTOR

May 11, 1939.

Mr. SIEZ informed me that from information received in Hot Springs recently, Federal officials had been checking records regarding income tax records and that he felt that if these records were presented to the present Federal Grand Jury in Little Rock, the same would be imparted to the city administration by SAM SMITH.

The Bureau has previously been advised of the investigation presently being conducted by the Bureau of Internal Revenue with reference to the income tax of Mayor McLAUGHLIN and other officials of Hot Springs.

Mr. SIEZ informed that CALE CARRINGTON, a teller in the Arkansas National Bank at Hot Springs, takes care of deposits for Mayor McLAUGHLIN and undoubtedly has first hand information regarding many of Mayor McLAUGHLIN'S financial transactions.

This is brought to the Bureau's attention inasmuch as it may desire to furnish this information to the Bureau of Internal Revenue at the Seat of Government. If the Bureau feels so disposed, it is suggested that the Bureau of Internal Revenue be also advised that according to Mr. SIEZ, various gamblers in Hot Springs will willingly testify before a Grand Jury if called upon to do so. Mr. SIEZ will gladly furnish the names of gamblers and other persons who should be subpoenaed if a request is received.

Very truly yours,

H. E. ANDERSEN,
Special Agent in Charge.

HEA:fw

May 16, 1939

EAT:HA

11:45 A. M.

MEMORANDUM FOR THE DIRECTOR

Re: Conditions in Hot Springs, Arkansas

*2m
x
Broken case*

In accordance with your notation on the letter from the Little Rock Office dated May 11, 1939, I called SAC Andersen at Little Rock and advised him that the Attorney General has asked you to furnish him a complete summary of the situation in Hot Springs at the present time. I advised Andersen that he should forward to the Bureau within twenty-four hours by air mail special delivery all available data, including information concerning the present Mayor, the Chief of Police, the payoff, and so forth. I informed Andersen that any inquiries should be made with the utmost discretion and there should be no indication that we are making any inquiry.

Andersen said he would handle the matter personally and that there are a number of persons in Hot Springs whom he has known for a number of years and from whom he can obtain the desired information.

Respectfully,

E. A. TAMM.

RECORDED

*1 ENCL. 2
2m
Adm*

7-576 Sub-3-559

FEDERAL BUREAU OF INVESTIGATION
MAY 29 1939
U. S. DEPARTMENT OF JUSTICE
TOLSON
NICHOLS
ONE

HT

ORIGINAL FILED IN 62-43105-31

Little Rock, Arkansas

May 17, 1939

PERSONAL AND CONFIDENTIAL

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: **CONDITIONS IN HOT SPRINGS, ARKANSAS.**

Dear Sirs:

Kindly refer to my letter of May 11,
1939, under the above caption.

On May 16, 1939, Assistant Director
E. A. TAMM telephoned from the Bureau regarding the letter
of reference and requested that a discreet inquiry be made
at Hot Springs for more definite information regarding the
local administration there, the gambling rackets, and the
reputed pay-offs.

Accordingly, Special Agent HAYNE A.
THOMPSON made contacts at Hot Springs with several persons
who have been reliable in dealings with the Little Rock
Field Division in the past.

In order to afford the Bureau with a
clear picture of conditions as they allegedly exist, the
matter herein is being carried under appropriate caption
for clarification.

GAMBLING IN ARKANSAS ILLEGAL

Section 3320 and several succeeding
sections, Pope's Digest of the Laws of the State of Arkansas,
prohibits gambling in all forms and provides for a fine of
not less than \$100.00 and imprisonment of not less than
thirty days or more than one year. The crime of gambling
is classified as a misdemeanor in this State. Pari-mutuel
betting is legal in the State of Arkansas at the Oaklawn Race
Track at Hot Springs, Arkansas only. This is governed by
Section 12,453 of Pope's Digest.

6) DEINDEXED
THIS SERIAL ONLY
9/17/57 23

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7-5716-3-559X
MAY 3 1939
U. S. DEPARTMENT OF JUSTICE

DIRECTOR

May 17, 1939

GOVERNOR'S CONNECTION WITH THE
HOT SPRINGS ADMINISTRATION

Special Agent J. R. CALHOUN, who is a native of the State of Arkansas, informed that Governor CARL E. BAILEY was admitted to the Office as Governor in January, 1937; that during the last few days of January, 1937, he had the State Police raid the most notorious gambling house near Hot Springs called Club Belvedere. The State Police took furniture and gambling equipment from the Club Belvedere to the Capitol grounds in Little Rock, Arkansas, where, after Governor BAILEY had advertised in the newspapers that the gambling equipment was to be burned, the furniture and other materials taken from the Club Belvedere was in fact burned. However, Former Chief of Detectives HERBERT "DUTCH" AKERS, who is now serving four years in the United States Penitentiary at Atlanta, Georgia, informed me shortly after his conviction in Little Rock for the harboring of ALVIN KARPIS and others that the furniture and fixtures were not burned but were returned to the Club Belvedere while stage props and cheap imitations of the gambling devices were in fact burned. In this connection he stated that the Governor had caused the raid to be made in order to bring the Hot Springs officials into line so they would pay him a substantial amount for permission to conduct their gambling activities.

JIM POULDS, presently operator of the Lee Hotel, Hot Springs, formerly connected with the Club Belvedere as a guard and bouncer, has been a friend of the Bureau since the Kansas City Massacre in 1933. He informed Agent THOMPSON on May 16, 1939, that it is his understanding that Governor BAILEY receives \$1,800 a month graft from the officials in Hot Springs in Hot Springs, Arkansas; that although he did not know who actually paid the Governor the money, it was his opinion that GRADY MANNING who is the President of the Southwest Hotels Corporation, is the one who actually brings the money to the Governor.

It might be noted that the Southwest Hotels Corporation owns and operates hotels in Memphis, Little Rock, Kansas City, and the Majestic and Eastman Hotels in Hot Springs, Arkansas.

DIRECTOR

May 17, 1938

Mr. MILTON NOBLE, Manager of the Western Union Branch Office in Hot Springs, who has been a friend of the Bureau, as well as a personal friend of mine since 1933, informed Agent THOMPSON that it is his understanding that Governor BAILEY receives between \$1,000 and \$2,000 a month graft from the Hot Springs officials; that although he is not sure, he thinks that possibly HENRI JULIAN, formerly Deputy United States Marshal for the Eastern District of Arkansas, and presently Auditor at the Club Belvedere is the go-between who pays the money to the Governor.

It might be noted that JULIAN is presently living at the ROCKAFELLOW Hotel located at Park and Central Avenue, telephone 3370. Incidentally, it might be further noted that Mr. ROCKAFELLOW, who died several months ago, was very active in underworld activities in Hot Springs, being a known contact for various big time criminals, and confidence men.

Mr. WILLIAM E. SEIZ, JR., proprietor of an outdoor advertising concern in Hot Springs, who has been friendly to the Bureau, as well as a personal friend of the writer, since the Kansas City Massacre, informed Agent THOMPSON that it is his understanding that Governor BAILEY receives \$2,000 a month graft from the Hot Springs officials. Mr. SEIZ stated that Governor BAILEY was also reputed to have obtained between \$50,000 and \$100,000 from officials in Hot Springs, whose names will be mentioned hereinafter, when he took office in 1937. Mr. SEIZ stated he did not know who the contact man between Governor BAILEY and the local officials is.

Mr. C. FLOYD HUFF, an attorney, and formerly United States Commissioner at Hot Springs, called at the Little Rock Office today and conferred first with me and then Agent THOMPSON. Mr. HUFF was formerly United States Commissioner at Hot Springs, and it is my personal recollection that he was reputedly one of the few men who knew FRANK BASH of the Kansas City Massacre while the latter was frequenting Hot Springs, prior to his apprehension there on June 16, 1933. While his reputation is questionable, it is felt that due to his connection, he should have reliable information insofar as the Hot Springs set-up is concerned.

DIRECTOR

May 17, 1939.

Mr. HUFF stated that it is his understanding that Governor BAILEY received only \$5,000 or \$10,000 from the Hot Springs officials when he took office in 1937, however, since that time, he is reputed to have received and is receiving \$1,000 a month from the Hot Springs officials. Mr. HUFF stated that it is his understanding that GRADY MANKING, previously mentioned in this letter, is the go-between for the Governor and the Hot Springs officials.

As of interest to the Bureau it might be noted that Mr. HUFF stated that Mayor LEO McLAUGHLIN of Hot Springs had informed the local gamblers that they would be assessed \$1,800 a month which sum was to be paid the Governor, however, according to Mr. HUFF, LEO McLAUGHLIN, Mayor of Hot Springs, retains \$800 unbeknown to the Governor.

TOWN BOSS OF HOT SPRINGS

Mr. HUFF, Mr. POULUS, and Mr. SEIZ all state that in their opinion, the boss of Hot Springs is Mayor LEO P. McLAUGHLIN, who resides at 820 Malvern Avenue, with his sister and mother, telephone number being 600. Mr. NOBLE stated it is his opinion that VERNAL LEDGERWOOD, Municipal Judge of Hot Springs, Arkansas, is the power behind the city administration and its racketeering activities. However, Mr. NOBLE stated that there had been various rumors of late that LEO McLAUGHLIN has usurped some of LEDGERWOOD'S powers and that LEDGERWOOD is fading into the background. Incidentally, Mr. HUFF stated that LEDGERWOOD is anxious to retire but is unable to do so as the Mayor has refused to allow him to withdraw. LEDGERWOOD'S full name is VERNAL S. LEDGERWOOD. He resides on Lake Hamilton, telephone number 369-W.

GAMBLING

According to Mr. POULUS, Mr. SEIZ, Mr. HUFF, and Mr. NOBLE, WILLIAM S. JACOBS of 116 Cedar Street, Hot Springs, Arkansas, is the head of the gambling syndicate in Hot Springs and vicinity. It might be noted that he does not have a listed telephone.

DIRECTOR

May 17, 1939.

The Club Belvedere which is located on the Little Rock-Hot Springs Highway, is the most elaborate gambling establishment in this vicinity. This club, according to Mr. POULUS, is owned by WILLIAM S. JACOBS, and several others have a small interest in the club. According to Mr. POULUS, one OTIS McCRAW of 103 Birchwood Street, telephone 2528, has a small interest, particularly in connection with the dice tables. McCRAW allegedly has some connections in Little Rock, Arkansas, and is supposed to be friendly with Governor CARL E. BAILEY. Mr. POULUS stated that SAM WATTS has a small interest in the club. It might be noted that SAM WATTS, a number of years ago, was the principal operator of gambling houses in the City of Hot Springs and that JACOBS has taken from him control of the gambling houses and at the present time there is a bit of ill feeling between him and JACOBS. In connection with the Belvedere Club, it might be noted that Mr. HUFF stated that it was generally reputed that Mayor LEO P. McLAUGHLIN and Judge VERNAL S. LEDGERWOOD together own a twenty-five percent interest in the Club Belvedere.

The Southern Club, located at 248 Central Avenue, Hot Springs, Arkansas, according to Mr. POULUS, is owned by JACOBS with the exception of a small interest which might be owned by some unknown gambler. The Southern Club operates a book making establishment all year around, and has various gambling devices in operation during the winter season. This club is managed by ROSCOE JOHNSON who resides at 108 Edgewood, Hot Springs, Arkansas.

The Kentucky Club located at 314 1/2 Central Avenue, owned by JACOBS, is managed by MATT PICCHI, who resides at 907 Park Avenue, telephone 1129. A book making establishment is operated here all year around and various gambling tables are operated during the winter season.

The Ohio Club is located at 336 Central Avenue, telephone 210. JACOBS owns one-third interest in this club, the other two-thirds are owned by CLEVELAND YOUNG and the widow of WILLIAM P. KLOTHE. Mr.

DIRECTOR

May 17, 1939.

POULUS stated that there is a possibility that the interest of Mrs. KLOTHE has been taken over by JACOBS and YOUNG. A book making establishment is operated at this place all year around and gambling tables are operated during the winter season.

The Ozark Club, located at 514 1/2 Central Avenue, telephone 800 is owned by JACOBS and managed by ERB O. WHEATLEY, who resides at 212 Miller Street, telephone 2877. According to Mr. POULUS, ERB O. WHEATLEY is a nephew of State Senator WHEATLEY of Hot Springs, Arkansas. A book making establishment and various gambling devices are operated at the Ozark Club all year around.

The White Front Club, 310 1/2 Central Avenue, telephone 682, is a book making establishment. According to Mr. POULUS, JACOBS does not have an interest in this club, and it is owned and operated by IRE CARRIGAN, who resides at 100 Division, telephone 1815, and a man whose first name is TONY, last name and address unknown.

The Blue Ribbon Club is located at 732 1/2 Central Avenue, telephone 840. Mr. POULUS stated that JACOBS does not have an interest in this club which is operated by three partners, namely, GARDNER ANDERSON, address unknown, LOUIS LARSEN, address unknown, and GEORGE PAKIS, 340 Holly Street, telephone 595.

The Citizens Cigar Store is located at 740 Central Avenue, telephones 341, 556, and 38. This place is owned by BENJAMIN F. HARRISON of 420 South Border Street, telephone 2691, and LOUIS J. LONGIOTTI, 1206 Central Avenue, telephone 3350.

It might be noted that BENJAMIN F. HARRISON is a brother-in-law of Mr. WILLIAM SEIZ, previously mentioned in this letter.

GENERAL GRAPT

Mr. POULUS stated that from information supplied him by SAM WATTS, the officials of Hot Springs take fifty percent of the winnings of the various gambling houses

DIRECTOR

May 17, 1939.

not taking into consideration the book making establishments. Of this fifty percent Mayor McLAUGHLIN and Judge LEDGERWOOD divide 87½ percent. The other 12½ percent is divided among Sheriff MARION ANDERSON, who resides at 1306 Central Avenue, telephone 3293, Circuit Judge EARL WITT, who resides at 2234 Central Avenue, telephone 2334, County Prosecuting Attorney GIBSON WITT, who resides at 1535 Central Avenue, telephone 1584, and Constable JOHN YOUNG, who resides at 8 North Border, telephone 515. Mr. POULUS stated that it is his understanding that Sheriff MARION ANDERSON, Judge WITT, Prosecuting Attorney WITT, and Constable YOUNG each receive a stipulated sum each month for graft which sum was obtained from the 12½ percent of the income which was assessed against the gamblers, and the remaining money of this 12½ percent was retained by Mayor McLAUGHLIN and Judge LEDGERWOOD. Mr. POULUS stated there is a possibility that Prosecuting Attorney GIBSON WITT does not receive a specific sum of graft money but he possibly may obtain his fees through fines which are assessed all book making establishments in Hot Springs. Mr. POULUS stated that Deputy Sheriff ROY ERMEY who is also the jailer, and who resides at 606½ Ouachita Avenue, is reputed to be the real head of the Sheriff's Office. He is a son-in-law of Constable YOUNG and formerly United States Commissioner at Hot Springs. Mr. POULUS stated that he did not know definitely whether or not ROY ERMEY receives graft of any nature. Mr. POULUS stated that there was no way to figure out how much money Mayor McLAUGHLIN or VERNAL LEDGERWOOD received.

Mr. SEIZ stated that to the best of his knowledge Mayor LEO McLAUGHLIN, Judge LEDGERWOOD, and City Attorney A. T. "SONNY" DAVIES, who has an office in the Citizens Building with Judge LEDGERWOOD, and resides on Lake Hamilton, are the three city officials who obtain graft. DAVIES, according to Mr. SEIZ, is supposed to be the "fixer" who takes care of fixing juries, and squaring things with Government officials. Mr. SEIZ stated that McLAUGHLIN undoubtedly gets the most graft; that LEDGERWOOD and Judge EARL WITT probably come next and probably share alike; that it is his understanding that Sheriff ANDERSON gets a stipulated monthly fee; that "SONNY" DAVIES gets either a small graft or is repaid by legal business which is given to him

DIRECTOR

May 17, 1939.

by the city and county officials. As to the county, Mr. SEIZ stated that he was confident that Judge WITT and Sheriff ANDERSON receive graft every month, but as to GIBSON WITT, County Prosecuting Attorney, and CURTIS RIDGEWAY, Assistant Prosecuting Attorney, he did not know definitely whether or not they actually receive graft or only collect fees on the fines which were assessed against book making establishments, however, the prosecuting attorney's office is supposed to be worth \$1,000 a month.

Mr. SEIZ stated he did not think Deputy Sheriff ROY ERMEY or Constable YOUNG are receiving any graft.

Mr. NOBLE stated that it is his understanding that of the county officials only Sheriff ANDERSON and Judge WITT receive graft; that of the city officials only Mayor McLAUGHELIE and Judge LEDGERWOOD receive graft; and that the fifth one to receive graft was Governor CARL E. BAILEY. Mr. NOBLE stated that he did not think "SONNY" DAVIES, Constable YOUNG, or Deputy Sheriff ERMEY receive any graft at all.

Mr. HUFF stated that he did not know the exact set-up as to the payment of graft at the present time however, it is his understanding that five years ago the Club Belvedere, Southern Club, and other gambling establishments, not counting book making establishments, were assessed \$600 a week as graft. Mr. HUFF stated he did not know whether or not this same sum was still assessed or whether it had been increased, further, that he understood McLAUGHELIN and Judge LEDGERWOOD together own a twenty-five percent interest in both the Southern Club and the Belvedere Club. Mr. HUFF stated of the city officials it is his understanding that Mayor McLAUGHELIN and Judge LEDGERWOOD receive the major portion of graft and that they share and share alike. In view of their ramifications and interests, no one has any idea as to the amount of money they collect each month.

As to the county officials, Mr. HUFF stated that it is his understanding that Circuit Judge EARL WITT, Prosecuting Attorney GIBSON WITT, and Sheriff MARION ANDERSON each receive \$1,000 a month graft; that Constable

DIRECTOR

May 17, 1938.

JOHN YOUNG receives a small amount each month as graft. Mr. HUFF stated that Deputy Prosecuting Attorney CURTIS RIDGEMAN is reputed to get \$300 a month graft. Mr. HUFF stated that he did not think A. T. "SONNY" DAVIES actually took any graft, however, he might receive a gift now and then from the city officials, that DAVIES was in poor health having heart trouble, and possibly might die at any time.

GRAFT COLLECTORS

Mr. JIM POULUS stated that no one apparently definitely knew who actually collected the graft from the gamblers and paid it to the local officials, however, he thought Sheriff ANDERSON collects the graft for himself and for Circuit Judge EARL WITT; that he did not think Mayor McLAUGHLIN trusts anyone, and that McLAUGHLIN personally obtains the graft from JACOBS either at JACOBS home or at the Southern Club or the Club Belvedere. Mr. POULUS stated that ARCHIE E. LEDGERWOOD, who resides at 450 W. Grand Avenue, telephone 2687, brother of Judge VERNAL LEDGERWOOD, works at the Club Belvedere and the Southern Club as a lookout man and bouncer, but that his real purpose in being at these clubs was to check up on the amount of money won and to report the amount of winnings to Mayor McLAUGHLIN and his brother, VERNAL LEDGERWOOD. Mr. POULUS stated that possibly ARCHIE LEDGERWOOD actually collected the graft from JACOBS and paid it to Mayor McLAUGHLIN and Judge LEDGERWOOD, however, he seriously doubted this.

Mr. NOBLE stated that in his opinion ARCHIE LEDGERWOOD was the collector of graft for the officials of Hot Springs and that HENRI JULIAN was the go-between for the pay-offs to Governor CARL E. BAILEY.

Mr. SEIZ stated he did not know who actually collected the graft, however, ARCH COOPER, a former Hot Springs police officer, had collected graft when he was on the police force, but that he is now employed as a lookout man and bouncer at the Club Belvedere and he may have something to do with the collecting of graft at the present time. Mr.

DIRECTOR

May 17, 1939.

SEIZ stated that one ED SPEARS, who resides on Spear Street near the Hot Springs High School, is probably one of the collectors and that SPEARS is an ex-convict and known murderer. SPEARS is a close friend of Mayor McLAUGHLIN and is supposed to have a daily morning conference with Mayor McLAUGHLIN in the Mayor's office.

Mr. NOBLE stated that in his opinion ED SPEARS is just a hang-around and does not have anything to do with the collection of graft.

Mr. SEIZ stated that graft is collected from the book making establishments in two ways, one being a fine for an assessment against each book making establishment twice a month and that it is his understanding that this fine is \$110.00 and costs each month. The other form of collecting from the book making establishments, according to Mr. SEIZ, was that an unknown amount was assessed against each book making establishment which sum was placed in a regular betting pay-off envelope, and the collector, whoever he might be, would go to the pay-off window in the book making establishment as if he had won a horse race bet and he would receive this envelope containing the monthly or weekly graft.

As to ARCH COOPER, Mr. SEIZ stated that it was common talk that during the time COOPER was on the police force he collected \$1.00 a day from each prostitute in Hot Springs, which money was supposed to go to Judge LEDGERWOOD.

Mr. POULUS stated that formerly each book making establishment was assessed a certain amount of graft each week or each month, but that about three years ago this method of collection was changed, and that now each book making establishment is fined twice a month; that this fine amounts to about \$185.00 every two weeks; that it is his understanding that of this fine which was assessed only a small part of the actual money collected was listed on the city's books as being the fine assessed, while the balance of the money was received by Mayor McLAUGHLIN and other officials.

DIRECTOR

May 17, 1939.

Mr. FOULUS stated that at the present time most of the houses of prostitution in Hot Springs have been closed and that he does not know whether or not prostitutes are being assessed, however, in the past the assessing of the prostitutes was generally taken care of by the various police officers.

Mr. HUFF stated that it is his understanding that JACOBS, who owns and controls practically all of the gambling and book making establishments in Hot Springs, collects the assessments from the other book making establishments and gambling houses not owned by him; that he in turn hands over the entire graft to Mayor LEO McLAUGHLIN; that Mayor McLAUGHLIN then apportions the amount of graft which each of the other local officials are supposed to receive. Mr. HUFF stated that ARCHIE LEDGERWOOD is employed at the Club Belvedere solely for the purpose of checking the income of the club in order to protect Mayor McLAUGHLIN and Judge LEDGERWOOD in receiving the graft.

As to the book making establishments Mr. HUFF stated that it is his understanding that at the present time they are not assessed for graft other than that they are fined twice a month in the amount of \$100.00 and costs which would amount to about \$270.00 or \$280.00 a month. Mr. HUFF stated that he had never heard any rumors that the fines were not actually received by the city, consequently, he believed that the money collected from these fines was not received by the local officials.

MISCELLANEOUS GRAFT

Mr. SEIZ stated that at the present slot machines are not being operated generally in Hot Springs with the exception of being in various gambling establishments; that all of the nickel pin ball machines which are operated in Hot Springs are controlled by PHIL MARKS of 1801 Central Avenue, telephone 852. Mr. SEIZ stated that Mayor McLAUGHLIN is supposed to receive twenty-five percent of the income of these pin ball machines. Mr. SEIZ stated that there is a policy game being operated by a negro by the name of WILL PAGE, and being

DIRECTOR

May 17, 1938.

financed by two white men, names unknown. It is his understanding that Mayor McLAUGHLIN receives some sort of graft from this policy game.

Mr. HUFF gave substantially the same information as Mr. SEIZ IN CONNECTION with this policy game.

Mr. HUFF informed that JACOBS has control of the leased wires for all horse race results entering Hot Springs, Arkansas; that he in turn sub-leases the wire to each of the seven book making establishments at the rate of \$100.00 a week. Mr. HUFF stated that after the expenses have been paid there is probably a profit of \$500.00 each week on this leased wire; that it is his understanding that the leased wires are actually controlled by Mayor McLAUGHLIN and Judge LEDGERWOOD and that JACOBS merely acts as their agent and the \$500.00 weekly graft is received by Mayor McLAUGHLIN and Judge LEDGERWOOD.

Mr. HUFF stated that Mayor McLAUGHLIN is an attorney, however, he does not have any real legal ability, however, he controls all the personal injury cases and other important pieces of litigation in which large sums of money are involved; that it is generally understood that in every personal injury suit, to be victorious, it is necessary to associate with Mayor McLAUGHLIN in the trial of the law suit. Mr. HUFF stated that as a matter of self defense the large accident insurance corporations will hire Mayor McLAUGHLIN to defend personal injury actions. Mr. HUFF stated that Mayor McLAUGHLIN has a reputation of being in control of all the courts and juries in the city of Hot Springs and Garland County, Arkansas.

Mr. C. RAYMOND DUVALL, an attorney with offices in the Arkansas National Bank Building, Hot Springs, Arkansas, informed Special Agent J. R. CALHOUN that he had recently been contacted by an insurance salesman by the name of LOUIS E. GRIFFIN, who had maintained Post Office Box 358 in Hot Springs; that GRIFFIN had informed him, DUVALL, that Mayor LEO McLAUGHLIN had talked to him about purchasing a \$50,000 annuity with the Northwest

DIRECTOR

May 17, 1939.

National Life Insurance Company, Minneapolis, Minnesota, with whom GRIFFIN was connected; that McLAUGHLIN had stated that he could pay cash for this annuity, and would write a check on a Minnesota bank. Mr. DUVALL stated that GRIFFIN had asked him if a city could sue the insurance company under the claim that its creditors had been defrauded if an annuity was written. Mr. DUVALL explained to Agent CALHOUN that GRIFFIN did not actually state that this question concerned Mayor McLAUGHLIN, but that he interpreted it to mean that GRIFFIN or McLAUGHLIN was worried for fear that in the event of the death of McLAUGHLIN, creditors of the city or other creditors might attempt to compel the insurance company to pay the \$50,000 to them rather than to the beneficiary listed, on the ground that the money by which the premiums paid were secured by McLAUGHLIN, had been obtained through fraud. Mr. DUVALL said that Mr. GRIFFIN is now at Gilbert, Louisiana, due to the severe illness of his mother, who is believed to be Postmistress at that point. (The interview with Mr. DUVALL was made as a result of a telephonic request made by Mr. DUVALL to me that an agent contact him on a matter which was possibly of value to the Bureau.)

Mr. SEIZ informed Agent THOMPSON that CALE CORRINGTON, 118 Breeze Street, telephone 1633, a teller at the Arkansas National Bank which is located at Central and Court Streets, telephone 3800, is reputed to be taking care of Mayor McLAUGHLIN'S deposits. Mr. SEIZ further stated that Mayor McLAUGHLIN makes frequent trips to Saint Louis, Missouri, and that in his opinion, Mayor McLAUGHLIN has bank accounts or safety deposit vaults in some of the banks in Saint Louis.

POSSIBLE GRAND JURY WITNESSES

Mr. SEIZ stated that in his opinion none of the gamblers in Hot Springs would willingly volunteer any information as to the graft and other corrupt conditions in Hot Springs, Arkansas, however, he felt that all of the gamblers if brought before a Federal Grand Jury and informed of the Perjury Statute, would give testimony truthfully as a matter of self defense. Mr. SEIZ stated that in view of the control which Mayor McLAUGHLIN and Judge LEDGERWOOD have over

DIRECTOR

May 17, 1939.

the local gamblers, best results would be obtained by arresting the local gamblers and taking them to Little Rock before the Grand Jury, or some place where they could not be contacted by Mayor McLAUGHLIN or any of his agents; that the ideal plan would be to simultaneously arrest all of the gamblers and associates of the Hot Springs officials and inasmuch as all of the gamblers and associates would not know what each was saying about the other, they would probably give testimony in order to protect themselves from going to the Penitentiary. Mr. SEIZ, of course, was advised that the Bureau is not investigating the officials of Hot Springs for graft or evasion of income tax inasmuch as the matter does not come within our investigative jurisdiction.

Mr. NOBLE stated he did not have any idea as to any gamblers who would testify willingly as to the corrupt conditions in Hot Springs, however, if brought before a Federal Grand Jury, any or all of them might talk as a matter of self preservation.

Mr. POULUS stated that no information could be obtained from various gamblers if openly contacted, however, if subpoenaed before a Federal Grand Jury, several might give information as a matter of self preservation; that SAM WATTS who should be in a position to know the intimate details of the gambling syndicate and graft pay-off, and who is presently on ill terms with JACOBS might talk before a Federal Grand Jury. Mr. POULUS stated that in his opinion if the gamblers were brought before a Grand Jury and asked who they paid their money to, they would testify in order to protect themselves. Mr. POULUS stated that a year or two ago the book making establishments assessments had been increased and that if the United States Attorney would start out with a question like that, the various gamblers would think that someone else had already given information and these gamblers would talk in order to keep themselves out of trouble. Mr. POULUS stated that one BILL DONOVAN of Chicago, Illinois, address unknown, had opened up the Kentucky Club in Hot Springs three or four years ago, and had lost \$30,000 or \$40,000 in the venture. Mr. POULUS stated that DONOVAN, inasmuch as he is not connected with Hot Springs any longer, might be willing to supply information as to the pay-off he had to make and the conditions as they were when he was operating the Kentucky Club.

DIRECTOR

May 17, 1936.

Mr. HUFF stated that in his opinion ED SPEARS if brought before a Grand Jury would testify in order to save himself from being returned to the Penitentiary; that SPEARS is sixty-five or seventy years of age, and has a wife and daughter, and inasmuch as he has already served time in the Penitentiary he would talk in order to keep out of the Penitentiary.

Mr. HUFF stated that ED SPEARS is probably the only individual in Hot Springs who Mayor McLAUGHLIN really trusts; that SPEARS and McLAUGHLIN are very close and have a conference at least once a day in the Mayor's office. Mr. HUFF stated that in his opinion SAM WATTS would talk if brought before a Federal Grand Jury; further, that BEN HARRISON, a gambler and brother-in-law of Mr. SEIZ, would testify if brought before a Grand Jury. Mr. HUFF stated that ARCHIE LEDGERWOOD, brother of Judge LEDGERWOOD, would not voluntarily tell the truth, however, he is rather ignorant and could be easily crossed up by questioning and in that regard might give information where he did not intend to. Mr. HUFF stated that HOUSTON EMORY, an attorney in the Citizens Bank Building, was County Prosecuting Attorney for six years between 1930 and 1936, and that he was defeated for this office by BIBSON WITT, and, consequently, has rather ill feelings toward the Hot Springs officials, and possibly might be willing to supply information in connection with conditions in Hot Springs, Arkansas.

LAW ENFORCEMENT

Mr. POULUS, Mr. NOBLE, Mr. SEIZ, and Mr. HUFF all concurred in the opinion that WELDON RASBERRY, whose title is Commissioner of Public Safety, in which capacity he is Chief of Police of the City of Hot Springs, Arkansas, is merely a figurehead who was placed in the present position he holds in order to avert criticism after the conviction of the Hot Springs officials in the KARPIS harboring case; that RASBERRY is personally honest and does not obtain graft. These four men likewise concurred in the opinion that Sheriff MARION ANDERSON is merely a figurehead who was put in his present position by Mayor McLAUGHLIN, consequently, he is under obligation to McLAUGHLIN, and acts under McLAUGHLIN'S instructions.

DIRECTOR

May 17, 1939.

All of these men are of the opinion that Sheriff ANDERSON obtains graft. These four mentioned men likewise stated that WILLIAM ARMSTRONG of the Arkansas State Highway Patrol, is essentially honest, however, as far as law enforcement work is concerned, he is merely a figurehead; that he obtains his orders from Superintendent GRAY ALBRIGHT, who in turn receives his orders from Governor CARL E. BAILEY, and that it is their understanding that ALBRIGHT is under specific instructions not to cause any trouble with the various gambling establishments in Hot Springs and vicinity.

Mr. HUFF stated that shortly after Governor BAILEY took office as Governor, he had written him a letter complaining about the gambling conditions in Hot Springs and vicinity; that GRAY ALBRIGHT, Superintendent of the State Police, had been sent to see him by Governor BAILEY, and had informed him that there was no gambling in Hot Springs, Arkansas. Mr. HUFF stated he informed Mr. ALBRIGHT he could take him to half a dozen places where gambling was going on and that Superintendent ALBRIGHT then remarked that those places are on the second floor and the State Police did not have any jurisdiction over them.

The foregoing has been set forth for the information of the Bureau and Department inasmuch as to my knowledge and as the Bureau knows, agents of the Bureau of Internal Revenue, have and are now investigating income tax returns of the officials mentioned in this communication.

Very truly yours,

H. E. ANDERSEN,
Special Agent in Charge.

HAT:fw

AIR MAIL SPECIAL DELIVERY.

Little Rock, Arkansas,
May 29, 1939.

PERSONAL AND CONFIDENTIAL

Director,
Federal Bureau of Investigation,
Washington, D. C.

RE: CONDITIONS AT HOT SPRINGS,
ARKANSAS

Dear Sir:

With reference to my letter of May 28,
1939, please be advised that through inadvertence the
addresses of BRYAN and AL GRAYSON were given as Route
8, Paris, and Route 2, Blossom, Arkansas, respectively.

The records of the Bureau should be
corrected to show that they reside in Texas rather than
in Arkansas.

Very truly yours,

H. E. ANDERSEN,
Special Agent in Charge.

HEA:adm

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INDEXED

7-576-3-560

FEDERAL BUREAU OF INVESTIGATION
MAY 31 1939
U. S. DEPARTMENT OF JUSTICE

Wichita *DM* *H* *H*

DEINDEXED
THIS SERIAL ONLY
9/17/57 23

ORIGINAL FILED IN

EAT:COH

June 4, 1939

Time: 1:55 p.m.

MEMORANDUM FOR THE DIRECTOR

RE: CORRUPTION AND GRAFT CHARGES
HOT SPRINGS, ARKANSAS
CITY ADMINISTRATION

SAC Andersen called from Little Rock stating he had just received a telephone call from two Internal Revenue Agents desiring to talk with him about the Hot Springs situation, and requesting advice as to how far to go with these Agents.

I pointed out to Andersen that of course we do not have any information regarding any income tax violations and that it is a matter of common knowledge, as is disclosed by the front pages of the newspapers, that Mayor McLaughlin and Judge Ledgerwood and all of their associates are taking money as fastly as they can. I told Andersen that he should see the Internal Revenue Agents and talk to them without any reservation.

Respectfully,

E. A. TAMM

RECORDED
&
INDEXED

7-576-3-561
FEDERAL BUREAU OF INVESTIGATION
JUN 8 1939
U. S. DEPARTMENT OF JUSTICE
TOLSON

DE INDEXED
THIS SERIAL ONLY
4/17/57 23

Alvin Karpis

ORIGINAL FILED IN 62-47106-29

500 Rector Building
Little Rock, Arkansas
May 28, 1939

PERSONAL AND CONFIDENTIAL

Director
Federal Bureau of Investigation
Washington, D. C.

Dear Sir:

RE: CONDITIONS AT HOT SPRINGS, ARKANSAS.

Mr. WILLIAM BRANDENBURG, former Chief of Police at Hot Springs, Arkansas, telephoned me today and stated he was visiting with two men who desired to disclose some information to me with reference to conditions at Hot Springs.

It should be remembered that Mr. BRANDENBURG has none too savory a reputation, himself, and that his present means of livelihood is problematical. He has, for the past eleven years, worked with, and given me information when it would work out to his benefit.

Early this afternoon, the two men appeared and identified themselves as BRYAN GRAYSON, of Route 6, Paris, Arkansas, and AL GRAYSON, of Route 2, Blossom, Arkansas. Both stated they are brothers of GRACE GOLDSTEIN, who was convicted in Little Rock, last fall, for conspiring to harbor ALVIN KARPIS and for a violation of the White Slave Traffic Act.

They stated: That prior to the trials, LEO McLAUGHLIN, Mayor of Hot Springs, and VERNE LEDGERWOOD, Municipal Judge, conferred with GRACE and her attorney, SAM ROBINSON, of Little Rock. At that time McLAUGHLIN and LEDGERWOOD agreed to pay GRACE'S attorney fees in the amount of \$1,500.00; but, as a cover-up, they had GRACE execute a mortgage on the furniture and fixtures of her establishment in Hot Springs. They informed her that this was merely a sham mortgage which would not be foreclosed, pointing out that the mortgage's being executed in favor of SAM ROBINSON would indicate to the public, if a check-up were made, that he was receiving his fee direct from GRACE rather than from McLAUGHLIN and LEDGERWOOD.

RECORDED & INDEXED

The brothers related that prior to GRACE'S trial they conferred with SAM ROBINSON and offered to provide assistance. However, he discouraged the plan and told them he would be able to handle the matter satisfactorily.

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7-576-3-561X

FEDERAL BUREAU OF INVESTIGATION
JUN 10 1939

U. S. DEPARTMENT OF JUSTICE

TOLSON
TAMM
ONE

ORIGINAL FILED IN 62-43105-33X

Director - Re: Conditions at Hot Springs, Ark. - Little Rock, 5-28-59.

Since GRACE GOLDSTEIN has been incarcerated the mortgage has been foreclosed, and, in the opinion of the brothers, the money has been divided among the Hot Springs officials.

Both GRAYSONS stated that prior to GRACE'S conviction they were of the opinion that she would be double-crossed by the Hot Springs officials and felt that she could have bettered herself by telling the Government what she knew. They said they learned, however, that she feared for her life in the event she talked, inasmuch as she had told her paramour, JACK BAXTER, he had better leave Hot Springs or they would kill him and her, too, before she could be taken to the penitentiary, in the event she opened her mouth. They expressed the opinion that GRACE undoubtedly has the key to much information of value and stated that they would like to have her tell the Government all she knows about conditions as they existed in Hot Springs.

In connection with the preceding, each of the brothers offered to visit GRACE at Alderson, West Virginia, and to tell her how the officials had double-dealt with her in disposing of her property. Both expressed confidence that they could persuade GRACE to tell the truth and to assist the Government in any investigation which might be made of the Hot Springs officials.

Naturally, the brothers each expressed an interest in the welfare of GRACE GOLDSTEIN and desired to be informed if her sentence could be reduced or some form of leniency shown her in the event she would make a clean breast and testify for the Government in any trial which might be brought against Mayor McLAUGHLIN and his cohorts.

This information is brought to the attention of the Bureau for such action as it deems warranted. The Bureau is requested to advise me in the premises in order that I may pass the Bureau's decision on to the GRAYSON brothers.

Very truly yours,

H. E. ANDERSEN
Special Agent in Charge

HEA-jhb

COPY (gmr)

FEDERAL BUREAU OF INVESTIGATION

WASHINGTON, D. C.

EAT:DM

June 23, 1939

MEMORANDUM FOR THE DIRECTOR

With reference to your notation on the attached letter concerning conditions at Hot Springs, Arkansas, I believe that when we issue Grand Jury subpoenas for the racketeers and gamblers in the various sections of the country we should also subpoena Mayor Leo McLaughlin, Verne Ledgerwood, the Municipal Judge, and any other of the so-called office holders at Hot Springs who we know are involved in shady deals. I believe that in connection with the Buchalter case we can possibly develop something which might enable us to find proper grounds for prosecution of McLaughlin.

Respectfully,

Edward A. Tamm

Notation:

We don't want to wait until then before taking up angles of attached matters. JEH

Alvin Karpis - Hot Springs Ark

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7-576-3-561X

FEDERAL BUREAU OF INVESTIGATION
JUN 28 1939
U. S. DEPARTMENT OF JUSTICE
TOLSON TAMM Buchalter ONE 1939

ORIGINAL FILED IN 62-43105-33X

copy (gmr)

EAT:DM

June 27, 1939

Personal and
Confidential

RECORDED

7-576-3-561X

Mr. E. L. Richmond
Federal Bureau of Investigation
U. S. Department of Justice
500 Rector Building
Little Rock, Arkansas

Dear Sir:

With reference to your communication of May 28, 1939, advising of the activities of Leo McLaughlin, Major of Hot Springs, and Verne Ledgerwood, Municipal Judge, I believe it would be well for you to immediately initiate a discreet investigation for the purpose of developing all possible information concerning the irregular activities of McLaughlin and Ledgerwood. It appears that the conduct of these individuals is highly reprehensible and undoubtedly in violation of existing laws and statutes. While I realize that the Internal Revenue Bureau of the Treasury Department is conducting an investigation at this time into the income tax angles of McLaughlin's and Ledgerwood's activities, I do not believe that this investigation will interfere in any manner with a discreet investigation conducted by Agents of your office. I believe that an investigation of this kind can be conducted in a thorough and complete manner without any immediate indication of the Bureau's investigation.

Please give this matter immediate and careful attention and your close supervision in order that I may be furnished at the earliest possible date with complete facts concerning the activities of these individuals.

Very truly yours,

John Edgar Hoover
Director

ORIGINAL FILED IN 62-43105-32X

COPY (gmr)

JBH:AI

July 31, 1939

PERSONAL AND CONFIDENTIAL

RECORDED

7-576-3-561X

Mr. E. L. Richmond
Federal Bureau of Investigation
U. S. Department of Justice
500 Rector Building
Little Rock, Arkansas

WFS

Dear Sir:

Reference is made to my Personal and Confidential letter to you dated June 27, 1939, requesting a discreet investigation of the activities of Leo McLaughlin, Mayor of Hot Springs, and Verne Ledgerwood, Municipal Judge.

I desire to be advised of the status of this investigation at the present time.

Very truly yours,

John Edgar Hoover
Director

ORIGINAL FILED IN 62-43105-33X

mm

Little Rock, Arkansas

June 28, 1939

PERSONAL AND CONFIDENTIAL

Director
Federal Bureau of Investigation
Washington, D. C.

Dear Sir:

Pursuant to my telephone conversation with Inspector L. B. NICHOLS on June 24, 1939, wherein he requested efforts be made to obtain a copy of the transcript of the testimony taken at the hearing of an investigative committee appointed by the House of Representatives of the Arkansas State Legislature in 1937; the summary of which testimony was contained in the report of Special Agent D. P. SULLIVAN, Little Rock, Arkansas, dated July 15, 1937, in the case entitled ALVIN KARPIS, with aliases; ET AL; EDWARD GEORGE BREMER - VICTIM; KIDNAPING; HARBORING OF FUGITIVES; OBSTRUCTION OF JUSTICE; NATIONAL FIREARMS ACT, Little Rock File # 7-2, Special Agent R. L. JOHNSON of this office contacted the Income Tax Division of the Department of Revenue, State Capitol Building, Little Rock, Arkansas, and was advised that TRACER FREEMAN is the only person with a name similar to the name of the individual who furnished the transcript to Special Agent D. P. SULLIVAN. It was further ascertained that Mr. FREEMAN died approximately two years ago; that he was originally from Hot Springs, Arkansas, and that he was at one time County Clerk of Garland County, Arkansas.

Agent JOHNSON then made inquiries at the office of C. G. HALL, Secretary of State, State Capitol Building, Little Rock, Arkansas, where, with the assistance of ELIZABETH McCLAIN, a transcript of "A Record of Proceedings of the House Investigating Committee, Investigating Possible Irregularities in Official Conduct of Garland and Montgomery Counties Arkansas" was located.

RECORDED & INDEXED

This transcript is contained on pages 1596 to 1968 inclusive of the Journal of the House of Representatives of the Fifty-first General Assembly of the State of Arkansas.

7-576-3-562

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
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RANK
FUG.
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67-103-27

Director

June 28, 1939

reflected by the typewritten permanent public record of said Journal on file in the office of the Secretary of State. It was noted that the transcript of this House Journal is contained on large pages, approximately fifteen by twenty-four inches, and that it would not be practical to attempt to copy same on the Electro-Copyst in possession of the Little Rock Office. Said transcript indicates that the investigating committee convened on January 18, 1937; the date of adjournment is not reflected thereupon. It further reflects that the following persons were members of the investigating committee:

WILLIAM T. THOMPSON - Chairman
LEE NICHOLS
IKE MURRAY
PAT ROBINSON
J. FRED JONES
JOHN E. THOMPSON - Counsel

Mrs. McCLAIN first indicated that the original transcript of this testimony from which the entry on the House Journal was copied is in the vault of the Secretary of State. She later indicated that she does not know the present location of the original transcript.

Agent JOHNSON observed that the copy of this testimony, while supposedly a part of the House Journal and bearing House Journal page numbers, was not contained in the same book and under the same cover with the regular House Journal. The testimony was wrapped in newspapers and tied with a small rope. Mrs. McCLAIN explained that the instrument was given to the office of the Secretary of State in this manner to be filed.

G. G. HALL, Secretary of State, advised that the transcript of this testimony is a part of the permanent public records of the office of the Secretary of State, and cannot under any circumstances be removed from his office. He stated that said record is available to the public in his office and will consequently be available to anyone from this office at his office for copying, or for any other purpose. It was further ascertained at the office of the Secretary of State that the regular price for copying the transcript of this testimony would be approximately \$225.00, but the Assistant Secretary of State stated to Agent JOHNSON that the office of

Director

June 28, 1939

the Secretary of State would make a copy of same for \$100.00.

Agent JOHNSON also obtained from the office of the Secretary of State a copy of the printed Journal of the House of Representatives of the Fifty-first General Assembly of the State of Arkansas which is being forwarded to the Bureau under separate cover. It will be noted that the above mentioned transcript of testimony is not contained in said printed House Journal.

Page eighty-six of said House Journal reflects that on January 14, 1937, House Resolution No. 6 was introduced into the House of Representatives, which resolution suggested that a committee of five members be appointed to conduct an investigation of Garland and Montgomery Counties, Arkansas. This resolution was voted down at the first ballot, which is indicated on page ninety-one of said House Journal. Upon second ballot this resolution was carried and a committee was appointed to conduct this investigation. The second vote is reflected on page ninety-three. Page one hundred and eleven of said House Journal reflects the names of the members of the house appointed to serve on said committee; the names being:

THOMPSON of Independence - Chairman
NICHOLS of Logan County
MURRAY of Dallas County
ROBINSON of Lafayette County
JONES of Montgomery County

The majority report of said investigating committee is contained on pages 832 to 843 of said Journal. Said majority report is signed by W. M. THOMPSON - Chairman; LEE NICHOLS - Secretary; and LEE MUREY.

The minority report of said committee is reflected on pages 843 to 846 of said House Journal and is signed by PAT ROBINSON and FRED JONES.

It will be noted that both the majority and minority reports were received, filed, read in full and referred to the committee on Judiciary.

In a further effort to obtain the original transcript of testimony in connection with this Legislative investigation, Special Agent HAYNE A. THOMPSON contacted Mr. JOHN R. THOMPSON, presently Superintendent of the State Welfare Board, who is a friend of Agent THOMPSON.

Director

June 28, 1939

Mr. JOHN R. THOMPSON stated to the best of his knowledge, there had been an original and two copies made of the testimony which had been obtained at this Legislative investigation; that the original had been given to the Clerk of the House of Representatives of the State Legislature at the time this committee had made its report; that one copy had been given to him. He in turn had lent it to WILLIAM T. THOMPSON, Chairman of this committee, who had turned it in to Governor CARL E. BAILEY. The second copy had been given to PAT ROBINSON of Lewisville, Lafayette County, Arkansas. Mr. THOMPSON stated that ROBINSON was very antagonistic toward the committee conducting this investigation, and in his opinion, ROBINSON was obtaining the information and turning it over to the Hot Springs crowd. Mr. THOMPSON stated that the hearing had been reported by WALTER POWELL of Little Rock, Arkansas, who is a private reporter. Mr. THOMPSON further stated that there was a possibility that one copy of this report might be found in the office of the Commissioner of Revenue, State of Arkansas.

Agent THOMPSON contacted Mr. B. B. TOLAND, Deputy Commissioner of Revenue, and W. E. SHEFFIELD, Cashier in the Revenue Department. However, they informed that to the best of their knowledge this report had never been filed in the Revenue Office.

Agent THOMPSON contacted WALTER POWELL of 5109 "A" Street, Little Rock, Arkansas, who stated that he had made an original and two copies of the testimony given before this Legislative investigating committee; that upon instructions from the committee he had turned one copy over to PAT ROBINSON, one copy over to JOHN R. THOMPSON and had given the original copy to the Clerk of the House of Representatives. Mr. POWELL stated that it was his understanding that the original transcript which he had given to the Clerk of the House of Representatives had subsequently been destroyed; that it was his understanding that ROBINSON had taken his copy back to his home in Lewisville, Arkansas, and he had heard that various people had read that report. Mr. POWELL stated that he has his original notes made at the time of this Legislative investigation, which notes he will retain for possible future use.

Very truly yours,

E. L. RICHMOND,
Special Agent in Charge.

RLJ:IN

OKLAHOMA CITY, OKLAHOMA
AUGUST 7, 1939

A. R. Waterbury,
Special Agent,
Internal Revenue Service,
Treasury Department,
General Delivery,
Hot Springs, Arkansas.

Dear Sir:

This relates to your letter of August 5, 1939, in which you request to be advised whether one JACK BAXTER, of Cleveland, Ohio, is or was a Government employee.

As my recollection serves me, JACK BAXTER was the paramour of GRACE GOLDSTEIN when she was residing in Hot Springs. Since then, as a matter of fact just a few months ago, he left Hot Springs and I do not know his present whereabouts. He could be located, however, either through GRACE GOLDSTEIN, who is at Alderson, West Virginia, or either one of her two brothers who reside near Paris, Texas.

I also believe that information regarding his present whereabouts could be obtained through BILL BRANDENBURG, who operates a cleaning establishment at Hot Springs.

Very truly yours,

H. E. ANDERSEN
SPECIAL AGENT IN CHARGE

HEA:os

cc - Bureau ✓
cc - Little Rock

(Income Tax Investigation
Hot Springs, Arkansas.)

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7-576-3-5622
FEDERAL BUREAU OF INVESTIGATION
AUG 10 1939
U. S. DEPARTMENT OF JUSTICE

Edna A. ...

RECEIVED

111

Little Rock, Arkansas

August 6, 1939

PERSONAL AND CONFIDENTIAL

Director
Federal Bureau of Investigation
Washington, D. C.

RE: LEO P. McLAUGHLIN, with alias -
Mayor of Hot Springs, Arkansas;
ET AL; IRREGULARITIES OF LOCAL
PUBLIC OFFICIALS, Hot Springs,
Arkansas.

Dear Sir:

Reference is made to your Personal and Confidential letter dated July 31, 1939, requesting to be advised as to the status of this investigation at the present time.

Immediately upon receipt of the letter of June 27, 1939, requesting a discreet investigation of the activities of LEO P. McLAUGHLIN and VERNE LEDGERWOOD, Agents of this office began the compilation of the facts set forth in the report of Special Agent HAYNE A. THOMPSON, dated at Little Rock, Arkansas, July 24, 1939.

In my recent conversation with the Director and Mr. E. A. TAMM of the Bureau, I informed them orally concerning an investigation being conducted by the Special Intelligence Unit of the Treasury Department, assisted by an Agent of the Internal Revenue. As you know the Director stated that immediately upon my return to Little Rock he desired that the following information be obtained and forwarded to the Bureau:

RECORDED & INDEXED

- 1 - What the Agents of the Internal Revenue have done in their investigation.
- 2 - What persons they are investigating.
- 3 - The length of time it will take them to complete their investigation.

7-576-356

REVENUE
FEDERAL BUREAU OF INVESTIGATION
SEP 15 1939
U. S. DEPARTMENT OF JUSTICE

TAMM
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RECORDS

ORIGINAL FILED IN 62-113105-50X

REINDEXED
THIS SERIAL ONLY
9/17/57 23

Director

August 6, 1939

In accordance with these instructions, on Monday, July 31, 1939, together with Special Agents W. C. SPEARS and HAYNE A. THOMPSON, the writer proceeded to Hot Springs, where he interviewed Mr. A. R. WATERBERRY, a Special Agent, Intelligence Unit, Internal Revenue, together with Mr. R. M. ROWE, an Agent of the Internal Revenue Bureau. In interviewing these men it was deemed inadvisable to ask them direct questions for the purpose of obtaining the information as requested by the Director.

During the conversation with these two men, Mr. WATERBERRY appeared rather evasive as to the persons concerning whom his Unit was interested. He did, however, state that he had been in Hot Springs since January 9, 1939, with the exception of five weeks, and during that time had been continuously carrying on his work.

During the course of the interview, Mr. WATERBERRY asked whether the files of this Bureau in Little Rock contained any information relating to specific payments made by GALATAS, GRACE GOLDSTEIN or "DUTCH" AKERS. Mr. WATERBERRY stated that he thought that perhaps that in the statements taken from these three individuals by Bureau Agents they may have mentioned pay-offs made by them or some other persons to individuals in Hot Springs. Mr. WATERBERRY intimated that he was particularly interested in knowing of any payments of money made to the Mayor, LEO McLAUGHLIN, or VERNE LEDGERWOOD, or any other public official, which would indicate that his investigation is primarily being conducted for the purpose of obtaining information relative to these individuals.

Mr. WATERBERRY and Mr. ROWE gave various estimates as to the amount of time they expected to consume in the investigation at Hot Springs; Mr. WATERBERRY stating that it would be at least one or two months, while Mr. ROWE indicated it would be a much longer time.

Mr. WATERBERRY stated that he desired the information from this Bureau above referred to, because he was contemplating taking a trip to Washington to talk to one of his superiors and on this trip intended to interview "DUTCH" AKERS and GRACE GOLDSTEIN, and any information previously obtained from them would be very helpful in interviewing these individuals.

Director

August 6, 1939

The above information obtained from Mr. WATERBERRY and Mr. ROWE was telephonically conveyed to Mr. E. A. TAMM of the Bureau on Tuesday morning, August 1, 1939, at which time Mr. TAMM advised that if any further requests of this type were received from Mr. WATERBERRY, he should be advised that inquiries should be directed to the Washington Headquarters of this Bureau. Mr. TAMM was also advised that the files of this office contained no statements of GRACE GOLDSTEIN, AKERS or GALATAS specifically referring to payments, and accordingly, after the conversation with Mr. TAMM, Mr. WATERBERRY was advised of that fact.

In conveying this information to Mr. WATERBERRY he stated that he had a matter that he desired to take up with the writer which he neglected to mention on the writer's visit to Hot Springs on July 31st. He stated that he did not contemplate coming to Little Rock in the near future, but suggested that if the writer were in the vicinity of Hot Springs he communicate with him.

On Thursday, August 3rd, together with Special Agents HAYNE A. THOMPSON and W. C. SPEARS, the writer interviewed Mr. WATERBERRY at his office in the Post Office Building. Mr. WATERBERRY stated at that time that in the course of their investigation in Hot Springs, which primarily was the interviewing of bookmakers and persons in illegitimate gambling places, time and again these individuals had commented to him about the manner in which elections were handled, specifically referring to the way persons were allowed to vote and the way their poll tax receipts were obtained.

Mr. WATERBERRY stated that while he was not familiar with the election laws of the United States, he did know that the Bureau had been very successful in the prosecutions in Kansas City on election fraud violations. Mr. WATERBERRY stated that any information that he and Mr. ROWE had obtained as a result of their interviews relating to election frauds or any Federal violation within the jurisdiction of this Bureau would be made available to Agents of this office.

As an example of the type of information he had received concerning the manner in which elections were conducted in Hot Springs, Mr. WATERBERRY, said that several

Director

August 6, 1939

individuals had made this same complaint to him; that is, that they as bookies or gamblers were advised by some representative of the City Administration that they, the bookies or gamblers, were to buy thirty, fifty or one hundred poll tax receipts at one dollar a receipt. Inasmuch as the Arkansas State Law provides that each person buying a poll tax receipt for another must be the Agent of the person for whom he is buying the receipt, these gamblers were either furnished or obtained on a form provided by the City Administration the written consent of persons to obtain their poll tax receipts. The gamblers were then expected to pay out of their own pockets for the poll tax receipts and deliver the receipts in the names signed on the authorization for them to purchase such receipts to the City Hall. On the day of the election the persons who bought the receipts were instructed to see that the receipts were given to persons who were to vote as the City Administration directed. Mr. WATERBERRY stated that in many instances some of the persons in whose names the tax receipts were issued were no longer in Hot Springs, and that it was his information that votes were cast in these names.

More complete information concerning these election irregularities can be found on Pages 51 through 87 of the report of Special Agent HAYNE A. THOMPSON dated at Little Rock, July 24, 1939.

Mr. WATERBERRY also stated that he had been informed that a County Clerk or City Clerk or Collector, whose duty it was to issue poll tax receipts, had refused to issue poll tax receipts in certain instances, saying that he was not going to issue poll tax receipts in the name of persons whom he knew to be dead, and that shortly after this, the Clerk or Collector was removed from office.

From the information furnished by Mr. WATERBERRY and that set forth in the report of Special Agent THOMPSON above referred to, it appears that there may be violations of the election laws.

From Departmental Circular # 2882, directed to United States Attorneys and Marshals, dated July 17, 1936, which was distributed to the Field in the same year, it appears

Director

August 6, 1939

that there are in reality but three methods of obtaining convictions in election fraud cases. First - Under Section § 140, Title § 18, United States Code, dealing with the false or fraudulent use of a Certificate of Citizenship or Registrations; Second - Section § 51, Title § 18, United States Code, generally referred to as the Civil Rights Bill; Third - Section § 250, Title § 2, United States Code, relating to bribery, being those most commonly used to prosecute election frauds.

Inasmuch as Section § 62 of the Manual of Rules and Regulations states that investigation of alleged violations of the election laws shall not be instituted without prior authority from the United States Attorney, and since it appears inadvisable to contact the United States Attorney at this time in connection with the discreet investigation which is being conducted at Hot Springs, the Bureau is requested, if it believes it desirable, to grant authority to initiate an investigation in Hot Springs concerning election law violations. Before an intensive investigation is conducted, it is desired, however, that the Bureau obtain a ruling from the Department whether the facts as set forth concerning the purchasing of poll tax receipts by an individual at the request of some official of the City Administration, which request is accompanied by a threat that if these poll tax receipts are not purchased the person will not be allowed to engage in his business, legitimate or illegitimate, together with instructions as to the manner in which he, as well as the person for whom he buys poll tax receipts, is to vote constitute a violation under Section § 51, Title § 18, United States Code.

In the event it appears feasible to conduct an investigation of election frauds in Hot Springs, it would appear desirable that the following procedure be adopted. Inasmuch as both Mr. WATERBERRY and Mr. ROWE mentioned that in their investigation in Hot Springs they had found people most willing to come to their office in the Post Office Building, it is believed that an office should be obtained in Hot Springs for this purpose.

In the event such an investigation is conducted, it will be but a short time after the inception before the persons in whom the Bureau is interested in Hot Springs will

Director

August 6, 1939

know of the investigation. It is believed these persons will immediately communicate with each other. It is therefore believed desirable that a telephone surveillance be placed on the office and home telephones of the following persons, under whose names are listed the telephone numbers:

LEO P. McLAUGHLIN
Mayor's Office, City Hall
Telephone # 648
Private Office, Arkansas
National Bank Building
Telephone # 671
Residence, 620 Malvern Avenue
Unlisted Telephone # 800

VERNAL S. LEDGERWOOD
Residence on Lake Hamilton
Telephone # 369-W
Office, Citizens Building
Telephone # 743

W. S. JACOBS
Residence, 116 Cedar Street
Unlisted Telephone # 2116

EARL MITT
Residence, 2234 Central Avenue
Telephone # 2234
County Judge's Office
Telephone # 637

CLUB BELVEDERE
(Owned by W. S. JACOBS)
Cafe Telephone # 2485
Office Telephone # 2484

SOUTHERN CLUB
248 Central Avenue
Telephone # 1065

POLICE DEPARTMENT
WELDON RASBERRY, Chief
Telephone # 123
Jail Telephone # 446

Director

August 6, 1939

In connection with any telephone surveillance in Hot Springs and the difficulty that may be encountered, I wish to refer to the Personal and Confidential letter in the BREKID case dated March 26, 1937, which sets forth the conversation overheard on March 25, 1937, between Mayor LEO P. McLAUGHLIN and Mr. SHEPARD of the telephone company, in which conversation these two parties appeared to be on friendly terms and the Mayor requested Mr. SHEPARD to ascertain whether his telephone line was tapped.

This office will be pleased to receive the Bureau's comments on the above outlined plan of investigation, in event it appears that an intensive investigation concerning election frauds is feasible. In the meantime the information concerning the alleged election violations in the possession of Mr. WATERBERRY and Mr. ROWE will be obtained.

In the course of my conversation with Mr. WATERBERRY, he mentioned that he had heard a rumor to the effect that Attorney General MURPHY had conferred with United States Attorney SAM ROEX at Little Rock and expressed his desire that the Internal Revenue investigation at Hot Springs be expedited, or that some representative from the Attorney General's Office had conferred with Mr. ROWE to this effect.

Mr. WATERBERRY in his conversation indicated that he was not quite sure of Mr. ROEX and intimated that there might possibly be some connection with Mr. ROEX and certain parties in Hot Springs, although he apparently had no basis for this assumption and founded his conclusions upon vague and indefinite rumors, and the fact that Mr. ROEX'S position had never been brought to light in any trial such as had former United States Attorney ISGRIG'S.

It is understood, of course, that in the event such procedure is recommended by the Bureau, prior to instituting any telephone surveillance or renting office space the usual authorization will be secured.

Very truly yours,

E. L. RICHMOND,
Special Agent in Charge.

ELR:IN
62-125

JFS'VTM

August 14, 1939

MEMORANDUM FOR MR. E. A. TAMM

RE: LEO P. McLAUGHLIN, with alias
Mayor of Hot Springs, Arkansas,
et al; IRREGULARITIES OF LOCAL
PUBLIC OFFICIALS, HOT SPRINGS,
ARKANSAS

Mr. William H. F. Swain, Special Agent, Intelligence Unit,
Bureau of Internal Revenue, was referred to me by Mr. Hennrich
of the Identification Division.

Mr. Swain advised that his Department was investigating
income tax violations at Hot Springs, Arkansas; that they are
particularly interested in the activities of Leo P. McLaughlin,
the present Mayor and Verne S. Ledgerwood, the municipal Judge;
that they were desirous of ascertaining from the files of this
Bureau, particularly in connection with the activities of Alvin
Karpis, any information the Bureau may have concerning McLaughlin
and Ledgerwood. He advised they want information concerning the
property these individuals owned, business enterprises, bank
accounts, alleged pay-offs, or other sources that could be checked
to substantiate the income tax violation. Particularly he asked
to be able to review this file.

I advised Mr. Swain that the file was rather voluminous and
would take some time to check the same to ascertain if any informa-
tion which he is seeking is contained therein, and that I would
communicate with him at a later date. He can be reached at
Extension 356, Bureau of Internal Revenue.

RECORDED & INDEXED
Respectfully,

J. F. Sears

4:10 P. M.

Mr. Swain telephonically advised he was leaving town, and
requested that the Bureau's reply be made to John R. Cox, in charge
of the Washington Division of the Intelligence Unit. He may be reached
on Branch 316.

August 16, 1939 - 9:20 A. M.

Mr. John R. Cox was advised that our files contain no information
of the type requested by Mr. Swain.

ORIGINAL FILED IN 62 - 43105-51X

I ENCL. M
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7-576-3-563

FEDERAL BUREAU OF INVESTIGATION
SEP 15 1939
U. S. DEPARTMENT OF JUSTICE
TAMM ONE

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THIS SERIAL ONLY
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COPY (gm)

ACH:LL

September 7, 1939

PERSONAL AND CONFIDENTIAL

RECORDED

7-576-3-563

MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL ROGGE

7/12 X
There has come to the attention of our Little Rock, Arkansas, Field Division information concerning an alleged condition existing at Hot Springs, Arkansas, in connection with the holding of elections. This information is to the effect that officials of the City Administration request individuals to purchase poll tax receipts at \$1.00 a receipt, and that bookies and gamblers often buy as many as thirty to one hundred of these poll tax receipts. According to the information received, the Arkansas State Law provides that each person buying a poll tax receipt for another must be the agent of the person for whom he is buying the receipt. The bookies and gamblers who purchased the receipts from the City Administration received on a form the written consent of persons to obtain their poll tax receipts. The gamblers and bookies were then expected to pay out of their own pockets for the poll tax receipts and deliver the receipts, in the names signed on the authorization for them to purchase such receipts, to the City Hall. On election day, the persons who bought the receipts were instructed to see that the receipts were given to persons who were to vote as the City Administration directed.

The Bureau desires to be advised whether the facts as set out above concerning the purchasing of poll tax receipts by an individual at the request of some official of the City Administration, which request is accompanied by a threat that if these poll tax receipts are not purchased the person will not be allowed to engage in his business, legitimate or illegitimate, together with instructions as to the manner in which he, as well as the persons for whom he buys poll tax receipts, is to vote, constitute a violation of Section 51, Title 18, United States Code.

Very truly yours,
For the Director,

Harold Nathan
Assistant Director

ORIGINAL FILED IN 62-43105-50X

2

Federal Bureau of Investigation
United States Department of Justice
Little Rock, Arkansas

September 22, 1939

*Letter to Little Rock
10-11-39
E.P.T.*

62-151

Director
Federal Bureau of Investigation
Washington, D. C.

RE: CECIL BROCK
Habeas corpus proceeding.

Dear Sir:

In compliance with instructions contained in Bureau Bulletin Number 30, under date of September 1, 1939, the following is submitted:

Assistant United States Attorney LEON B. CATLETT, Little Rock, Arkansas, has advised of the receipt of a letter from HOMER DAVIS, Assistant United States Attorney at Topeka, Kansas, dated September 13, 1939. This letter advises that CECIL BROCK has filed a petition for a writ of habeas corpus.

Pertinent portions of Mr. DAVIS' letter are quoted hereinafter.

"He winds up his petition with a general allegation that a conspiracy existed between the Federal Bureau of Investigation and the United States Attorney's Office in regard to his case and by reason of this conspiracy he was found guilty."-----

"It will be noted that he makes accusations against the Federal Bureau of Investigation in regard to the removal of the petitioner, who claims that he was illegally removed and makes other charges of a general nature, charging conspiracy on their part. The Federal Bureau of Investigation ordinarily likes to be advised whenever charges of this kind are made against it, and if you think it advisable to call this matter to the attention of the Special Agent in Charge of your District, it might be that he would furnish an affidavit from the particular Agents relative to the removal of the petitioner."-----

COPIES DESTROYED
78 MAR 26 1965

RECORDED
&
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*Reply
at Little Rock
10-11-39
E.P.T.*

7-576-3-564	
FEDERAL BUREAU OF INVESTIGATION	
SEP 25 1939	
U. S. DEPARTMENT OF JUSTICE	
TOLSON	TAMM
ONE	INDEXED

CECIL BROCK

L. R. FILE # 62-131

"As this is a habeas corpus case and as Judge HOPKINS of this district insists these matters be speedily attended to, we would appreciate your very prompt attention to this matter."

In reply to the above communication, Mr. CATIETT submitted an affidavit under date of September 22, 1939, pertinent portions of which are quoted hereinafter.

"Of course, the statement that any conspiracy existed between this office and the Federal Bureau of Investigation in regard to this case or any other matter is ridiculous and absurd. I prepared the indictment in the case and worked with Inspector E. J. CONNELLEY, Mr. D. P. SULLIVAN, Mr. JOHN MADALA, Mr. RUFUS COULTER, Mr. R. L. SHIVERS, Mr. HENRY SNOW, Mr. B. M. SUTLER, and other agents connected with the case throughout the trial; and Cecil Brock and the other defendants were given a fair and impartial trial. Cecil Brock was ably represented by a man who had served as Assistant United States Attorney for the Eastern District of Arkansas for a period of eleven years and who bears the reputation of being one of the best criminal trial lawyers in this city. - - - - -"

It appears from the letter of Mr. DAVIS that the above allegations are the only ones in BROCK'S petition which relate to the Bureau.

Unless the Bureau advises to the contrary, no further action will be taken by this office in this connection. Eight copies of this letter are being forwarded the Bureau in order that, if deemed advisable, copies of same may be furnished to the agents who conducted the investigation involving CECIL BROCK, who was convicted in connection with the Brekid case at Little Rock, Arkansas, on October 29, 1938, where he had been charged with harboring ALVIN KARPIS. On this conviction, BROCK was sentenced to serve two years in a federal penitentiary.

Very truly yours,



E. L. RICHMOND
Special Agent In Charge

DEM:RR

October 11, 1939

465
60 pms

GNF:GAJ:LCB
7-576-3-564

RECORDED

Special Agent in Charge
Little Rock, Arkansas

RE: CECIL BROCK;
Habeas Corpus Proceeding

Dear Sir:

Reference is made to your letter dated September 22, 1939, advising that in a petition filed by Cecil Brock for a writ of habeas corpus he made certain allegations that a conspiracy existed between the Federal Bureau of Investigation and the United States Attorney's office, by which he was found guilty, and also that he was illegally removed by Agents of this Bureau.

Although this information appears to be directly quoted from a letter received from Mr. Homer Davis, Assistant United States Attorney, Topeka, Kansas, dated September 13, 1939, nothing but general allegations are noted. Yet, it is indicated in your letter that no further action was being taken by your office.

The Bureau desires to inform you of the totally inadequate manner in which this information was set forth.

Very truly yours,

John Edgar Hoover
Director

COMMUNICATIONS SECTION
MAILED
★ OCT 11 1939 ★
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

cc - Kansas City

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Ladd.....
- Mr. Coffey.....
- Mr. Egan.....
- Mr. Glavin.....
- Mr. Crowl.....
- Mr. Harbo.....
- Mr. Lester.....
- Mr. Hendon.....
- Mr. Nichols.....
- Mr. Rosen.....
- Mr. Sears.....
- Mr. Quinn Tamm.....
- Mr. Tracy.....
- Miss Gandy.....

B. J. G. S.

SPIT

c

DEPARTMENT OF JUSTICE

WASHINGTON, D.C.

OJR:JL:mb

September 23, 1939.

MEMORANDUM FOR MR. HAROLD NATHAN, ASSISTANT DIRECTOR, FEDERAL BUREAU OF INVESTIGATION.

Reference is made to your memorandum of September 7, 1939, regarding the purchasing of poll tax receipts by individuals at the request of officials of the City Administration of Hot Springs, Arkansas, which requests are accompanied by threats that if such poll tax receipts are not purchased such individual will not be permitted to pursue his business, together with instructions as to the manner in which he, as well as the persons for whom he buys such receipts, is to vote, and in which you request advice as to whether such action constitutes a violation of Section 51, Title 18, United States Code.

The facts disclosed in your memorandum seem to indicate a possible violation of Section 52, Title 18, United States Code, rather than of Section 51, Title 18, United States Code, in that the City officials are acting under color of law or contrary to the authority vested in them by the State of Arkansas to deprive certain persons of equal protection of the laws in that such persons suffer coercion and intimidation while pursuing their lawful business and normal functions as citizens.

It is requested that a preliminary investigation be conducted in cooperation with United States Attorney Isgrig at Little Rock, Arkansas, to determine whether the City officials themselves are responsible for the alleged coercion and intimidation and the extent of its exercise. It is further requested that the reports thereon, together with the opinion of United States Attorney Isgrig in the matter, be submitted to this Division upon completion of the preliminary investigation.

RECORDED & INDEXED

Respectfully,

/s/ O. JOHN ROGGE
O. JOHN ROGGE,
Assistant Attorney General

7-576-3-8641

FEDERAL BUREAU OF INVESTIGATION

OCT. 19 1939

U. S. DEPARTMENT OF JUSTICE

RAMBO ONE gws

Handwritten: 3
Bremen - Hot Springs, Ark

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THIS SERIAL ONLY
9/17/59 23

RECORDED
&
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7-576-3-56 + X
62-43105-54 October 4, 1939

ACH:MK

Special Agent in Charge
Little Rock, Arkansas

Dear Sirs: Re: LEO P. McLAUGHLIN, with alias;
Mayor of Hot Springs, Arkansas,
et al; IRREGULARITIES OF LOCAL
PUBLIC OFFICIALS, Hot Springs,
Arkansas.

There are inclosed herewith copies of a memo-
randum dated September 23, 1939, from the Department,
in connection with the captioned matter, which memo-
randum is self-explanatory.

The Bureau desires that you cause an appropri-
ate investigation to be made in line with the request
as contained in this memorandum.

Very truly yours,

John Edgar Hoover
Director

- Mr. Tolson _____
- Mr. Nathan _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Coffey _____
- Mr. Egan _____
- Mr. Glavin _____
- Mr. Gurnea _____
- Mr. Harbo _____
- Mr. Lester _____
- Mr. Quinn _____
- Mr. Nease _____
- Mr. Rosen _____
- Mr. Tracy _____
- Miss Gandy _____

Inclosure

COMMUNICATIONS SECTION
MAILED
★ OCT 5 1939 ★
P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

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RECORDED COPY FILED IN 62-43105-54

Federal Bureau of Investigation
United States Department of Justice
KANSAS CITY, MISSOURI

October 3, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

Re: CECIL BROCK, Habeas Corpus Matter

Dear Sir:

The United States Attorney at Topeka, Kansas, has informed me that CECIL BROCK has filed a Habeas Corpus petition in the United States District Court of Kansas, the hearing in which has been set for Friday, October 6, 1939, at Topeka.

In his petition BROCK alleges he was wanted by the Sheriff at Hot Springs, Arkansas, but that he was carried out of the State at night by the Federal Bureau of Investigation Agents and concealed, so that said warrant could not be served on him, in violation of law. He also alleges that there was a conspiracy existing between the United States District Attorney and the Federal Bureau of Investigation Agents to deprive him of a fair and impartial trial. He alleges that several Agents of the Federal Bureau of Investigation who were working on the case, deprived him of his rights, and deprived him of the right to furnish evidence.

As you will recall, BROCK was indicted May 18, 1938, in the Eastern District of Arkansas, for violation of Title 18, Section 88 (Conspiracy), USCA, in the harboring case in Hot Springs. He was duly convicted and delivered to the United States Penitentiary at Leavenworth, November 6, 1938. His attorney was DREW BOWERS of Little Rock.

The United States Attorney at Topeka desires an affidavit from some Agent who worked on the case, setting forth a denial of the allegations as to the Bureau's personnel. He does not consider the presence of an Agent necessary.

This is in confirmation of a teletype to the Bureau and the Little Rock office of October 2, 1939.

The Bureau will be furnished with the result of the investigation.

Very truly yours,

Dwight Brantley
DWIGHT BRANTLEY,
Special Agent in Charge

DB:MC
cc - Little Rock

RECORDED
&
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7-576-3-566
OCT 5 1939
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
TAMM ONE

Federal Bureau of Investigation

U. S. Department of Justice
Los Angeles, California
October 4th, 1939

*The letter forwarded
L.R. + K.C. Hines
10 20-39
G.W.*

Mr. Tolson	.....
Mr. Nathan	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Ladd	.....
Mr. Coffey	.....
Mr. Egan	.....
Mr. Glavin	.....
Mr. Crowl	.....
Mr. Harbo	.....
Mr. Lester	.....
Mr. Hendon	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Sells	.....
Mr. Quinn Tamm	.....
Mr. Tracy	.....
Miss Gandy	.....

Director
Federal Bureau of Investigation
Washington, D. C.

*ZU
J*

Dear Sir:

PERSONAL AND CONFIDENTIAL

There is being transmitted herewith a letter received by Special Agent L. O. Orsborn from CECIL BROCK, an inmate of the United States Penitentiary at Leavenworth, Kansas.

Agent Orsborn advises that CECIL BROCK was one of the Subjects convicted at Little Rock, Arkansas, about two years ago in the ALVIN KARPIS Harboring case.

Agent Orsborn further advises that he will take no action in the matter.

Very truly yours,

R. B. Hood

R. B. HOOD
SPECIAL AGENT IN CHARGE

Encl

LOO:HG

I ENCL-MC

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&
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7-576-3-566

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
OFFICIAL BUSINESS

7-576-3-566

ENCLOSURE FOR BUREAU
Letter from CECIL BROCK

PENALTY FOR PRIVATE USE: AVOID
PAYMENT OF POSTAGE \$300

From CECIL BROCK

August 29th, 1939

#53857

(Date)

TO Mr. Lewis O. Orsborn-Co. Attorney- Canton, Texas

(Name)

(Address)

**SPECIAL
PURPOSE**

Dear Sir;

I will try and answer your letter of Sept. 15th, 1938. And thank you for same. As you must have heard by this time that I was convicted on that charge and am serving a two year term in this prison. I was not guilty of the charge but was convicted anyway, so I have made application for Executive Clemency and would appreciate a letter from you to the Attorney General at Washington, D.C., and explain how I always assisted the law enforcement officials even if I had to leave my own state to do so.

I have already sent in several letters from the County Officials at home and one from you would be a help to me, and I will try and render you and all other Officials the same service that I did before.

Thanking you in advance and for past favors I remain,

Very truly yours,

Cecil Brock.

Cecil Brock.

#53857.

C E N S O R E D

AUG 31 1939

U S P L K - - #2

October 23, 1939

GNW:LCB
7-576-3-566

RECORDED

Special Agent in Charge
Little Rock, Arkansas

Re: CECIL BROCK

Dear Sir:

There are enclosed herewith to your office and the Kansas City division copies of a letter dated August 29, 1939, addressed to Special Agent L. O. Orsborn by Cecil Brock.

For your information, by letter dated October 4, 1939, the Los Angeles Field Division advised that Agent Orsborn stated he was taking no action in regard to the subject matter of Cecil Brock's communication.

Copies of Brock's letter are being forwarded you in order that your files may be complete.

Very truly yours,

John Edgar Hoover
Director

Enclosure

cc - Kansas City (with enclosure)

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Ladd.....
- Mr. Coffey.....
- Mr. Egan.....
- Mr. Glavin.....
- Mr. Crowl.....
- Mr. Farbo.....
- Mr. Lester.....
- Mr. Hendon.....
- Mr. Nichols.....
- Mr. Rosen.....
- Mr. Sears.....
- Mr. Quinn Tamm.....
- Mr. Tracy.....
- Miss Gandy.....

COMMUNICATIONS SECTION
 MAILED
 OCT 23 1939
 P. M.
 FEDERAL BUREAU OF INVESTIGATION,
 U. S. DEPARTMENT OF JUSTICE

RECORDED-INDEXED
 OCT 23 1939
 [Handwritten signature]

mi

Saint Louis, Missouri
October 4, 1939

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: PUBLIC RELATIONS

Dear Sir:

Please be advised that Bureau radio release
entitled "DUTCHAKERS - PART I", was broadcast over
K M O X at 10:45 P. M. on October 1, 1939.

Very truly yours,

G. B. MORRIS,
Special Agent in Charge.

GBN:dh
80-1

ORIGINAL FILED IN 94-4-2864-18

Handwritten: Radio Station K.M.O.X. X 71

RECORDED
&
INDEXED

7-576-3-567
FEDERAL BUREAU OF INVESTIGATION
OCT 16 1939
U. S. DEPARTMENT OF JUSTICE
<i>Handwritten initials:</i> ROLSON, HENDON

Handwritten: PARTIALLY
DEINDEXED
THIS SERIAL ONLY
9/17/57 23

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT - 2 1939

TELETYPE

FBI KANSAS CITY 10-2-39 3-30 PM MC

DIRECTOR AND SAC LITTLE ROCK

b
CECIL BROCK CONVICTED IN ARKANSAS OF HARBORING KARPIS AND OTHERS
HAS FILED HABEAS CORPUS PETITION IN US DISTRICT COURT OF KANSAS
HEARING SET FOR FRIDAY OCTOBER SIXTH AT TOPEKA. IN HIS PETITION
BROCK ALLEGES HE WAS WANTED BY SHERIFF AT HOT SPRINGS ARKANSAS BUT
WAS CARRIED OUT OF STATE AT NIGHT BY THE FBI AGENTS AND CONCEALED,
SO THAT SAID WARRANT COULD NOT BE SERVED ON HIM, IN VIOLATION OF LAW.
THAT THERE WAS A CONSPIRACY EXISTING BETWEEN THE US DISTRICT ATTORNEU
AND THE FBI AGENTS TO DEPRIVE HIM OF A FAIR AND IMPARTIAL TRIAL. THAT
SEVERAL AGENTS OF FBI WHO WERE WORKING ON THE CASE DEPRIVED HIM OF
HIS RIGHTS AND OF THE RIGHT TO FURNISH EVIDENCE. BROCK WAS INDICTED
MAY EIGHTEENTH NINETEEN THIRTY EIGHT, EASTERN DISTRICT OF ARKANSAS,
FOR VIOLATION TITLE EIGHTEEN SECTION EIGHTY EIGHT ~~USCA~~ USCA. HE WAS
DELIVERED TO USP LEAVENWORTH NOVEMBER SIX NINETEEN THIRTYEIGHT. HIS
ATTORNEY WAS DREW BOWERS OF LITTLE ROCK. USA TOPEKA DESIRES IMMEDIATE
AFFIDAVIT FROM SOME AGENT WHO WORKED ON CASE, DENYING ALLEGATIONS AS
TO BUREAU PERSONNEL. USA DOES NOT CONSIDER PRESENCE OF AN AGENT
NECESSARY. LITTLE ROCK REQUESTED FURNISH SUCH AFFIDAVIT IN ADVANCE
OF HEARING OCTOBER SIXTH.

BRANTLEY

END

ACK PLS

WASHINGTON OK FBI WASHINGTON DC OEC

LITTLE ROCK HOLD PLAS

NONE OF AGENTS PRESENTLY ASSIGNED LITTLE ROCK BUREAU HAS BEEN
ASVISED OF THEIR IDENTITY BY LETTER DATED SEPT TWENTY SECOND

Mr. Tolson.....
Mr. Nathan.....
Mr. R. A. Tamm.....
Mr. Clegg.....
Mr. Ladd.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Hendon.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Scarb.....
Mr. Quinn Tamm.....
Mr. Tracy.....
Miss Gandy.....

*Be sure properly
notified*
RECORDED

7-576-3-568
FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U. S. DEPARTMENT OF JUSTICE
TAMM ONE

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

GNW:LCB

OCTOBER 3, 1939

To: COMMUNICATIONS SECTION.

Transmit the following message to: SAC's EL PASO, LITTLE ROCK AND KANSAS CITY

alvin
 CECIL BROCK CONVICTED IN ARKANSAS OF HARBORING KARPIS AND OTHERS HAS FILED
 HABEAS CORPUS PETITION IN US DISTRICT COURT OF KANSAS HEARING SET FOR FRIDAY
 OCTOBER SIXTH AT TOPEKA. BROCK'S PETITION ALLEGES HE WAS WANTED BY SHERIFF
 AT HOT SPRINGS ARKANSAS BUT WAS CARRIED OUT OF STATE AT NIGHT BY BUREAU
 AGENTS AND CONCEALED IN ORDER THAT WARRANT COULD NOT BE SERVED ON HIM
 THAT THERE WAS CONSPIRACY EXISTING BETWEEN US DISTRICT ATTORNEY AND BUREAU
 AGENTS TO DEPRIVE HIM OF FAIR AND IMPARTIAL TRIAL THAT SEVERAL AGENTS
 DEPRIVED HIM OF HIS RIGHTS AND OF OPPORTUNITY TO FURNISH EVIDENCE. USA
 TOPEKA DESIRES IMMEDIATE AFFIDAVIT FROM SOME AGENT WHO WORKED ON CASE DENYING
 ALLEGATIONS AS TO BUREAU PERSONNEL. PRESENCE OF AGENT NOT CONSIDERED
 NECESSARY. DESIRED THAT SA D P SULLIVAN EL PASO EXECUTE AFFIDAVIT CONCERNING
 THESE ALLEGATIONS. SHOULD SULLIVAN DESIRE SERIALS FOR ASSISTANCE IN THIS
 MATTER REQUEST SHOULD BE MADE OF LITTLE ROCK OFFICE TO FURNISH SAME.
 AFFIDAVIT SHOULD BE FORWARDED KANSAS CITY IN ADVANCE OF HEARING OCTOBER
 SIXTH. KANSASCITY SHOULD FURNISH PERTINENT ALLEGATIONS IN BROCK'S PETITION TO

JWA
W
Edwards 21.0 R...

ELPASO DIVISION.

HOOVER

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Ladd.....
- Mr. Coffey.....
- Mr. Egan.....
- Mr. Glavin.....
- Mr. Crowl.....
- Mr. Harbo.....
- Mr. Lester.....
- Mr. Hendon.....
- Mr. Nichols.....
- Mr. Rosen.....
- Mr. Sears.....
- Mr. Quinn Tamm.....
- Mr. Tracy.....
- Miss Gandy.....

CONFERENCE TELETYPE

COPIES DESTROYED
76 MAR 26 1965

RECORDED

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT - 3 1939

TELETYPE

SENT VIA

748p

S for T

7-576-3-568X
 FEDERAL BUREAU OF INVESTIGATION
 OCT 4 1939
 U. S. DEPARTMENT OF JUSTICE

Me

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 6 - 1939

POSTAL

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Ladd.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Hendon.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Sears.....
Mr. Quinn Tamm.....
Mr. Tracy.....
Miss Gandy.....

gws. Willis

W9 14 GOVT COLLECT

RG KANSASCITY MO 1113A OCT 6 1939

✓ DIRECTOR

FBI JUSTICE WASHN DC

CECIL BROCK, HABEAS CORPUS MATTER, BREKID, PETITION DENIED

FEDERAL COURT, TOPEKA, THIS MORNING

BRANTLEY..

1240P

RECORDED

7-576-3-569

SEARCHED.....
INDEXED.....
SERIALIZED.....
FILED.....
OCT 6 1939
FBI - KANSAS CITY

RAM

gws. Willis

Copy Mrs. Tamm.

1612 FEDERAL RESERVE BANK BUILDING
KANSAS CITY, MISSOURI

October 5, 1939

ms
1
7
Honorable S. S. Alexander
United States Attorney
Topeka, Kansas

Attention: Homer Davis, Assistant
United States Attorney

Re: Cecil Brook - Habeas Corpus Matter

Dear Mr. Alexander:

I am transmitting herewith an affidavit of
Special Agent Daniel P. Sullivan, which is desired by
you in connection with this matter.

Very truly yours,

DWIGHT BRANTLEY,
Special Agent in Charge

DB:MC

62-1518
cc - Bureau
SPECIAL DELIVERY
Enc.

p

7-576-3-
FEDERAL BUREAU OF INVESTIGATION
OCT 7 1939
U. S. DEPARTMENT OF JUSTICE
TWO

Federal Bureau of Investigation
United States Department of Justice
KANSAS CITY, MISSOURI

October 7, 1939.

Director
Federal Bureau of Investigation
Washington, D.C.

Dear Sir:

RE: CECIL BROCK - Habeas
Corpus Matter.

Reference is made to my telegram of October 6, 1939, to you under the caption CECIL BROCK, Habeas Corpus Matter.

There is being transmitted herewith for your information a copy of the journal entry of judgment entered in this matter in the U. S. District Court at Topeka, Kansas, on October 6, 1939, from which you will note that BROCK'S petition for this writ was denied, and the Federal Bureau of Investigation in connection with his case was exonerated.

Very truly yours,

Dwight Brantley
DWIGHT BRANTLEY
Special Agent in Charge

MCS-ec
ENCLOSURE

62-1518-

RECORDED

7-576-3-51
FEDERAL BUREAU OF INVESTIGATION
OCT 9 1939
U. S. DEPARTMENT OF JUSTICE
gms gws

ENCLOSURE

A

*7/1
R.K.*

ACH:MAL

7-576-3

November 9, 1939

62-43195

Special Agent in Charge
Little Rock, Arkansas

Dear Sir:

There are enclosed herewith copies of a letter dated November 1, 1939, and its enclosure, from Milton Nobles, Manager, the Western Union Telegraph Company, Hot Springs, Arkansas. Also enclosed is a copy of the Bureau's reply thereto.

From the information contained in the enclosed, it is indicated that Mr. Nobles may be in a position to give very valuable information, especially in connection with the present investigation relevant to violation of the election laws at Hot Springs, Arkansas, which was requested in Bureau letter dated October 4, 1939. In this connection attention is invited to the report of Special Agent D. P. Sullivan, dated July 15, 1937, in the case entitled, ALVIN KARPIS, with aliases; et. al.; - KIDNAPING; HARBORING; OBSTRUCTION OF JUSTICE; and NATIONAL FIREARMS ACT, wherein it is noted, as reflected on page thirteen of the report, that Houston Emory, former Garland County Prosecutor, appeared before the Legislative Committee and read portions of a letter from Mr. Milton Nobles condemning conditions at Hot Springs and placing the blame for such conditions on the wholesale purchase of poll taxes and illegal voting.

In view of the above, the Bureau desires that you have an Agent contact Mr. Nobles relevant to this matter. No action is being taken by the Bureau relevant to the request as contained in Mr. Nobles' letter, that the Bureau intercede in his behalf with Mr. R. B. White and Mr. E. D. Barnett, and it is anticipated that possibly the request will have been handled by Mr. Thomas E. Dewey to whom the original of the letter was directed. The Bureau desires that the Agent discreetly endeavor not to commit the Bureau in this regard.

- Mr. Tolson _____
- Mr. Nathan _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Ladd _____
- Mr. Coffey _____
- Mr. Egan _____
- Mr. Glavin _____
- Mr. Gurnea _____
- Mr. Harbo _____
- Mr. Lester _____
- Mr. Hendon _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Miss Gandy _____

Enclosures

AM

Very truly yours,

RECORDED
&
INDEXED

7-576-3-570A

John Edgar Hoover
Director
NOV 13 1939

U. S. DEPARTMENT OF JUSTICE

FILE



Rotary Club

SINCE JULY, 1916

WEDNESDAY, 12:15
ARLINGTON HOTEL



HOT SPRINGS NATIONAL PARK
ARKANSAS

November 1 1939

UNCLE SAM'S OLDEST PARK
FOR HEALTH AND RECREATION
ESTABLISHED 1832

Hon J. Edgar Hoover,
Washington DC.

Dear Mr. Hoover:

Please see copy of letter I am writing Mr. Thomas E. Dewey, who I had an opportunity to serve in the James Hines case.

If my record in this city is satisfactory and your Little Rock agents will say that I have been cooperative and still trying to protect my job, knowing what McLaughlin had and will do to any one opposing him, wont you please write or call on Mr. R.B. White or Mr. B.D. Barnett, the president of my company in New York and let them know conditions here as you found them.

With deep appreciate to you for the F.B.I. I am gratefully and sincerely yours,

Milton Nobles

Manager The Western Union Tel. Co.,
President Hot Springs Rotary Club.

- Mr. Tolson
- Mr. Nathan
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Ladd
- Mr. Coffey
- Mr. Egan
- Mr. Glavin
- Mr. Crowl
- Mr. Harbo
- Mr. Lester
- Mr. Hendon
- Mr. Nichols
- Mr. Rosen
- Mr. Quinn Tamm
- Mr. Tracy
- Miss Gandy

*ack
letter to Mr. Dewey
11-9-39
ACH*

*Bankhead - handwriting - hot springs Ark
see index*

7-576-3-571-

RECORDED
&
INDEXED

I ENCL D

*b.
my
mk*

*TOLSON ✓
TAMM ✓
NICHOLS ✓
REID ✓
HENDON ✓*

"HE PROFITS MOST, WHO SERVES BEST"

November 1 1939.

~~Mr. Thomas E. Dewey,
District Attorney,
New York N.Y.~~

~~Dear Mr. Dewey:~~

Please recall that I tipped you off to a telegram some time back which I handled from James Hines' attorney to the Arlington hotel here regarding Hines being registered here at a certain time.

I may need your assistance and influence in the following matter. Please pardon lengthy explanation but it is necessary to give you the whole story.

I was given employment with Western Union here in 1907. I have 32 years continuous service. For 25 years I was able to handle my job here without taking part in local affairs.

In 1924 I was elected secretary of the Hot Springs club, a position I held continuously for 15 years. I was elected president of our club last July. I also served three years as member of the board of directors of the Chamber of Commerce.

Being active in decent civic affairs, I was compelled to assume an attitude against crooked politics and corruption in public affairs. I have been raised a liberal, very liberal, but I have always hated cheap, crooked men and women.

Working for the Western Union I felt that I had every right of a free citizen, but I did not want to embarrass my company by taking an open stand against local political conditions, until I saw fine substantial visitors mistreated and learned that our local mayor and police were conniving with con men and crooks.

Because I had been boyhood friends with our principal city officials I thought that a letter to the mayor calling his attention to some of the things Rotarians and other citizens disliked might cause him to alter his course and help us have a liberal but decent resort city. I am enclosing a copy of the letter I wrote Mayor McLaughlin, shortly after you removed Lucky Luccion from this state.

7-576-3-571

(2)

Instead of giving me a chance to talk matters over with him, McLaughlin wrote Mr. R.B. White, President of the Western Union in New York City, said I was hostile to the local administration and made an effort to have me removed from my position here.

When my superintendent investigated ^{John J. O} McLaughlin's complaint here and talked with some of our leading citizens, I was left on my job and have gotten along without difficulty since 1937 until recently.

After I was elected president of the Rotary club I sent a telegram to Fred Isgrig, former U.S. District Attorney at Little Rock, congratulating him on his conviction of our police officials, who were found guilty of a federal charge of harboring Alvin Karpis, notorious kidnapper and bank robber.

You may recall that Luciano, Karpis and other crooks made this their headquarters when they wanted to hide out and they were protected by local police and the mayor was the real head of the police force here.

During my vacation in July my friends put me into a little local contest for leading citizen. I ran third. McLaughlin did not get a vote. Recently we had a speaker before our club who has through the assistance of all Arkansas Rotary clubs in Arkansas and other good citizens, made it possible for the state to save \$4,000,000.00 annually because of changes and improvements in criminal law procedure in our state. Hon. Abe Collins of DeQueen, Ark.

In Mr. Collins address he referred to conditions which existed here prior to conviction of our police and in answer to questions put to him by ours members he stated that it was up to the citizens of Hot Springs to improve conditions here, that no one else could do it. McLaughlin heard about Mr. Collins address and blamed me.

McLaughlin wrote his third letter to the president of my company. Mr. White referred the matter to our General Manager and two officials from our Dallas office spent two days here investigating claims made by McLaughlin.

My immediate superior, J.F. Wilson, called without me being present, on 35 or more business people. All of them had good word for me and most of them criticized the mayor, yet many folks

(5)

dont want to get mixed up in other persons affairs, although numerous McLaughlin enemies want to take any step to protect me in case McLaughlin would be able to bring some influence or pressure to bear to have me released or transferred.

McLaughlin has threatened and persecuted every person who raised the slightest objection to condition we have had to accept.

Just before local police were sent to the penitentiary, a con man called at our office and collected a money order which did not belong to him. When the forgery was called to my attention by our Shreveport office, from which place the money was wired, I reported the affair to our police, who promised to help me.

A week later I saw the con man who had gotten the money walking down Central avenue with a police official. I stopped them and told the police my story. The police took me over to jail, sat me down in the chief's office. I waited until the Chief of Detectives came in. There was a conference outside of the chief's office. Shortly the chief handed me the money the con man had received at our office.

When I returned to my office to remit the money to the sender, the con man was waiting for me. He tried to get me to split the money with him. When I threatened to swear out a warrant he said that wont do any good, I pay the local police to let me work here. When I reported this case to McLaughlin he abused me and said I was like a lot of other people here, just hostile and stirring up trouble.

Mr. White, my president does not know me. He does not know of conditions we have had to accept here. The chief pilot of the Panama Canal, a member of the Rotary club in Panama, came here for vacation. He was mistreated. When we reported matter to mayor, nothing was done about. When Dick Galatas, the con man who caused the Kansas City massacre several years ago, was released from Alcatraz, he returned here and told me of the money he had paid McLaughlin to let him trim visitors. I heard and saw many things which the average citizen would not believe. Yet I tried to attend to my own business and keep out of trouble.

You had an experience with our officials several years ago. I was thrilled and so proud of you as an American citizen when you took Luciano and especially grateful for what you have done in New York.

I have a wife and three boys. I have the respect and love of many citizens here. I don't want a crooked official to cause me to lose my job. If my company officials knew all the particulars, I know they would stand behind me. I understand that U.S. Internal Revenue men are investigating McLaughlin's income during the past few years. Many citizens are hoping that McLaughlin will meet some difficulty as Hines and Pendergast.

Would you please contact Mr. White or Mr. Barnett of our New York official family and help me?

If present conditions continue here it means that my wife and I dare not vote in any city or county election because McLaughlin would know how we voted and there would be additional persecution. I have assured my officials that I will not vote or express myself in any way whatever regarding local condition or officials, but your contact with Mr. White or Mr. Barnett would mean a great deal at this time.

Please excuse this long letter, but believe me, I am gratefully and sincerely yours,

Milton Kobles
Manager Western Union
President Hot Springs Rotary Club



UNCLE SAM'S OLDEST PARK
FOR HEALTH AND RECREATION
ESTABLISHED 1832

Rotary Club

SINCE JULY, 1916

WEDNESDAY, 12:15
ARLINGTON HOTEL

HOT SPRINGS NATIONAL PARK
ARKANSAS

Copy of letter I mailed Mayor McLaughlin
when I was secretary of the Rotary club.

Illegal elections heads the list of complaints. Even the book-makers who you have required to serve as election officials resent this action.

Many substantial citizens claim you discredit Chamber of Commerce and Community Chest because you cannot dominate them.

Most of our police difficulties are charged to your lack of control and supervision.

Many local persons do not like your connection with Galatas and objected to your protecting Luciano.

Business firms do not like the idea of waiting 6 months to collect accounts due them from the city.

Slot machines and permitting minors to gamble openly causes trouble. Con men have no investments here. They bring us bad publicity and trouble.

Open gambling houses on first floor along Central avenue is objectionable. Many of them are open on Sundays.

U.S. FBI agents and postal inspectors report failure of our local police to cooperate.

Some of your close friends say you are going blind with political power. You can make us a good mayor if you will make certain adjustments, give us friendly help and leadership.

Lets eliminate the con men, slot machines and other objectionable activities here.

Yours for a liberal decent resort city.

Sincerely

Milton Nobles, Secy.

"HE PROFITS MOST, WHO SERVES BEST"

FEDERAL BUREAU OF INVESTIGATION

1939

The Director
 Mr. Nathan
 Mr. Tolson
 Mr. Nichols
 Mr. Clegg
 Mr. Hince
 Mr. Glavin
 Mr. Crowl
 Mr. Tracy
 Mr. Coffey

Files Section
 Personnel Files
 Technical Laboratory
 Mechanical Section
 Crime Records Section
 Mr. Harbo
 Mr. Hendon
 Identification Division
 Mr. Ladd
 Mr. Quinn Tamm

SUPERVISORS

Mr. Abbaticchio
 Mr. Bellino
 Mr. Bickley
 Mr. Bowman
 Mr. Brennan
 Mr. Carson
 Mr. Cornelius

Mr. Hayden
 Mr. Kimball
 Mr. Kramer
 Mr. R. L. Murphy
 Mr. W. A. Murphy
 Mr. McIntire

Mr. Pennington
 Mr. Rosen
 Mr. Ruggles
 Mr. Smith
 Mr. Sears
 Mr. Willis

Pugor

* * *

Miss Gandy
 Mrs. Morton
 Mr. Albaugh
 Mr. Halter
 Miss Conlon
 Miss Friedman
 Typists - 5724
 Stenographers 5706
 See Me

Bring file up to date
 Send File
 Correct
 Call me regarding this
 Note and Return
 Search, serialize and route
 Stenographers 5724
 Stenographers 5730
 Prepare tickler for
 Call these files

Letter must go out 11-8-39

J. F. SEARS - 5722

E. A. TAMM - 5734

7-576-3-571

November 9, 1939

RECORDED

Mr. Milton Nobles
Manager
The Eastern Union Telegraph Company
Hot Springs, Arkansas

Dear Mr. Nobles:

This will acknowledge receipt of your letter dated November 1, 1939, with which you submitted a copy of a letter sent to Mr. Thomas E. Dewey.

I want you to know that I appreciate your furnishing this information to me and I am referring the matter to Mr. E. L. Richmond, Special Agent in Charge, Federal Bureau of Investigation, United States Department of Justice, 500 Hector Building, Little Rock, Arkansas, and have instructed him to have an Agent contact you in the near future.

Very truly yours,

John Edgar Hoover
Director

NOV 9 2 40 PM '39
RECEIVED DIRECTOR
U. S. DEPT. OF JUSTICE

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Ladd.....
- Mr. Coffey.....
- Mr. Egan.....
- Mr. Glavin.....
- Mr. Crowl.....
- Mr. Harbo.....
- Mr. Lester.....
- Mr. Hendon.....
- Mr. Nichols.....
- Mr. Rosen.....
- Mr. Sears.....
- Mr. Quinn Tamm.....
- Mr. Tracy.....
- Miss Gandy.....

CC to Little Rock

by cover letter,
Plain envelope.

COMMUNICATIONS SECTION
MAILED
★ NOV 9 1939 ★
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

Sfor

c

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

*Joan
Nichols*

BMS:JEM

November 22, 1939

MEMORANDUM FOR MR. HENDON

Reference is made to the letter dated November 1, 1939, from Mr. Milton Nobles, Manager of the Western Union Telegraph Company at Hot Springs, Arkansas, and also to the copy of a letter which he forwarded to the Director reciting various instances of the persecutive activities of Leo McLaughlin, Mayor of Hot Springs.

In view of the fact that the writer, during the course of the Harboring Investigation of the Bremer Case at Hot Springs, Arkansas in 1937, had occasion to contact Mr. Nobles several times to obtain information from the files of the Western Union Telegraph Company, it is felt that the Bureau should be advised as to the cooperative attitude of Mr. Nobles.

On every occasion that the writer contacted Mr. Nobles, he practically placed his entire office at the writer's disposal. He voiced on numerous occasions his admiration for the FBI and for the great work it was doing throughout the country, under the Director's leadership. Mr. Nobles not only offered the confidential files of the Western Union to the Agents working on this case, but even went so far on several occasions as to make special arrangements for the Agents to come in after some of the employees had left for the day, in order to avoid any possibility of said employees "nosing" around to find out the Agents' objectives.

Mr. Nobles evidenced at all times a bitter feeling toward Leo McLaughlin and his unscrupulous cohorts as he felt that the political machine of Hot Springs was fast ruining the reputation of the City. He is very civic minded and from many conversations had with him the writer feels that he has a high regard for everything dealing with law and order.

He has on numerous occasions directed letters to the SAC and the U. S. Attorney at Little Rock, furnishing bits of information he had picked up, that he felt might be of some benefit to the Agents working on various cases in Hot Springs. He personally advised the writer on one occasion that nothing made him feel better than to know that he could be of some little assistance to Agents of the FBI, and it was his hope and prayer that the Federal Government could place Leo McLaughlin, "Dutch" Akers, Joe Wakelin and others of the political machine behind the bars where they belonged.

RECORDED & INDEXED 7-576-3-571

I felt that the Bureau would be interested in obtaining this information in order to complete the files.

1 ENCL. C
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hjm

Respectfully,

[Signature]
U. S. DEPARTMENT OF JUSTICE

B. M. Suttler

TAMM
HENDON
NICHOLS

Federal Bureau of Investigation
United States Department of Justice
Kansas City, Missouri
December 29, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

Dear Sir:

Re: BREKID

The receipt is acknowledged of a copy of a letter from Inspector E. J. CONNELLEY, dated at Cincinnati, Ohio, December 22, 1939, which relates to an interview by Mr. CONNELLEY with HERBERT AKERS, former police officer at Hot Springs, Arkansas, and who is now confined in the United States Penitentiary at Atlanta, Georgia.

It is noted from this letter that AKERS mentioned to Mr. CONNELLEY the situation which related to a bank burglary at Neosho, Missouri, wherein \$16,000 was obtained. You are advised that the only record this office has of a robbery of a bank in Neosho in recent years is that of the robbery of the First National Bank at Neosho, which occurred on March 2, 1935. The investigation developed all the persons participating in the bank robbery, and appropriate court action has been taken in the case of each and every one involved. It is not believed that the identity of any person connected with that bank robbery remains undisclosed.

It is further observed that AKERS expressed the belief that ADAM RICHIETTI and CHARLES ARTHUR FLOYD were not responsible for the killings in connection with the Kansas City massacre. The Bureau, of course, entertains a different opinion than the one expressed by AKERS. The investigation of this case disclosed that VERNER MILLER, FLOYD, and ADAM RICHIETTI were involved in the actual shooting. MILLER'S body was found near Detroit in November, 1934, under circumstances which indicated he had been murdered. FLOYD was fatally shot by Bureau Agents in Ohio in October, 1934, while resisting arrest. RICHIETTI was tried in the state court in Kansas City, Missouri, in connection with the massacre case, was convicted, and sentenced to death, and said sentence was executed in Jefferson City in 1938. While this may be somewhat

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&
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7-576-3-572
FEDERAL BUREAU OF INVESTIGATION
JAN 2 1940
U. S. DEPARTMENT OF JUSTICE

Director
Re: BREKID

- 2 -

12/29/39

irrelevant but it is an opinion of the undersigned, and that is that had HERBERT AKERS when he was on the police force at Hot Springs, Arkansas, kept his mouth shut for a few more hours following the apprehension of FRANK NASH by Bureau Agents, there would have been no massacre at the Union Station in Kansas City on the morning of June 17, 1933.

It is also noted that AKERS purported to furnish information allegedly obtained by him from others to the effect that there were three men involved in the killing of Special Agent WIMBERLY W. BAKER at Topeka, Kansas, on April 16, 1937. The investigation in this case shows clearly there were only two men involved in this killing, namely APLEGATE and SUHAY, both of whom were executed within the confines of the United States Penitentiary at Leavenworth, Kansas, on August 12, 1938.

Very truly yours,

Dwight Brantley
DWIGHT BRANTLEY
Special Agent in Charge

DB:HD

cc: Atlanta
Little Rock
St. Paul
San Francisco
Inspector E. J. CONNELLEY

RECORDED GNW:ESK
7-576-3-572 ✓
~~62-28915-3999~~ ✓
91-800-1130 ✓

January 25, 1940

Honorable Guy T. Helvering
Commissioner
Bureau of Internal Revenue
Treasury Department
Washington, D. C.

My dear Mr. Helvering:

For your information and as of possible assistance to your investigation relative to a violation of the Income Tax Laws by public officials at Hot Springs, Arkansas, the following data are being made available to you as recently obtained from a confidential informant of this Bureau.

The informant has stated that during 1929, approximately, Charles Coburn, a resident of Hot Springs, built into the home of Leo P. McLaughlin, Mayor of Hot Springs, a secret place for the concealment of valuables. The informant related that this secret hiding place is a small closet or recession built of solid oak but of 4" x 6" timbers, which makes a place for a box about 2' x 3'; that this is located in the northwest corner of the attic in Mayor McLaughlin's home directly under the eaves. The informant further advises that a dresser or similar piece of furniture is usually in front of this secret hiding place and that a window is located near the strong box, which looks out over the garage of the home.

The informant has confidentially stated that Mayor McLaughlin, in times past, frequently visited Louisville, Kentucky, Cincinnati, Ohio, and Indianapolis, Indiana, during which time McLaughlin rented various safety deposit boxes in these particular cities for the concealment of money obtained resulting from his illegal operations in Hot Springs, Arkansas. The informant indicates that this travel was performed in company with Jack McJunkin, Captain of the Hot Springs Fire Department, who acted more or less as a chauffeur for McLaughlin.

Sincerely yours,

John Edgar Hoover
Director

- Mr. Tolson _____
- Mr. Nathan _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Ladd _____
- Mr. Coffey _____
- Mr. Egan _____
- Mr. Glavin _____
- Mr. Harbo _____
- Mr. Lester _____
- Mr. Hendon _____
- Mr. McIntire _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Quinn Tamm _____
- Your Room _____
- Mr. Tracy _____
- Miss Gandy _____

COMMUNICATIONS SECTION
 MAILED
 JAN 25 1940
 P. M.
 FEDERAL BUREAU OF INVESTIGATION
 U. S. DEPARTMENT OF JUSTICE
 (Under cover of Letter)

RECORDED COPY FILED IN 62-28915-3999

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

DEC 18 1939

TELETYPE

Mr. Tolson	✓
Mr. Nathan	✓
Mr. E. A. Tamm	✓
Mr. Clegg	
Mr. Ladd	
Mr. Coffey	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Lester	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Mr. Nichols	
Mr. Rosen	
Mr. Quinn Tamm	
Tele. Room	
Mr. Tracy	
Miss Gandy	

FBI ATLANTA

12-18-39

4-35 PM

ME

✓ DIRECTOR

INTERVIEWED HERBERT AKERS WHO RELATED VARIOUS SUPPOSED INFORMATION PICKED UP SINCE INCARCERATION, WHICH WILL BE COVERED IN LETTER FOR WHAT VALUE IT HAS. HE RELATES DETAILS OF SUPPOSED HIDDEN STRONG BOX IN HOME LEO MCLAUGHLIN FURNISHED BY ANOTHER CONVICT. VARIOUS SITUATIONS HAVE NO URGENCY AND PROBABLY LITTLE IF ANY VALUE TO BUREAU. WILL COVER FULLY IN LETTER WITH SUGGESTIONS. LEAVE SIX PXX EIGHT PM TODAY SOUTHERN RAILWAY ~~TRAIN~~ TRAIN TWO, LOWER EIGHT, CAR SIX FIVE ONE. ARRIVE CINCINNATI EIGHT TEN AM DECEMBER NINETEENTH.

CONNELLY

END

LEAVE SIX EIGHT PM

OK HOLD PLS

RECORDED & INDEXED

7-576-3-573

FEDERAL BUREAU OF INVESTIGATION

DEC 18 1939

U. S. DEPARTMENT OF JUSTICE

COPIES TO OFFICE

TAMM

QUINN TAMM

Handwritten initials

1

Federal Bureau of Investigation

U. S. Department of Justice

Cincinnati, Ohio
December 22, 1939

- Mr. Tolson ✓
- Mr. Nathan ✓
- Mr. E. A. Tamm ✓
- Mr. Clegg ✓
- Mr. Ladd ✓
- Mr. Coffey ✓
- Mr. Egan ✓
- Mr. Glavin ✓
- Mr. Harbo ✓
- Mr. Hendon ✓
- Mr. Pennington ✓
- Mr. Quinn Tamm ✓
- Mr. Nease ✓
- Mr. Rosen ✓
- Mr. Tracy ✓
- Miss Gandy ✓

*Letter to Internal Revenue
Bureau 1-24-40
PAC letter to SAC
ditto to
cc Atlanta
San Francisco
1-25-40
S.W.*

EJC:GOC

Director
Federal Bureau of Investigation
Washington, D.C.

PERSONAL AND CONFIDENTIAL

Dear Sir: In re BREKID.

Reference is made to letter of the Atlanta Office, dated November 2, 1939, entitled "MOSES L. ANNENBERG, with aliases; et al; ANTI-TRUST", in which it was indicated that HERBERT AKERS, former Chief of Detectives, Hot Springs, Arkansas, desired to talk with me as to certain information he had possibly concerning the hiding place of the funds of Mayor LEO P. McLAUGHLIN, who is supposedly under investigation at the present time in connection with possible Income Tax evasions.

Interview was had with HERBERT AKERS on December 18, 1939, at the Atlanta Federal Penitentiary. AKERS has apparently appeared before the Parole Board and, of course, hopes for some possible consideration as to parole. He is presently serving two sentences of two years to run consecutively. AKERS was very careful to avoid any request for favors until toward the latter part of the lengthy interview had with him. He requested at this time that he believed we should favorably report upon him in the matter of parole or that possibly we would not oppose him in his efforts to be paroled. With these ideas in mind apparently AKERS has tried to think of everything that has occurred in the past which he might give to us to encourage us in favoring his possible release although apparently being careful to avoid implicating himself in any past situation. For this reason possibly much of the information furnished will have little value.

AKERS was advised that we had fully reported in the usual parole report as to him the facts which resulted in his conviction; that there had been nothing occurring subsequently to such report which had changed our opinion as to his guilt. AKERS at this time will readily admit his guilt in the one harboring case concerning Federal fugitive NORRIS but still insists that he did not harbor ALVIN KARPIS, as to which he is now serving one of the two year sentences.

*See that these matters
are all checked & followed
up promptly.*

7-576-3-573
RECORDED & INDEXED
TOLSON
RANDALL
HENRY
NECELS

COPIES DESTROYED
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62-43105-12X

Director

Re BREKID.

AKERS endeavors to sell the idea that he would be of more value to the Government on the outside than he would in prison due to his knowledge of criminals and their activities. He also tries to create the idea that he is possibly in danger of personal violence from other prisoners who might be in the penitentiary as a result of information furnished previously by him to various law enforcement officers.

AKERS in his usual manner readily claims credit for having furnished information in numerous cases which resulted in the present incarceration of individuals serving time in the penitentiaries. These situations present some doubt. Also it is possible that the prisoners themselves would have no reason to believe that AKERS had anything to do with their conviction. AKERS has discussed this situation with the Warden, and the Warden has indicated to him that should anything occur, it should be brought to his attention and that he, AKERS, would be properly taken care of. AKERS, of course, in any lengthy discussion readily admits numerous shake-downs practiced by himself and former Chief of Police JOSEPH WAKELIN. This concerns numerous persons who were picked up and where they had anything on them, they were shaken down and turned loose rather than being incarcerated in conformity with the charge for which they were wanted.

AKERS advised that if it is necessary to show him any pictures of various possible suspects or to have any lengthy discussion with him as to information which he might be able to furnish, arrangements should be made to take him out of the prison to some point for this purpose and that thereafter possibly he should be transferred to another prison to complete his sentence, in order to avoid possible retaliations of the inmates. AKERS seems to be afraid of the set up in Atlanta, calling attention particularly to the fact that the barber shop in which all of the prisoners have their work done is located directly across from the visitors' room in which prisoners are interviewed at Atlanta, stating that this results in information getting back to the prison as to prisoners who are interviewed in this manner at Atlanta.

As to the general set up at Hot Springs and the persons responsible for the control of the corrupt practices existing there, and the persons who receive the large money as to the pay-off, AKERS advises LEO P. McLAUGHLIN, the Mayor, VERNE S. LEDGERWOOD, Municipal Judge, EARL WITT, County Judge, and MARION ANDERSON, the Sheriff, are the real combination which controls all of these various practices. These individuals dominate the collection of graft and also control

Director

Re BREKID.

any and all activities in the operation of the City of Hot Springs. They also are responsible for any combinations which have been arranged through the state authorities in order to allow them a free hand in their local activities. AKERS denied that he knows of the manner in which pay-offs are arranged, although readily admitting their participation in certain of these illegal exactions. This, of course, would preclude the possibilities of AKERS testifying as to any one of these particular individuals actually having received any illegal receipts at any time. AKERS advises he understands there is an agreement between the Hot Springs administration and the Governor, CARL BAILEY, whereby he originally received \$1,000. per month from Hot Springs; that the major portion of the graft received comes from the gambling operations; that he understands that Governor CARL BAILEY later realizing the large amount being taken by the combination, insisted that this amount of \$1,000.00 per month be increased. As to this, of course, AKERS can not or will not give any exact information which would assist in proving such situation.

He advises that the gambling is controlled entirely by WILLIAM S. JACOBS. AKERS advises that he believes JACK NOLT, the Attorney General, is entirely honest but that possibly an assistant attorney general, one ALVORD, might be the medium through which collections reach the Governor. As to this situation when pressed, he advises he had no real information but that he had been questioned as to ALVORD by the representative of the Internal Revenue checking income tax at Hot Springs, who interviewed him recently at Atlanta as to whether or not he knew anything as to the activities of ALVORD. AKERS advises that a man, whose name he does not recall, who is Chief of the Income Tax Division, Internal Revenue, Kansas City, Missouri, questioned him at Atlanta as to any knowledge he might have of Hot Springs. AKERS had previously refused to talk to a sub-ordinate, however, as to this. He advised his reason for this was that he believed the present Collector of Internal Revenue for Hot Springs and vicinity, HOMER ADKINS, is a member of the organization which controls Hot Springs and the State of Arkansas. AKERS advises his opinion of the Governor is based in part upon the fact that he believed he was crooked while he was prosecuting attorney at Little Rock, Arkansas, also that he had some difficulty with BAILEY in connection with confidence men being tried when he, AKERS, tried to show him what the real situation was as to certain cases.

AKERS advised that at the time LUCKY LUCIANO was arrested in Hot Springs and extradited to New York City, the Governor had charged that he had been offered \$50,000. to refuse extradition of LUCIANO.

Director

Re BREKID.

AKERS advised that he knows definitely that the Governor was never offered any money of any kind. AKERS at that time claims to have had in his possession \$15,000.00 of the funds of LUCIANO which were possibly to be used in the purchase of the home of AKERS on Lake Hamilton. When LUCIANO was extradited, he used possibly \$2500.00 of this money for defense purposes, which was paid to lawyers. The balance of the \$15,000.00 was returned to LUCIANO and not used in efforts to bribe or attempt to bribe anybody to avoid extradition. AKERS claims that a detective agency acting for District Attorney DEWEY, New York City, made inquiry of AKERS and he, AKERS, furnished them with the information LUCIANO was in Hot Springs; that thereafter the Agents of District Attorney THOMAS DEWEY proceeded to Hot Springs and arrested LUCIANO for extradition. AKERS claims the only return he ever received as a result of his friendship with LUCIANO was tips on the races and occasionally possibly some money which was bet at the race tracks.

AKERS advises as to the operations of confidence men in the City of Hot Springs that he and JOSEPH WAKELIN, the Chief, each received 2½% of the take; that the balance of the money went to LEO P. McLAUGHLIN and others although he, AKERS, has no actual knowledge of the delivery of any money taken in this manner to McLAUGHLIN. Where he, AKERS, collected any money at any time, he took his share and turned the balance over to JOSEPH WAKELIN. He can not testify as to what WAKELIN did with the balance of such funds but is satisfied it reached McLAUGHLIN and the others who were participating. AKERS claims to have taken possibly \$4,000. or \$5,000. over several years as his cut on confidence men shake-downs in the City of Hot Springs.

AKERS claims that his principal income was in connection with providing lawyers and bondsmen for prisoners picked up. As to this the lawyer and the bondsman would each pay him 50% of their fees and he thereafter would take out about 10%. The balance would be turned over to JOSEPH WAKELIN for whatever disposition he made of this.

AKERS called attention to the fact that at one time he called the Little Rock Office in order that they might have an Agent available to observe Attorney RYAN, a well known character in Hot Springs with whom he frequently dealt in the past, turn over the cut usually given to the Police Department to Captain JERRY WATKINS alias Swede of the Hot Springs Police Department. AKERS is very bitter toward WATKINS and claims he was a very dominating individual and

Director

Re BREKID.

had much to do with the activities of the Police Department. He advised that at one time he had considerable difficulty with him and seriously considered killing him.

As to the occasion he above refers to, he claims that Special Agent CALHOUN of the Little Rock Office came to Hot Springs to look over the situation; that WATKINS and Attorney RYAN left the Court room and on this occasion \$600.00 passed from RYAN to WATKINS but that CALHOUN indicated he had not seen anything. It is believed that there is a memorandum or report in the Little Rock Office which covers the above indicated situation.

AKERS advises that during the operation of the handbooks at Hot Springs, which are controlled by WILLIAM S. JACOBS, they paid approximately \$150.00 per day for protection; that also each handbook monthly went into the local Court and pled guilty to gambling and thereafter paid \$145.00 in fine and costs. This latter is the situation as has previously been checked against the records in Hot Springs. This money of course went to the city of Hot Springs.

The above general information furnished by AKERS is consistent with information previously received in investigations conducted at Hot Springs and which have been the subjects of numerous reports in the above entitled matter. As will be noted, AKERS offers nothing which could be used as proof of these situations, always claiming that the matter was handled in such a way that he could not testify to same of his own knowledge. AKERS advises that the present Director of Public Safety is honest, in his opinion, this being WELDON RASBERRY; that, however, RASBERRY knows little of Police work and is undoubtedly dominated and controlled by Mayor McLAUGHLIN.

In an effort to indicate that he had nothing to do with the harboring of ALVIN KARPIS, for which he is now serving one of the two year sentences, AKERS insists upon his story as indicated at the trial that individuals, probably KARPIS, had been reported buying bandages and other things at a drug store; that he and CECIL BROCK, another defendant, checked and obtained the license numbers of the cars of KARPIS and HUNTER at the place on Lake Hamilton. AKERS cannot advise why he only checked one of these license numbers, as was shown by the telegram subsequently found. AKERS insists he did not know that JOSEPH WAKELIN was intimately associating with GRACE GOLDSTEIN, which of course is contrary to the general practices of AKERS, as it is

Director

Re BREKID.

well known he was in intimate touch with and checking on everybody in Hot Springs, apparently in an effort to see that he was not left out of any division of the spoils. AKERS insists he did not know of WAKELIN advising GRACE GOLDSTEIN that her car and license number had been seen at the place where the cars of KARPIS and HUNTER were observed. AKERS insists that when he told WALTER EBEL, reporter of Hot Springs, that he believed KARPIS was at Lake Hamilton, he was only guessing at this time. In October, 1935, AKERS states that IRA ROSS, Post Office Inspector, Little Rock, advised Inspector HAINES and others who were handling the Karpis matter, to see him early in 1936, after which these Post Office Inspectors conducted the investigation which resulted in the scaring away of KARPIS from Hot Springs. He, AKERS, probably unwisely, in the presence of Captain ARCH COOPER and others at the Police Station, advised that they had better be on their toes, as KARPIS was in town. He now believes that WAKELIN was endeavoring to get from him any information he had in order that he could furnish this to GRACE GOLDSTEIN. He insisted he did not know of their intimate association. However, at about this time AKERS advises WAKELIN came to him and said, "We have got to keep GRACE out of this and I believe I can get you \$100.00".

AKERS advises that while he and GRACE were in the county jail after conviction and sentence, awaiting transfer to the Federal Penitentiary, his wife brought baskets of food to him, and the jailor allowed AKERS, his wife and GRACE GOLDSTEIN to eat in the dining room together and that GRACE GOLDSTEIN at this time told him of her association with WAKELIN. GRACE advised him that she knew through WAKELIN what was going on and that this information bore out information he, AKERS, had received in confidence from a negro maid, whom he would not name and who worked for GRACE GOLDSTEIN, to the effect that she had seen GRACE GOLDSTEIN in the presence of KARPIS, pay \$250.00 each to CECID BROCK and JOSEPH WAKELIN. In this conversation, however, GRACE would not admit such payments to BROCK and WAKELIN. AKERS advises this convinced him that WAKELIN and BROCK were definitely guilty and had been deceiving him. It is believed that this possibly substantiates the fact that WAKELIN and BROCK were definitely involved, as indicated, but does not in my opinion indicate that AKERS did not also know fully of this situation.

The situation which AKERS had indicated he wanted to discuss

Director

Re BREKID

*This is in
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Bureau
-25-40
Jew
cc L.P.*

with me concerning the possible concealment of money received by Mayor LEO P. McLAUGHLIN resulting from his illegal operations is as follows. AKERS advises McLAUGHLIN frequently visited Louisville, Cincinnati and Indianapolis; that he was accompanied by Captain JACK McJUNKIN of the Hot Springs Fire Department, a rather dumb individual who acted as chauffeur for McLAUGHLIN; that it is his, AKERS', understanding that McLAUGHLIN rented various safety deposit boxes in these particular towns and that possibly McJUNKIN, if he could be forced to tell, might be able to identify some of these banks.

AKERS advises that one BUSTER COBURN, now serving three year sentence for bootlegging in Atlanta Penitentiary, will be released December 26, 1939. BUSTER is the son of CHARLES COBURN, an old bank robber of Hot Springs, Arkansas. BUSTER claims that he, together with his father, about 1929, built into the McLAUGHLIN home a secret place for the concealment of valuables. The home of McLAUGHLIN is located about 800 Malvern Avenue at the corner of Malvern and Grand. This secret hiding place is a small closet or recession built of solid oak out of 4" by 6" timber and makes a place for a box about 2 foot by three foot. It is located in the northwest corner of the attic of the house under the eaves. There is usually a dresser or similar piece of furniture in front of it. The window near to this strong box looks out over the garage of the home.

It is AKERS' idea that McLAUGHLIN has concealed in this place the funds obtained in his various illegal operations. AKERS advises that if he was not going honest at this time, he would not tell us of this; that he would consider the possibility of going in there and tying them up and robbing the place when he was released. However, he is giving this to us now for such use as possibly might be taken to recover such funds.

Another situation which AKERS covered as possibly being of value to us was information furnished allegedly to him by one RED WOODS, alias Dannemora Red, serving 10 years at Atlanta Penitentiary, about 60 years of age, heavy set, height 6', weight 225 pounds, false teeth, gray hair, limps. He says this individual formerly worked in the store room and was recently transferred to the locker rooms. WOODS claims to have been picked up in the past while passing some of the Bremer money with which he was purchasing at that time the first new Ford automobile put out by this company. Apparently WOODS created the idea that he had been sentenced to the Penitentiary in connection with the passing of the Bremer money. WOODS indicated that he still has about \$18,000. of the Bremer money. WOODS is supposed to have

Director

Re BREKID

told AKERS that there was a third party involved in the killing of former Special Agent WIMBERLY W. BAKER at Topeka, Kansas, April 16, 1937. It was WOODS' idea that there was another individual involved in addition to ROBERT J. SUHAY, with aliases, and ALBERT POWER, with aliases. WOODS indicates that this individual is one LEFTY WILLIAMS now serving time at Alcatraz; that LEFTY WILLIAMS was supposedly picked up and furnished an alibi as to being in New York City on the day of the shooting.

*Checked
See
Serial
#572*

Check by the Atlanta Office as reflected in their letter of December 19, 1939, addressed to me indicates that undoubtedly the fellow WOODS referred to is ALFRED EUGENE WOOD, FBI #106,799, received January 30, 1937, from Bluefield, West Virginia, to serve two 5 year consecutive sentences for violation of the National Motor Vehicle Theft Act. There is a detainer against WOOD to return him to the State Penitentiary, Danamora, New York. It is not believed that WOOD was concerned in any way in the Bremer case.

WOOD is an old offender concerned with numerous violations of the Federal law as to impersonation of Government officials, and at one time was the subject of Identification Order #1108, dated January 5, 1929, under the name of JAMES MALLORY WOOD, with aliases. An examination of the limited file of WOOD in the Cincinnati Office dating previous to May 25, 1929, indicated that WOOD had a bigamous wife, ELINORE WOOD, in Chicago and also another wife, MINNIE S. CHATTLE, South Akron, Ohio, and that he also had a step-son, HARRY WILLIAMS at South Akron, Ohio. It is possible that LEFTY WILLIAMS may have some connection with or be identified with HARRY WILLIAMS; that possibly WOOD has some purpose in making these references to WILLIAMS due to his past connections. It is apparent that WOOD possibly is giving AKERS these stories in keeping with his past activities and operations, as will probably be more fully covered in the files of the Bureau. In this connection, request is being made of the San Francisco office to make a suitable check at the U. S. Penitentiary, Alcatraz, in an effort to identify LEFTY WILLIAMS, in order that it may be determined from these facts whether or not there is any possibility of associating WILLIAMS with any situation at Topeka, Kansas. It is AKERS' idea that WILLIAMS supposedly is the man who did the shooting, which of course is inconsistent with the reports of the Kansas City Office as to the matter of ROBERT J. SUHAY, et al.

Another situation which AKERS brought up concerned the person possibly responsible for a bank burglary of a bank at Neosho, Mo., wherein \$16,000.00 was supposedly obtained. AKERS claims that

Director

Re BREKID

some undisclosed individual advised him in conversation that the person responsible for this bank burglary had been released from the Atlanta Penitentiary during the past summer. He had no other information which would identify this individual or the specific bank burglary he had in mind and apparently is unable to obtain any additional information. As to this the Kansas City Office is being requested to check their files in an effort to identify possibly the situation to which AKERS refers and also with the idea in mind of possibly identifying the individual that AKERS indicates might be responsible for this particular job, if it is a Bureau case.

*Conrad
See
Serial
#572*

Another situation which AKERS brought up concerned the fact that he was of the opinion that ADAM RICHETTI and CHARLES ARTHUR FLOYD were not responsible for the killings in connection with the Kansas City massacre. He advised he based this opinion upon a statement made to him by RICHARD GALATAS involved in this case to the effect that RICHETTI and FLOYD did not do the killing. AKERS advised that he does not know who did this; that he had previously furnished this same information to FRANK SMITH, Special Agent who was working on the case. This information is not believed to be of much value and is undoubtedly more or less an opinion of AKERS based upon a statement of GALATAS.

Same

Another situation of which AKERS advised me was that he knew the individual responsible for the killing of two women. He advised that this was a rather well publicized case occurring about 1931, 1932 or 1933, wherein two women had been taken out of Minneapolis in an automobile, killed and their bodies burned in the automobile. AKERS advises that the individual responsible for this hid out in Hot Springs, Arkansas, after the crime in question in order to "cool off". He insists that he talked to this individual; that he probably could identify his picture if it was presented to him; that he does not know the name of the person nor anyone who could furnish the name, except persons who, if approached, would immediately place AKERS as being responsible for furnishing the original tip in this case, which of course he could not afford to supply due to his present incarceration. He advised that this was a person of Italian appearance, height about 6'4", thick lips, age 40, now possibly about 45 years of age, about 180 pounds, black hair, black eyes, and probably a Sicilian.

*St
Paul*

AKERS' suggestion as to this was possibly that if pictures were presented to him he could identify the individual in question.

Director

Re BREKID

This was partly the situation he referred to when he indicated that it would be well to take him out of the prison to some other location if he were to be exhibited various pictures concerning this individual. The St. Paul Office is being requested to identify, if possible, the case AKERS refers to in order that if it is a case in which we had any interest in the past, we might wish to follow up this information furnished by AKERS looking to the identification of the suspect.

*This crime took place on 7-13-34
Thompson
The statute
of limitation
Bona action*

Another situation referred to by AKERS was the confidence men shake-down perpetrated upon one YUDEN at Hot Springs, Arkansas, who had been taken for \$26,000. YUDEN apparently flew into Hot Springs from Arizona with the money and he was taken by confidence men CHAPPIE LOHR, now, according to AKERS, possibly dead, and A. J. CONNOR. AKERS advises that it is his understanding there was a third man involved in this case whose identity by inference he indicates he might know. He advises that former U. S. Attorney FRED S. ISGRIG, Little Rock, Arkansas, is now suing the Rockefeller estate at Hot Springs for \$100,000.00 damages in connection with the \$26,000.00 obtained by LOHR and CONNOR from YUDEN, inasmuch as ROCKEFELLER was reputedly the man who pointed out the various victims to the confidence men in their operations at Hot Springs. Apparently CONNOR is being searched for by the Post Office Inspectors, according to AKERS, and AKERS states that he believes CONNOR is now located somewhere in Texas and that he should be easily found.

87-7

It is AKERS' idea that if CONNOR is located and pressed closely he would admit the above shake-down and that he would further possibly admit the payment of the cut in this to Mayor LEO P. McLAUGHLIN.

From the files of the Cincinnati Office, it is noted that the St. Paul Office has a case entitled, "MIKE SMATCHUK; with aliases; HARRY RAYMOND STOUT, with aliases; CHAPPIE LOHR, with aliases; et al; NATIONAL STOLEN PROPERTY ACT", which latter individual is probably the same as the man above referred to. It is also believed in this connection that the YUDEN shake-down was the subject of some inquiry by the Little Rock office, who probably will have a file as to this. The Little Rock Office should keep the above matter in mind and associate same with any information they may have in the file, particularly if this is still an active case in the Little Rock Office. The situation as to the confidence men should be borne in mind in the future by the Little Rock office wherein we may obtain a National Stolen Property Act case concerning a confidence matter which would make Federal prosecution possible and in which we might involve Mayor LEO P. McLAUGHLIN if he is taking part of the cut in connection with these illegal

Class!!

Director

Re BREKID

operations, that is where a case of this kind would originate in Hot Springs in the future or as to any present case pending in their office.

Another situation presented by AKERS was rumors to the effect that there was concealed at the present time in the Atlanta Penitentiary \$9,000.00 in \$100.00 bills which had been secretly smuggled into the prison to effect the release of an individual who was subsequently transferred to the U. S. Penitentiary at Alcatraz before he could act upon this. He claims the rumor is that this money is buried in some of the walls of the prison. He could furnish no more direct proof or information than is indicated. The Atlanta office in connection with their various operations probably should give consideration to this situation, as I understand they are investigating certain situations growing out of activities in connection with prisoners at the Atlanta Penitentiary.

Another situation referred to by AKERS was that LEON COLBERT, received on some Federal offense from Texas and having 20 months yet to serve, had stated that there was to be a big job pulled in the State of Arkansas in the near future. COLBERT is the individual who was released from a state sentence at the State Penitentiary, Angola, La., in order that he might be turned over to the Federal Government for the serving of his present sentence. It was AKERS' idea that possibly should a major job occur in the State of Arkansas in the near future, a check of the mail of COLBERT might produce some information as to who was responsible for it. Should a major robbery, particularly a bank robbery occur in the state of Arkansas, the Little Rock office should give consideration to some check as to COLBERT at that time.

Another situation referred to by AKERS was that FRED FOWLER, now probably located at Oklahoma City, was formerly the city clerk at Hot Springs, Arkansas, a long time previous to the KARPIS harboring; that FOWLER was city clerk at the time McLAUGHLIN burned the city hall to destroy the records. AKERS indicated that FOWLER might have some information as to this, if interviewed, or he might know of some of the corrupt practices of McLAUGHLIN which might assist in any case concerning facts which might involve McLAUGHLIN.

In connection with the various supposed information furnished by AKERS, possibly the Bureau should give consideration referring to the Internal Revenue Income Tax Division the information as concerns the supposed strong box in the home of McLAUGHLIN where his illegal gains

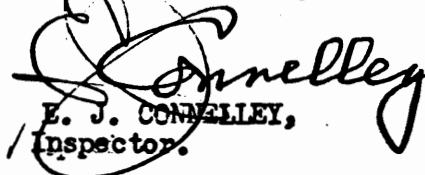
Director

Re BREKID

are supposedly hidden. The other information contained in this it is believed probably refers to situations which might be of interest to the Bureau in the future and should be handled in accordance with the suggestions set out in this letter to the various offices receiving copies of this letter. It is not known what possible action could be taken as against the funds supposedly held by McLAUGHLIN unless possibly the Internal Revenue has assessed taxes which they might be endeavoring to collect and this, of course, might give them some guise of authority to search for and seize upon proper order, the funds in question, if they existed. There is, of course, no assurance that the purported strong box hide-out is actually located in the McLAUGHLIN home although AKERS insists he believes COBURN is telling the truth as to this. As to whether or not the Internal Revenue Income Tax Division would care to contact JACK McJUNKIN for possible information as to secret safety deposit boxes obtained by McLAUGHLIN, it is possible they are aware already of the association of this individual with McLAUGHLIN in the manner indicated. It might be well to call the attention of the Income Tax Division to this individual also, as they might care to check on him if it has not been done in the past.

In connection with the suggested activity of the various offices above referred to who are receiving copies of this personal and confidential letter, care should be exercised at all times in order not to disclose any conversation we have had with HERBERT AKERS. While possibly some of the information above indicated is of limited value, still there always exists the possibility that AKERS might obtain information in the future or might still be in possession of information which would be of value to the Bureau.

Very truly yours,


E. J. CONNELLEY,
Inspector.

1 cc Atlanta
2 cc Little Rock
2 St. Paul
1 Kansas City
1 San Francisco

GNW:ESK

January 25, 1940

RECORDED
&
INDEXED

7-576-3-523X

PERSONAL AND CONFIDENTIAL

AIR MAIL - SPECIAL DELIVERY

Special Agent in Charge
Little Rock, Arkansas

Re: BREKID

Dear Sir:

Reference is made to the personal and confidential letter of Inspector E. J. Connelley, Cincinnati, Ohio, dated December 22, 1939, in the above-entitled case, copies of which were designated for your division and all offices receiving copies of this communication.

Concerning the information appearing on page 10 as to one Yuden, your attention is called to the case entitled "G. P. Howard; F. E. Laynard, alias Chappie; Interstate Transportation of Stolen Property, Unlawful Flight to Avoid Prosecution or Testimony", your file #87-1, which reflects that S. M. Yudin was a victim of a confidence game at Hot Springs, Arkansas on July 13, 1934, as a result of which he was swindled out of approximately \$28,000. It is noted from the Bureau's file that G. P. Howard and F. E. Laynard were apprehended in connection with this case and indicted for a violation of the U. S. Postal Laws on December 27, 1934. Inasmuch as this violation was handled by the Postal authorities, the Bureau's investigation was terminated on November 6, 1934. However, in view of the information given by Herbert Akers indicating that A. J. Connor possibly gave a cut of this money to Mayor McLaughlin, it is desired that Connor be located and interviewed concerning his relationship with Hot Springs officials.

With reference to the information on page 11 concerning Fred Fowler, efforts should be made to locate this individual in order that he may be thoroughly questioned as to his dealings with Mayor McLaughlin during the dates he, Fowler, was City Clerk and when McLaughlin burned the City Hall to destroy the records. Fowler may be able, if vigorously questioned, to give considerable helpful information concerning McLaughlin's activities during that time.

As to the general crime set-up at Hot Springs, as related by Akers, particularly as concerns McLaughlin, Verne S. Ledgerwood,

- Mr. Tolson _____
- Mr. Nathan _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Ladd _____
- Mr. Coffey _____
- Mr. Egan _____
- Mr. Glavin _____
- Mr. Harbo _____
- Mr. Lester _____
- Mr. Hendon _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Quinn _____
- Mr. Nease _____
- Miss Gandy _____

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72 MAR 28 1965 P. M.
FEDERAL BUREAU OF INVESTIGATION

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1381

SAC, Little Rock

- 2 -

January 25, 1940

Earl Witt, Marion Anderson, Joseph Wakelin and William S. Jacobs, the Bureau desires that all leads presenting themselves from Akers' information be given your preferred and personal attention.

With reference to the material given by Akers concerning the strong box allegedly concealed in the home of McLaughlin for his convenience in storing money and valuables, there is enclosed herewith a copy of the Bureau's letter to Commissioner Guy T. Helvering, Bureau of Internal Revenue, Washington, D. C., dated January 25, 1940, wherein that Bureau is advised of this information. The data indicating that McLaughlin may have money hidden in various safety deposit boxes is also set out for any action that Bureau may deem appropriate.

The leads appearing in Inspector Connelley's letter for the Atlanta and San Francisco offices should be given preferred investigative attention by those divisions.

The Bureau should be promptly notified concerning any developments in connection with this case.

Very truly yours,

John Edgar Hoover
Director

CC: Atlanta
San Francisco

Enclosure

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice

Washington, D. C.
December 23, 1939

LBN:MLJ

- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Coffey
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Lester
- Mr. Quinn
- Mr. Nease
- Mr. Tracy
- Mr. Carson
- Mr. Hendon
- Mr. Jones
- Mr. Mumford
- Mr. Nichols
- Mr. Rosen
- Mr. Tamm
- Mr. Tolan
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Lester
- Mr. Quinn
- Mr. Nease
- Mr. Tracy
- Mr. Carson
- Mr. Hendon
- Mr. Jones
- Mr. Mumford
- Mr. Nichols
- Mr. Rosen
- Mr. Tamm
- Mr. Tolan

MEMORANDUM FOR MR. TOLSON

You will recall that sometime ago a Mr. Bennett of the Library of Congress called with reference to the articles in Liberty Magazine on the situation in Hot Springs, Arkansas, requesting that he be called back on Branch 467 of the Library of Congress.

I called him on two occasions and was advised, as pointed out in previous memoranda, that no one by that name was at the Library. It was subsequently ascertained by Mr. Drussel that a Mr. M. M. Bennett was employed there and accordingly further efforts were made to contact him.

On December 19, 1939, he finally called back, stating that the Legislative Research Section of the Library were receiving a request for information on poll tax irregularities since it appears an effort will be made in the next Congress to enact some form of Federal legislation covering payment of poll taxes and that their indices had directed them to the Liberty Magazine article on the Hot Springs situation, where a passing reference was made to the poll tax situation.

The purpose of Mr. Bennett's call was to ascertain if the Bureau had a copy of the Arkansas State Legislative Inquiry into the Hot Springs situation; I told him that we did not.

Respectfully,

LBN
L. B. NICHOLS

RECORDED
&
INDEXED

7-576-3-574

TOLSON

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TAMM

MM

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10-11-39

Federal Bureau of Investigation
United States Department of Justice
Little Rock, Arkansas

January 11, 1940

6
7-2

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: BREKID

Dear Sir:

Reference is made to your letter dated November 9, 1939 (Bureau File 7-576-3) to which was attached a copy of a letter to MILTON NOBLES, Manager of the Western Union Telegraph Company at Hot Springs, Arkansas.

Please be advised that this letter is being placed in Little Rock File # 62-125, entitled "LEO P. McLAUGHLIN, with alias; ET AL; IRREGULARITIES OF LOCAL PUBLIC OFFICIALS, HOT SPRINGS, ARKANSAS" inasmuch as the information therein apparently pertains to the latter case now receiving attention at this office.

The above information is being furnished in order that the Bureau will be advised to the effect that the irregularities case concerning LEO P. McLAUGHLIN at Hot Springs, Arkansas, is receiving attention at this office, and no active investigation is being made at this time concerning the BREKID Case.

Very truly yours,

E. L. Richmond
E. L. RICHMOND,
Special Agent in Charge.

DCS:fw

cc - Little Rock File 62-125

RECORDED & INDEXED

7-576-3-575

FEDERAL BUREAU OF INVESTIGATION
1 JAN 16 1940
U. S. DEPARTMENT OF JUSTICE

JAN 16 1940
E.L.R.

MM

PROCESSED BY THE FBI (62-47105-1)

JOHN EDGAR HOOVER
DIRECTOR

GNW:ESK
7-576-3
62-43105

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

January 23, 1940

MEMORANDUM FOR MR. E. A. TAMM

Re: LEO P. McLAUGHLIN, with alias,
Mayor of Hot Springs, Arkansas,
ET AL; Irregularities of Local Public
Officials, Hot Springs, Arkansas.

For your information, on January 19, 1940, Mrs. Scott (Murel) Wood, residence 106 Watt Street, Hot Springs, Arkansas, personally appeared at the Attorney General's Office, inquiring as to the status of the above-entitled case. Mrs. Wood, upon being referred to the Bureau, was in turn interviewed by me pursuant to instructions from your office.

Mrs. Wood advised she was a representative from the State of Arkansas to attend the "White House Conference on Children in a Democracy"; that while in Washington she wanted to determine, if possible, the status of instant investigation, advising that prior to her departure from Hot Springs, she had heard that a Grand Jury presentation was contemplated in this case, possibly during the month of February, 1940. Mrs. Wood informed me that she had talked to several individuals in Hot Springs who had been interviewed by Agents from this Bureau.

I declined to comment on the fact that an investigation was presently being made in Hot Springs. Mrs. Wood advised that she and her husband, Mr. Scott Wood, had been residents of Hot Springs, Arkansas, for approximately twenty years; that her husband was an attorney and former Circuit Judge; that being a public-spirited citizen she wanted to do everything possible to assist in "cleaning up" the conditions existing in Hot Springs.

I informed Mrs. Wood that this Bureau was always interested in information concerning local conditions where corrupt practices were being used. From this general discussion of the condition that exists in Hot Springs, the following information was received from Mrs. Wood. She stated that Milton Nobles, Manager of the Western Union in Hot Springs and presently President of the Rotary Club, during June or July of 1939 made a remark before a Rotary Club luncheon un-

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7-576-3-575X

FEDERAL BUREAU OF INVESTIGATION

JAN 24 1940

U. S. DEPARTMENT OF JUSTICE

TAMM
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January 23, 1940

favorable to the local public officials in Hot Springs; that shortly after this luncheon Mayor Leo P. McLaughlin telephonically contacted him and advised that he had better keep still, or that something would happen to him. Mrs. Wood stated that shortly thereafter Mayor McLaughlin addressed a letter to the Western Union officials requesting that Mr. Nobles be released from his present position. As a result of this, authorities from the Western Union made an investigation in Hot Springs which clearly indicated that Mr. Nobles had done nothing out of the way and recommended that he continue his present job as manager of the Western Union in Hot Springs. Mrs. Wood related that this action provoked Mayor McLaughlin and that he again requested authorities from the Western Union to remove Nobles. As a result, another investigation was made. She stated that following the second inquiry, representatives from the Western Union addressed a letter to Mayor McLaughlin pointing out that the Mayor's request was apparently prompted by selfish motives and that they had no intention of releasing Mr. Nobles from his position.

Concerning Carl Bailey, the present Governor of Arkansas, Mrs. Wood informed me that she and her husband had worked for the election of the Governor due to his pre-election promises to clean up the situation at Hot Springs; that following his election, he had made several overtures in that direction but that recently she had good reason to believe that he was closely allied with the McLaughlin machine in Hot Springs. Mrs. Wood stated she had heard through hearsay of Governor Bailey's accepting money through the graft in Hot Springs. She could give no information, however, as to how this information might be verified. Mrs. Wood informed me that Homer Adkins of the Internal Revenue Bureau and a long-time resident of Little Rock, Arkansas, was planning on running for the Governorship of Arkansas at the next election. Mrs. Wood spoke favorably of Adkins and indicated that if he were successful in being elected, no doubt there would be a change of administration in Hot Springs.

Mrs. Wood informed me that Mr. H. Grady Manning, President of the Southwestern Hotels, Inc., a chain of hotels operating in Arkansas, was alleged to be the pay-off man between authorities in Hot Springs and Governor Bailey. She stated that Mr. Manning was drowned during the latter part of the summer and there was some rumor that his death resulted under

January 23, 1940

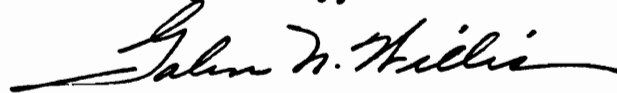
suspicious circumstances. She stated she further learned, source not indicated, that Manning had been talked to by representatives of this Bureau prior to his death. Mrs. Wood further related that W. S. Jacobs, the gambling baron of Belvedere, was injured in an automobile accident a short time before Christmas, 1939, and that he was supposed to have "talked" to representatives of the FBI. She stated that from her information Jacobs had given a great deal of information through fear of perjuring himself. Mrs. Wood did not indicate when Jacobs was talked to concerning this matter. She further related that information in Hot Springs was to the effect that Herbert Ackers had been talked to by representatives of the Bureau while confined in the United States Penitentiary at Atlanta. Of course, no comment was made to Mrs. Wood concerning this or the other information above related by her.

Due to a dinner engagement Mrs. Wood had, further interview concerning conditions in Hot Springs was not made. I informed her, however, that in the event she had any information tending to verify corruptness and graft on the part of public officials in Hot Springs that she immediately contact the Bureau office in Little Rock, Arkansas. She informed me that her husband, Mr. Scott, Wood, had on former occasions discussed this case with Bureau Agents.

A review of the Bureau's file indicates that both Mr. and Mrs. Wood have been previously interviewed in connection with this case. A review of the Bureau's file further discloses that by letter dated November 9, 1939, the Little Rock office was requested to interview Mr. Milton Nobles in response to a letter he had directed to the Bureau dated November 1, 1939.

There is attached hereto a letter to the Little Rock office reflecting the substance of information received from Mrs. Wood.

Respectfully,



Galen N. Willis

GNW:ESK
7-576-3-575X
62-49185

January 30, 1940

609ms

PERSONAL AND CONFIDENTIAL

Special Agent in Charge
Little Rock, Arkansas

Re: LEO P. McLAUGHLIN, with alias,
Mayor of Hot Springs, Arkansas,
ET AL; Irregularities of Local
Public Officials, Hot Springs, Arkansas

Dear Sir:

For your information, on January 19, 1940, Mrs. Scott (Murel) Wood, 106 Watt Street, Hot Springs, Arkansas, personally appeared at the Office of the Attorney General requesting information concerning the status of the above-entitled case. Mrs. Wood, upon being referred to the Bureau, stated she was presently in Washington as a delegate from the State of Arkansas to attend the "White House Conference on Children in a Democracy"; that prior to leaving Hot Springs, she had heard that this case was to be presented to the Federal Grand Jury but that the same had been postponed and from her information might be presented during the Grand Jury scheduled to convene during the month of February, 1940. Mrs. Wood stated that she and her husband, Mr. Scott Wood, who is an attorney in the Arkansas National Bank Building, Hot Springs, were very interested in cleaning up the horrible condition existing among public officials in Hot Springs. Of course, no comment was made to Mrs. Wood concerning the status of instant investigation. However, from general questioning, Mrs. Wood gave the following information:

She stated that during June or July, 1939, Mr. Milton Nobles, Manager of the Western Union in Hot Springs, who is also President of the Rotary Club, is alleged to have spoken at a Rotary luncheon disparagingly of city officials; that shortly thereafter Mayor Leo P. McLaughlin called Mr. Nobles by telephone threatening him in the event he continued to make such accusations. Mrs. Wood related that Mayor McLaughlin contacted authorities of the Western Union Company, requesting that Mr. Nobles be immediately released from his position with that company; that two investigations had been made by Western Union representatives clearly indicating that Mr. Nobles was not to blame for what he had said concerning city officials. It is noted that Mr. Nobles addressed a letter to the Bureau dated November 1, 1939, as a result of which you

- Mr. Tolson _____
- Mr. Nathan _____
- Mr. E. A. Tamm _____
- Mr. Clegg _____
- Mr. Ladd _____
- Mr. Coffey _____
- Mr. Egan _____
- Mr. Glavin _____
- Mr. Harbo _____
- Mr. Lester _____
- Mr. Hendon _____
- Mr. Melville _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Quinn Tamm _____
- Mr. Egan _____
- Mr. Tracy _____
- Miss Gandy _____

★ JAN 30 1940 ★
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

RECORDED COPY FILED IN 62-43105-68X

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January 30, 1940

were requested to interview Mr. Nobles by Bureau letter dated November 9, 1939. In conducting this investigation, consideration should be given to the investigation referred to by Mrs. Wood allegedly made by authorities from the Western Union, as she indicated inquiry was made among several individuals in Hot Springs.

Concerning Carl Bailey, presently Governor of the State of Arkansas, Mrs. Wood stated she and her husband had worked for his election, as he had promised a change of city administration in Hot Springs; that Governor Bailey, upon being first elected made several overtures in that direction but that recently she had heard he was allied with the present McLaughlin organization. Mrs. Wood admitted that her information concerning Governor Bailey's accepting graft was largely hearsay. She indicated that efforts were being made to elect Mr. Homer Adkins of the Internal Revenue Bureau and a long-time resident of Little Rock, Arkansas, as the next Governor of the State. Mrs. Wood indicated that should Mr. Adkins be elected, no doubt great changes would be made. With further reference to Governor Bailey, Mrs. Wood advised that Mr. H. Grady Manning, formerly President of the Southwestern Hotels, Inc., was alleged to have been the pay-off man between officials in Hot Springs and Governor Bailey; that Mr. Manning was drowned during the latter part of the summer under circumstances thought to be suspicious; that rumor in Hot Springs had it that Mr. Manning was questioned by Bureau Agents a short time prior to his death.

With reference to W. S. Jacobs, the gambling baron, Mrs. Wood advised that he had been in an automobile accident a short time before Christmas, 1939, and from information received in Hot Springs, he likewise was supposed to have been talked to by Special Agents and to have given considerable information through fear of perjuring himself.

A review of the Bureau's file reflects that both Mr. and Mrs. Wood have been previously interviewed in connection with this case. However, Mrs. Wood was told that should she obtain any information definitely indicating graft on the part of Mayor Leo P. McLaughlin and other city officials that she communicate directly with your office.

Very truly yours,

John Edgar Hoover
Director

Federal Bureau of Investigation
United States Department of Justice

Little Rock, Arkansas
January 29, 1940

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: LEO P. McLAUGHLIN, with alias;
Mayor of Hot Springs, Arkansas, ET AL;
IRREGULARITIES OF LOCAL PUBLIC OFFICIALS,
HOT SPRINGS, ARKANSAS.

Dear Sir:

Reference is made to your letter dated November 9, 1939, Bureau File 7-576-3, to which was attached copies of a letter to MILTON NOBLES, manager of the Western Union Telegraph Company at Hot Springs, Arkansas, and copies of a letter from Mr. NOBLES to District Attorney THOMAS E. DEWEY, New York, New York.

Mr. MILTON NOBLES was interviewed in the rear of the Western Union Telegraph Office at Hot Springs, Arkansas, January 20, 1940, at which time he stated he has not been molested in the past several months by LEO P. McLAUGHLIN or McLAUGHLIN's cohorts. The strenuous situation concerning the loss of NOBLES' position has been somewhat relieved.

The interview developed that J. F. WILSON, regional manager of the Western Union Telegraph Company, Dallas, Texas with an assistant came to Hot Springs in the fall of 1939 and made an investigation concerning Manager NOBLES' activities to determine if these activities had been detrimental to the best interests of the Western Union, the public, and its patronage in Hot Springs. Apparently nothing serious was found implicating NOBLES. He advised that the sum total of the investigation resulted in his being admonished to keep his mouth shut concerning involving the Telegraph Company in political situations. He has since observed this admonition and his position as manager has remained intact. He personally reserves the right to report violations and irregularities, as a private citizen, to proper authorities.

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Director, 1/29/40.

In this connection he advised that during the early part of January 1940, a well-dressed and bombastic negro of Chicago, who is stopping temporarily at the negro Pythian Bath House in Hot Springs, called at the telegraph office with several money orders and in a bragging manner mentioned that he had twelve to fourteen numbers and lottery games in Chicago. NOBLES stated he could not recall the name of the negro at present; however, he presumed the negro was probably swindling indigent negroes in his games, and in view of the possibility that the negro was avoiding paying his income taxes NOBLES reported the incident to officials of the U. S. Internal Revenue Bureau.

Mr. NOBLES advised that in the future, as in the past, he will continue furnishing this Bureau with any confidential information he receives which in his opinion will be of any value. He advised that nothing additional concerning the local political situation pertaining to McLAUGHLIN's crowd has come to the attention of NOBLES for the past several months.

Further, in November 1939 McLAUGHLIN had the direct buzzer connection between the Police Department and Western Union headquarters removed. This was done no doubt as a retaliation because NOBLES had been active in opposing the city administration. NOBLES advised that in the event Western Union messages are received by the Hot Springs Police Department with a request for reply, WELDON RASBERRY, the Chief of Police, invariably uses Western Union for transmitting the reply messages. Further, BILL KAUFMAN, Hot Springs Identification Officer, frequently sends and receives messages to and from the Bureau over Western Union concerning fugitives and persons wanted. NOBLES stated voluntarily that in his opinion RASBERRY, the Chief of Police, is reliable, honest and is generally so considered by the business men of Hot Springs. Mr. NOBLES advised that the father of Identification Officer KAUFMAN has been his friend for many years, and stated that he can depend on receiving a fair amount of business of the Police Department through KAUFMAN. He advised that the volume of business with the Police Department is picking up gradually, and stated that in his opinion he can expect to receive a fair patronage in the future.

NOBLES contended that he personally is endeavoring to discredit McLAUGHLIN. In this connection he stated that as secretary for the Rotary Club he has frequently voiced his opinion concerning the city administration and recommended that the Mayor resign. Recently he was elected temporary chairman of the Chamber of Commerce membership committee. During the course of the campaign

Director, 1/29/40.

he made a talk to members of the committee stating it is the desire of the Hot Springs business men and civic clubs that the city be operated liberally as a resort spot from the standpoint of amusement and entertainment. However, he urged that the city should not be run by crooked politicians. Mr. NOBLES advised that later probably one hundred business men conferred with him and approved his policy for operating the city. NOBLES is of the opinion that his policy was accepted favorably by the Chamber of Commerce inasmuch as he was later elected permanent chairman of the membership committee. He advised that it is his desire and ambition to discredit McLAUGHLIN through his connection with reputable civic organizations and thus force McLAUGHLIN to resign, or defeat him in the next city election.

The Bureau was not committed in any respect during the interview concerning protecting Mr. NOBLES in his position or his personal campaign to oust or discredit the Mayor. He was informed that the Bureau is interested in obtaining any and all information coming to his attention that may be of possible interest to this organization and its investigations. NOBLES stated that he appreciates the Bureau's position, was laudatory in his remarks concerning the accomplishments of the Federal Bureau of Investigation, and voluntarily promised to contact the Little Rock Division immediately in the event he should receive any information whatsoever of value in the future.

Very truly yours,

E. L. Richmond
E. L. Richmond,
Special Agent in Charge.

DOS:ovm
LR 62-125

cc LR 7-2

Springfield, Illinois
January 29, 1940

Special Agent in Charge,
Little Rock, Arkansas.

Please be advised that on January 24, 1940, WILLIAM ECHOLS of the Peoria, Illinois, Police Department advised Special Agent LEO J. KENNEDY of this office that he had a matter to discuss which he believed was of interest to this Bureau. He stated that about two or three years ago the Bureau was called into an investigation of the Hot Springs, Arkansas, Police Department and in the course thereof the Bureau developed a case involving a harboring charge against several officers of the Hot Springs Police Department in connection with efforts to apprehend ALVIN KARPIS. At the same time, according to ECHOLS, the Bureau became interested for some reason in the death of one DIXON. This individual had been arrested by the Hot Springs Police on a robbery charge and during the course of questioning was so severely mistreated that he died of the injuries incurred from various forms of torture inflicted by the Hot Springs Police Department.

ECHOLS was formerly a member of the Hot Springs Police, and was with this department for three years, ending in 1926. He thereafter became a member of the Los Angeles Police force and stated that the Bureau is still desirous of solving the murder of DIXON. ECHOLS' reason for this belief was the fact that he had noticed an article referring to this matter in a recent issue of a magazine, the name of which he could not recall.

About a year ago ECHOLS was advised by his brother-in-law, CHARLES WALDROP, an employee of the Godel-Howland Company, Peoria, Illinois, that one ARCH COOPER was responsible for the murder of DIXON. COOPER, according to ECHOLS, was formerly a captain in the Hot Springs Police Department, but has since resigned and is now allegedly operating a gambling establishment in Hot Springs, Arkansas. WALDROP had further advised ECHOLS that he was standing outside of the jail when DIXON was being tortured and that one JOHN L. LYNN, believed to be a relative of COOPER, rushed out of the building. WALDROP, who was friendly with LYNN, thereafter went with him to Texas. LYNN eventually told WALDROP the reason for his haste in leaving the jail - that he had witnessed the brutalities inflicted on DIXON by COOPER and Lt. CECIL BROCK. When DIXON died COOPER advised LYNN to get out of the city and to tell no one, under threat of similar treatment, concerning information in his possession.

Further information obtained from ECHOLS was that Lt. BROCK was eventually convicted of the murder and is presently serving time as a result thereof.

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FEDERAL BUREAU OF INVESTIGATION
4 JAN 31 1940
U. S. DEPARTMENT OF JUSTICE

TWO *fw*

1-29-40

Other officers of this department, namely ex-Chief of Detectives "DUTCH" AKERS and ex-Chief of Police JOSEPH WAKELAND are also incarcerated in connection with the HARPIS case.

The foregoing information is submitted to the Little Rock Office as it may possibly have some bearing on a matter still under investigation at that division.

No further investigation will be conducted at this office with respect to this matter unless a specific request is received from the Little Rock Office.

Very truly yours,

A. C. RUTZEN,
Special Agent in Charge.

ACR:LMJ

cc-Bureau

GNW:GJD

February 15, 1940

MEMORANDUM FOR MR. E. A. TAMM

RE: THE KIDNAPING OF EDWARD
GEORGE BREMER, ST. PAUL,
MINNESOTA

There is attached hereto a copy of the I. C. prepared concerning the kidnaping of Edward George Bremer at St. Paul, Minnesota. There is also attached a supplement and continuation to this I. C. depicting the death of Arthur E. "Doc" Barker in his attempt to escape from Alcatraz Penitentiary; also showing the result of the harboring charges in Cleveland, Ohio, and Hot Springs, Arkansas.

Respectfully,

Galen N. Willis

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FEDERAL BUREAU OF INVESTIGATION
MAR 1 1940
U. S. DEPARTMENT OF JUSTICE

TAMM

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Coffey	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Miss Gandy	

7/15/51
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7-43

ALVIN KARPIS, with aliases
EDWARD GEORGE BREMER, VICTIM
KIDNAPING

15011

INSPECTOR ROSEN

This case is presently in a pending inactive status in the Cincinnati Field Division, and from a review of the file it would appear that there is no investigative activity to be taken by the Cincinnati Field Division. Under date of August 22, 1941, a letter was directed to the Bureau recommending that in view of the fact that there was no investigative activity to be taken in the Cincinnati Field Division, that the office of origin be changed. No acknowledgment has been received from the Bureau. The Cincinnati Office should direct a further communication to the Bureau to secure such advice and ascertain if this case may not now be closed.

SAC WEEKS:

A letter has been written again requesting that the office of origin in this case be changed to St. Paul, Minnesota, in view of the fact that the only indictments outstanding are at that place, and no investigation remains to be conducted in this office.

Inspection Report
Cincinnati Office
November 6, 1944
Inspector: A. Rosen

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500 Reator Building
Little Rock, Arkansas
May 25, 1940

Mr. Sam Rorex,
United States Attorney,
Federal Building,
Little Rock, Arkansas.

Re: CECIL BROCK;
HABEAS CORPUS MATTER.

Dear Sir:

As of possible interest to you I am transmitting herewith to you one copy of an opinion of the United States Court of Appeals, Tenth Circuit, April, 1940 Term in the above captioned case.

It will be noted that this court affirmed the order of the lower court denying the petition for a writ of habeas corpus and in so doing this Bureau was exonerated of any alleged unethical conduct.

Very truly yours,

E. L. RICHMOND,
Special Agent in Charge.

ELR:fw

cc - Bureau

INDEXED
rw
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7-576-3-574

FEDERAL BUREAU OF INVESTIGATION
1 MAY 28 1940
U. S. DEPARTMENT OF JUSTICE

**Federal Bureau of Investigation
United States Department of Justice**

Kansas City, Missouri
May 24, 1940

Director
Federal Bureau of Investigation
Washington, D. C.

Dear Sir:

Re: CECIL BROCK
HABEAS CORPUS MATTER

I am transmitting herewith two copies of an opinion of the United States Circuit Court of Appeals, Tenth Circuit, April, 1940, term, in the above-captioned case, in which it will be noted that the court exonerates the Bureau of any alleged unethical conduct.

Two copies of this opinion are being forwarded to the Little Rock Office, as it is my understanding the United States District Attorney there is interested in the matter.

One copy is being forwarded to Mr. E. J. CONNELLEY at the New York City Office.

Very truly yours,

Dwight Brantley
DWIGHT BRANTLEY
Special Agent in Charge

DB:HD
cc: Little Rock
E. J. CONNELLEY, N.Y. Office
62-1518
Enc.

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7-576-3-58

FEDERAL BUREAU OF INVESTIGATION	
5	MAY 27 1940
U. S. DEPARTMENT OF JUSTICE	

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ENCLOSURE
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United States Circuit Court of Appeals

TENTH CIRCUIT

No. 2008—APRIL TERM, 1940.

Cecil Brock,

Appellant,

v.

Robert H. Hudspeth, Warden, United States Penitentiary, Leavenworth, Kansas,

Appellee.

Appeal from the District Court of the United States for the District of Kansas, First Division.

[April 15, 1940.]

Allan R. Phipps on brief for Appellant.

Summerfield S. Alexander, United States Attorney, and Homer Davis, Assistant United States Attorney, on brief for Appellee.

Before PHILLIPS, BRATTON and HUXMAN, Circuit Judges.

HUXMAN, Circuit Judge, delivered the opinion of the court.

This appeal is from an order denying petition for a writ of habeas corpus. Cecil Brock, along with others, was indicted in the federal court for the Eastern Division of Arkansas, for conspiring to commit the offense of harboring one Alvin Karpis, a federal fugitive, in violation of the statutes of the United States, 18 U.S.C.A. § 88, and 18 U.S.C.A. § 246. Petitioner was arraigned and entered a plea of not guilty. He was tried, convicted and sentenced to imprisonment for a term of two years. He is now in the custody of respondent.

Petitioner first challenges the sufficiency of the indictment

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in that it failed and omitted to properly apprise him of the charges and that it failed to state any overt act arising from the conspiracy committed by him or any of the other defendants, in his presence or with his knowledge or consent.

The construction to be put on the indictment as to the lack of certainty, sufficiency or defect in the statement of the offense with which the party is charged, is to be determined by the trial court. If it erred in determining these questions, its judgment would not be void but would be subject to correction on writ of error. *Goto et al. v. Lane*, 265 U. S. 393, 402, 44 S. Ct. 525, 62 L. Ed. 1070; *Knewel v. Egan*, 268 U. S. 442, 45 S. Ct. 522, 69 L. Ed. 1036. Only when it plainly appears on the face of the record that no crime was charged, can a court by habeas corpus inquire into the validity of the indictment. *Farnsworth v. Zerbst*, 5 Cir., 98 F. 2d 541.

Petitioner states further that the indictment does not charge him with any overt act and that no overt act was committed in his presence or with his knowledge. Where a conspiracy is charged, it is not essential that all of the conspirators take part in an overt act or acts arising from the conspiracy. It is enough if an overt act was committed by one of the conspirators in furtherance of the conspiracy. So long as petitioner took part in the conspiracy it would be immaterial whether he committed an overt act or knew of it, provided an overt act was committed by one of the conspirators. *U. S. v. Rabinowich*, 238 U. S. 78, 35 S. Ct. 682, 59 L. Ed. 1211; *U. S. v. Anderson*, 7 Cir., 101 F. 2d 325; *Curtis v. Anderson*, 10 Cir., 67 F. 2d 943.

Petitioner alleges that he was deprived of the constitutional right afforded him by the Sixth Amendment of the Constitution, which grants the accused in a criminal trial the right to be confronted by the witnesses against him. He offers no proof in support of this allegation, either by way of deposition or the record of the trial proceedings. He does say in his allegation that one witness, after testifying against him, was removed from the court's jurisdiction by the government before he had an opportunity to cross-examine. Assuming that what petitioner says is true, still the jurisdiction of the trial court would not be impaired. Although the deprivation of constitu-

tional rights is closely guarded against, the remedy for such deprivation is not always in habeas corpus.

Unless the denial of some such right will prevent the court from taking jurisdiction or will remove jurisdiction when once it attaches, by the failure to grant the accused due process of law in the trial, there can be no interference with the trial court's judgment by habeas corpus proceedings. *Johnson v. Zerbst*, 304 U. S. 458; 58 S. Ct. 1019, 82 L. Ed. 1461; *Farnsworth v. Zerbst*, supra.

In determining whether the deprivation of constitutional rights amounts to a denial of due process, the inquiry on habeas corpus is directed to a review of the entire proceedings and not to each separate part and step thereof. If the total result was the granting to accused of a fair and deliberate trial, then no constitutional rights have been invaded and the proceedings will not be disturbed. *Frank v. Mangum*, 237 U. S. 309, 35 S. Ct. 582, 59 L. Ed. 969. Here there is no showing of irregularity in the proceedings or that petitioner did not have a fair trial.

Petitioner charges that the United States District Attorney for the Eastern District of Arkansas and certain agents of the Federal Bureau of Investigation conspired to deprive him of a fair trial, but offers no proof in support of this allegation. On the other hand, the affidavit of the special agent in charge of this case denies any conspiracy to so prejudice petitioner's rights. The court below specifically found that no such conspiracy existed.

Numerous other grounds in support of allowing the writ are urged by petitioner. He complains that he was denied the right to a separate trial; that he was prevented from introducing certain evidence and that inadmissible evidence was allowed to come in for the government; that the evidence failed to sustain his conviction; that he was not informed of his right to appeal; that he was denied a list of the witnesses against him and the benefit of compulsory process; and that he was refused a copy of the indictment. The affidavit of the United States Attorney and the findings of the court below remove any doubt concerning the denial of a list of witnesses or

compulsory process and a copy of the indictment to petitioner. It will be noted, also, that petitioner was represented throughout his trial by able counsel, who did have a copy of the indictment. As to the other points urged by petitioner, it is enough to say that they all fall within the familiar rule that unless the questions raised on habeas corpus pertain to the jurisdiction of the court over the person or subject matter or go to the legality of the sentence imposed, they will not be heard. *Reger v. Hudspeth*, 10 Cir., 103 F. 2d 826; *Zahn v. Hudspeth*, 10 Cir., 102 F. 2d 759.

The order of the lower court denying the petition is **AFFIRMED.**

A true copy.

Attest:

Clerk U. S. Circuit Court of Appeals, Tenth Circuit.

THE DENVER POST
Denver, Colo.
4-17-40

COURT DENIES PLEA OF EX-POLICE WHO HARBORED KARPIS

Former Head of Hot Springs Vice Squad Must Serve Out Prison Term.

Sitting in Denver, the tenth United States circuit court of appeals denied Wednesday a plea by Cecil Brock, former Hot Springs, Ark., police vice squad chief, for a writ thru which he hoped to win freedom from his conviction of having, with others, harbored Alvin Karpis, former public enemy No. 1, the kidnaper of William A. Hamm Jr., St. Paul, Minn., brewer.

Brock was vice squad chief in Hot Springs, when Karpis made that city his hide-out. In this, the court found, Karpis had the co-operation of the then police chief, Joe Wakelin, Detective Chief Herbert (Dutch) Akers and Brock. Karpis and his common-law wife, Grace Goldstein, lived the proverbial "life of Riley" under the protection of the Hot Springs officers, the federal court found.

But G-men caught up with Karpis, who is now serving a life sentence in Alcatraz prison, and later brought about the arrests of the three officers and others.

Brock first appealed to the lower court for a writ, saying he had been denied his constitutional rights, G-men had conspired to "railroad" him to prison and he had not been given a fair trial.

Justice Oris L. Phillips wrote the opinion handed down Wednesday. He said Brock's trial had been fair in every way. Thruout the opinion the circuit court upheld the two-year sentence imposed on Brock. Brock is serving this sentence in Leavenworth penitentiary.

Part 7

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HW

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Ladd.....
- Mr. Coffey.....
- Mr. Egan.....
- Mr. Glavin.....
- Mr. Harbo.....
- Mr. Lester.....
- Mr. Hendon.....
- Mr. McGuire.....
- Mr. Nichols.....
- Mr. Rosen.....
- Mr. Quinn Tamm.....
- Tour Room.....
- Adm. Files.....
- Pers. Files.....
- Mr. Tracy.....
- Miss Gandy.....

Weller

7-576-3-A

Federal Bureau of Investigation
United States Department of Justice

500 Rector Building
Little Rock, Arkansas
July 12, 1940

62-0

Director
Federal Bureau of Investigation
Washington, D. C.

SAC - L.R.
7-23-40
G.W.

Dear Sir:

I am in receipt of a letter from the District Manager of the United States Civil Service, St. Louis, Missouri, wherein that official requested any information in our files relative to WILLIE WILLIAMS, of 112 Kirk Street, Hot Springs, Arkansas, stating that WILLIAMS is an applicant for appointment to the position of hospital attendant under the Civil Service.

Information in Little Rock File # 62-0 indicates that a letter was received at the Little Rock Field Office on January 31, 1938, wherein WILLIE WILLIAMS stated that he was a witness in the DICKSON Case in Hot Springs. You will recall that this is the matter in which certain members of the Hot Springs Police Department were accused of having beaten JOHN DICKSON, a prisoner, to death. WILLIAMS subsequently was also given a thrashing by a former member of the Hot Springs Police Department, apparently for his participation in the DICKSON Case as a witness.

It is requested that the Bureau advise whether any information contained in the Little Rock files should be furnished to the Civil Service Commission.

Very truly yours,

E. L. Richmond
E. L. RICHMOND
Special Agent in Charge

DRM-jhb

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FEDERAL BUREAU OF INVESTIGATION
6 JUL 15 1940
U.S. DEPARTMENT OF JUSTICE
TAMM
[Signature]

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7-576-3-581

July 23, 1940

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Special Agent in Charge
Little Rock, Arkansas

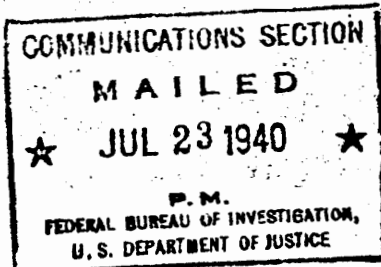
Dear Sir:

Reference is made to your letter dated July 12, 1940, calling attention to a letter received by your office from the United States Civil Service Commission in St. Louis, Missouri, requesting information concerning Willie Williams, who is making an application for a Government position. It is noted you inquire as to whether this information should be supplied to the United States Civil Service Commission.

Inasmuch as the facts relative to the Dickson case as it concerned the Hot Springs, Arkansas Police Department are a matter of public record by the Court action taken and the resulting newspaper publicity, and also in view of the limited investigation performed by the Bureau, the District Manager of the United States Civil Service Commission in St. Louis should be courteously advised this information cannot be divulged.

Very truly yours,

John Edgar Hoover
Director



LBN:AVN

August 2, 1940

RECORDED

Mr. Franklyn Ellenbogen
21 East 40th Street
New York, New York

Dear Mr. Ellenbogen:

Mr. Nichols has referred to my attention your letter of July 20, 1940, with reference to the series of articles which appeared in Liberty Magazine on the Hot Springs situation.

I thought you might be interested in knowing that Mrs. Nyberg testified in court and the quotation that was used in Liberty Magazine was a direct statement which she made from the witness stand as reflected by the attached photostatic copy of an item which appeared in the Arkansas Democrat on October 25, 1939. I hope this will be of assistance to you.

With best wishes and kind regards,

Sincerely yours,

ENCLOSURE

Enclosure

AKED

- Mr. Tolson _____
- Mr. Clegg _____
- Mr. Foxworth _____
- Mr. Ladd _____
- Mr. Nathan _____
- Mr. E. A. Tamm _____
- Mr. Egan _____
- Mr. Glavin _____
- Mr. Nichols _____
- Mr. Rosen _____
- Mr. Tracy _____
- Miss Gandy _____

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8/10/40
[Signature]*

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ORIGINAL FILED IN 94-3-4-30-244

JOSEPH S. GUERRIERO
Attorney At Law
Bernhardt Building
Monroe, La.

July 19, 1940

Liberty Magazine
205 East 42nd Street
New York, N. Y.

In Re: Mrs. Vada Nyberg

Gentlemen:

In the Liberty magazine of August 5, 1939, there appeared a story entitled, "The Shame of Hot Springs" by Fredrick L. Collins and which dealt with the life of Alvin Karpis, notorious American criminal and his capture in Hot Springs, Arkansas. On page 30, column 3, the last paragraph, there appears a statement regarding Mrs. Vada Nyberg, my client.

Mrs. Nyberg's name was used without her permission and without the permission of the Department of Justice of the United States.

Your magazine has given Mrs. Nyberg a great deal of un-called for publicity and has prevented her from securing a job, because everyone by whom she is employed sooner or later ask her if she is the same person and when she answers, "yes" she is immediately discharged.

Mrs. Nyberg has been greatly damaged by this article and I now make demand on you in her behalf in the sum of \$50,000.00 for damages as a result of said article.

Not hearing from you within the next ten days, suit will be filed in Federal Court without further delay.

Yours very truly

JOSEPH S. GUERRIERO

JSQ/as

7-576-3-582

BMS:GJ

February 24, 1941

Mr. Oscar Pope, ^{Use}
Brashear, Missouri

Dear Mr. Pope:

Mr. Earl Spencer has advised Mr. B. M. Suttler of this Bureau of your present illness and I am indeed sorry to learn of your condition at this time. I do hope your sojourn at Hot Springs, Arkansas, will prove beneficial to you.

The Federal Bureau of Investigation does not have any provision set forth in its Congressional appropriation whereby we might be able to furnish Agents for the protection of former witnesses who have testified in behalf of the Federal Government.

In the event that any overt act transpires during your stay at Hot Springs, however, whereby you fear physical violence will be done to you for your testimony, do not hesitate to correspond directly with me or notify immediately the Little Rock office of the FBI located at 500 Rector Building, Little Rock, Arkansas, telephone, 2-3158, and appropriate action will be taken immediately at that time.

With best wishes and kind regards,

Sincerely yours,

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FEB 24 6 25 PM

- Mr. Tolson _____
 - Mr. E. A. Tamm _____
 - Mr. Clegg _____
 - Mr. Glavin _____
 - Mr. Ladd _____
 - Mr. Nichols _____
 - Mr. Rosen _____
 - Mr. Tracy _____
 - Miss Gandy _____
- cc - Little Rock

COMMUNICATIONS SECTION
MAILED
★ FEB 23 1941 ★
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

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Handwritten initials

FRANKLYN ELLENBOGEN
COUNSELOR AT LAW
21 EAST 40TH STREET
NEW YORK
CALEDONIA 5-2647

July 29th,
1940.

Inspector Louis B. Nichols,
Federal Bureau of Investigation,
Washington, D. C.

Dear Mr. Nichols:

Liberty Magazine has referred to me for attention the complaint of Mrs. Vada Nyberg, made through Attorney Joseph S. Guerriero, Bernhardt Building, Monroe, La. A copy of the complaint letter of July 19 is enclosed.

I have examined the article complained of and find the following statements concerning Mrs. Nyberg:

" Mrs. Vada Nyberg, a Hot Springs saleswoman, while visiting a friend who lived next door to Karpis and the Goldstein woman on one occasion, recognized the gangster from a photograph she had seen, and went with her news to the chief of police.

" 'Wakelin,' she recalled, 'turned peculiar-looking and said I was crazy -- that Karpis was nowhere near the Arkansas state line. I offered to drive him to the place in the car I was driving, but he said he could not go then. I went to police headquarters a second time to talk to him about it, and he said the matter would be investigated.'"


In my opinion, there is no legal basis for complaint for libel or violation of right of privacy. Any libel suit in New York would in any event be barred by the one year Statute of Limitations. The Statute on civil rights claims here is three years.

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I will appreciate if you will let me know the official source from which Mrs. Nyberg's statement was taken and any other information you can furnish to us in this connection. You will recall that this was part of the Hot Springs expose' written by Fred Collins, based on information taken from the Arkansas Legislative Investigation before the Thompson Committee and supplementary data furnished by your office.

With personal good wishes and thanks for your early attention, I am,

Sincerely yours,



FRANKLYN ELLENBOGEN

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ORIGINAL FILED IN

Nothing
from 10-30-43
JF

Dec 15, 43

Buck memo

Federal Bureau of Investigation
Washington, D.C.

Dear Sirs:

I understand there is reward
for ^{JAMES MILTON} Milton Lett
Milt Lett. If so I would
like to have a poster of
him. And valuable
information.

0/1/2

Act 1-13-44
1940

Sincerely,
NO. AND J. COLLINS
Joseph Collins
Buck memo

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EX-8

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18 DEC 21 1943

OP-8

[Handwritten signature]

1-11-44
NO. AND J. COLLINS
NO. AND J. COLLINS
NO. AND J. COLLINS

GCG:DC
RECORDED 7-576-3-584

January 13, 1944

Mr. Noland Collins
R. R. #4
Birch Tree, Missouri

Dear Mr. Collins:

This will acknowledge receipt of your letter dated December 15, 1943.

For your information this Bureau knows of no reward outstanding for the apprehension of James Milton Lett, nor is this Bureau presently endeavoring to locate him.

I wish to thank you for your interest in communicating with me concerning this matter.

Sincerely yours,

John Edgar Hoover
Director

Tolson	
E. A. Tamm	
Clegg	
Coffey	
Glavin	
Ladd	
Nichols	
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Tracy	
Acers	
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Harbo	
Hendon	
Mumford	
Starke	
Quinn Tamm	
Nease	
Gandy	

COMMUNICATIONS SECTION
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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

61 JAN 29 1944

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
FROM : R. J. UNREINER, SAC, Little Rock Field Division
SUBJECT: HERBERT AKERS, alias "DUTCH" AKERS.

DATE: April 15, 1944

PERSONAL AND CONFIDENTIAL

On the morning of April 15, 1944, HERBERT AKERS, alias "DUTCH" AKERS, who was prosecuted in connection with the KARPIS Herbering case, called at the Little Rock Office and was interviewed by Assistant Special Agent in Charge RICHARD L. CHAPMAN.

AKERS advised that he had just returned from Corpus Christi, Texas, where he has been working as an electrician in a defense plant. He stated that his job down there was completed and that he expected to go out to California to continue in a similar type of work. He made inquiry as to whether or not WALTER C. TOBEY, alias "The Velvet Kid", was wanted by the Bureau. He said he thought he saw a photograph in the Post Office in Houston of TOBEY and desired to be of any possible assistance in apprehending TOBEY. He believes TOBEY is presently in Mexico City. A search of the indices of the Little Rock Office fails to reflect that TOBEY is wanted, and AKERS was referred to the Postal Inspector.

During the conversation with AKERS he advised that he was most sorry for a letter which he had written the Director, and hoped to sometime make up for the trouble that he caused. He stated that there were still some things in connection with the KARPIS case which were never disclosed, and that he would only disclose them to the Director. He stated that he hoped at sometime to have that opportunity.

AKERS said that the present situation in Hot Springs was almost the same, with the exception of harboring any criminals. As to Mayor LEO P. McLAUGHLIN, he said that if prosecution was ever brought against McLAUGHLIN that McLAUGHLIN would, without a doubt, tell everything he knew; that he would probably turn state evidence, and that successful prosecution in this regard would come through income tax violations. He stated that he had just received information that HARRISON, the bookmaker, had been called to Oklahoma City before the Internal Revenue Commissioner, and that there was a possibility the Government might get a break in this regard if HARRISON wanted to talk, as HARRISON has everything written down in a little black book that he has relative to graft.

AKERS said that he would assist the Bureau at anytime he possibly could in connection with the con men in that it is still possible for him to contact most of them as upon his release from the Penitentiary a number of them sent him money to get a new start in life. He stated that

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HERBERT AKERS, alias "DUTCH" AKERS

April 15, 1944

he has not done a crooked thing since his release; that he plans to make application for restoration of his civil rights when he is eligible to do so.

AKERS said that he had no animosity towards the Bureau and thought highly of Special Agent D. P. SULLIVAN and Assistant Special Agent in Charge JOHN L. MADALA. He said he felt they had a job to do and they did a good job of it. AKERS said that his whereabouts would always be known to his brother, who is the Fire Chief at Hot Springs, and also to Chief of Police WELDON RASBERRY. AKERS advised that if it was ever possible for him to come to Washington he would endeavor to see the Director and would confide in the Director some of the undisclosed information in the KARPIS case; however, he would give it to no other person.

This information is forwarded to the Bureau to more or less bring up to date the activities and attitude of "DUTCH" AKERS.

ELC:tz