

\$1,000,000 IN GRAFT BY POLICE CHARGED; 49 NAMED BY AMEN

32 ARE SUSPENDED

Others Accused of Role in Brooklyn Gambling Racket Had Quit

'PAY-OFFS' PHOTOGRAPHED

289 Pictures Taken Secretly Are in Grand Jury Evidence— Mayor Promises Fair Trial

A \$100,000,000 city-wide gambling racket said to provide members of the Police Department's plainclothes divisions in Brooklyn with an annual graft of \$1,000,000 for protection was bared yesterday in six presentments handed up by Special Prosecutor John Harlan Amen's two extraordinary grand juries. Forty-nine policemen and four lawyers were named in connection with the sweeping inquiry into official corruption.

Through 246 printed pages accompanied by 289 photographs obtained with telephoto camera lenses from hideouts overlooking alleged street-corner scenes of gambling pay-offs, Mr. Amen and his grand juries presented a broad picture of corrupt practices in which hundreds of underworld figures operated an organized gambling empire that supported notorious racketeers and was the source of graft that caused police to turn against each other in seeking opportunities for personal enrichment.

Valentine Gets Recommendations

Asserting that its eleven-month study of evidence and the testimony of several hundred policemen and gamblers had disclosed an organized system of graft and corruption in the Police Department with "roots so deep and operating along lines so well fixed that its activities continue with little, if any, let-up," the grand juries forwarded copies of the presentments involving the police to Commissioner Valentine for appropriate disciplinary action along with seven major recommendations designed to correct police procedure and facilitate the enforcement of gambling laws.

The presentments described the manner in which hundreds of candy and cigar stores, pool rooms and other bookmaker hangouts are operated as blinds for gambling, the owners awaiting visits from plainclothesmen with instructions as to the amount of monthly payments and the payments increasing with successive visits by local or division squads, borough squads and city-wide squads until the "police payroll" has been accounted for.

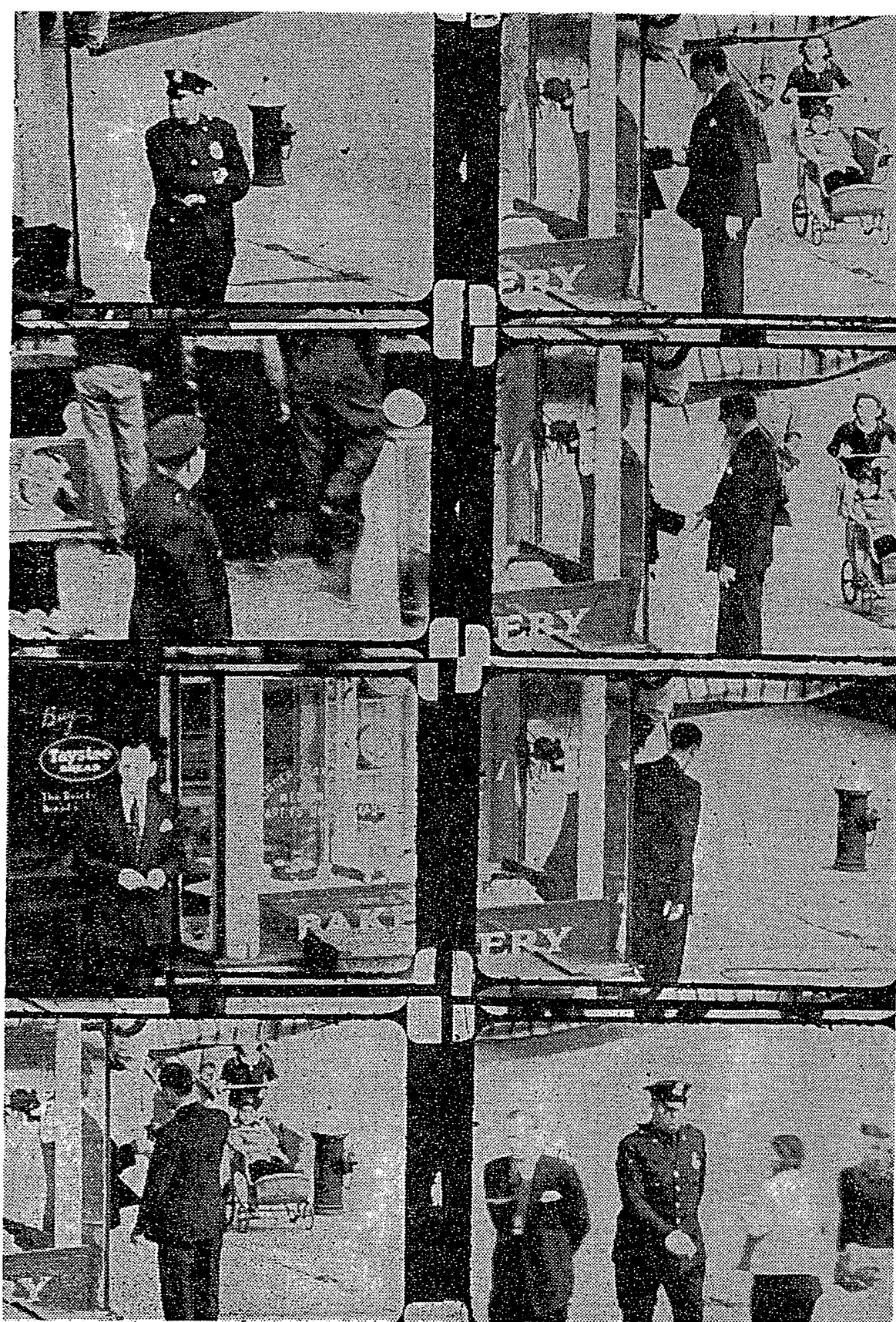
Honest Policemen Transferred

As examples of how thoroughly the protection money had "poisoned" the policemen involved, the grand juries cited instances in which patrolmen who reported attempted bribes by bookmakers were shifted to other duty with instructions to confine activities to "violations of ordinances relating to disposal of garbage and the muzzling of dogs." Also cited was an instance in which a high-ranking policeman refused to enter into the graft system and was subjected to threats and abuse from fellow officers and superiors for refusing to accede to the established practice and whose efforts to break up gambling places were "held up to ridicule among the men."

One of the police presentments dealt solely with the grand jury's discovery that a number of former and present plainclothes men on salaries of about \$3,000 a year and with wives and children were found to possess boats ranging from craft equipped with outboard motors to thirty-foot cruisers, some owned Summer houses, several had permanent residences costing \$10,000 or more, virtually all had automobiles of expensive make, many "enjoyed frequent and regular luxurious trips and cruises" and the wives of some of them owned fur coats costing from \$1,000 to \$1,700.

In the cases of unusual affluence the presentment's charges were based on the unsatisfactory and al-

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According to Special Prosecutor John Harlan Amen, this series of photographs shows from top left down, thence from top right down, a patrolman walking in front of 93 Grafton Street, Brooklyn, a bookmaker walking over to the patrolman and then placing money in the hands of the policeman during the course of a handshake, after which the men parted company.

\$1,000,000 IN GRAFT BY POLICE CHARGED

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legedly false explanations given by the policemen concerning the source of their wealth. In one case a policeman had "refused to give a truthful explanation of \$56,312 spent for real estate and deposited in banks," the grand jury charged. The presentments charged that in many cases the explanations rested upon cash gifts, from dead relatives, that were never deposited in bank accounts and therefore could not be traced.

Although the action of Mr. Amen and his grand juries had been predicted for many weeks, its effect in the Police Department was that of a bombshell. Immediately after the presentments were handed up to Justice John MacCrate in Brooklyn Supreme Court, Commissioner Valentine and several high-ranking aides went into a two-hour conference behind closed doors at Manhattan Police Headquarters.

On emerging Mr. Valentine went to La Guardia Field, where he met Mayor La Guardia, who had just returned from Montreal. The two were closeted for half an hour in the Dock Department offices, where the Mayor made his headquarters for the afternoon. On leaving the commissioner referred questioners to the Mayor, who issued a statement.

Mayor Promises Fair Trials

"I have been working with Mr. Amen and he has kept me informed," the Mayor declared. "I have cooperated with him. He went through a difficult, long and tedious job.

"Each of the policemen involved will get a fair and impartial trial. If any are innocent, they will be exonerated. If any have violated their trust they will be dealt with accordingly.

"The Brooklyn situation had me worried for a long time. [The Mayor then urged reporters to check back on his statements concerning the Brooklyn police situation in newspapers of April 1 and April 2, 1936, promising that they would be very interesting.]

"I was rather amused at one thing and that was the telephone arrangement of the tin horns and the Ericksons. [The Mayor apparently was referring to Frank Erickson, the bookmaker whom he has denounced on several occasions.] When I discovered the arrangement several years ago, I got the New Jersey State Police, the telephone company and the FBI and our own police and outlined it to them. It was belittled. I am happy to see it come to life again.

"This telephone arrangement is a situation about which the city can do nothing. Maybe now the FBI can do something about it, inasmuch as it is an interstate matter.

"I am not going to prejudge or condemn any one. I have to say this in all fairness that during all the period of the World's Fair I had direct contact with Deputy Chief Inspector Lobdell. I never found him wanting. I had the highest regard for him. I haven't had time to examine fully the papers of this case. I will do so very care-

fully. It will be a great shock to me if he has been guilty of any wrongdoing."

Bets Were Phoned to Jersey

The Mayor's reference to a telephone arrangement concerned the item in the presentment under the heading "the organization of bookmaking" in which it was explained that boss bookmakers frequently have main offices located in New Jersey, where they may be reached by telephones bearing New York City numbers. At the New Jersey offices, the presentment said, all of the bookkeeping necessary in running the betting establishment is made.

Former Deputy Chief Inspector Harry Lobdell was named in the presentment as having retired from the force at a time that his official conduct was under investigation by Mr. Amen's grand juries. Lobdell formerly commanded the Eleventh Division in Brooklyn, one of the divisions under investigation. He retired about four weeks ago, and Mr. Amen at the time filed a protest with Commissioner Valentine, although it was explained then that the protest was an academic move at best because under existing law such retirements cannot be blocked.

There were seventeen policemen, including Lobdell and Inspectors Camille C. Pierene and John J. Redden, who were named in the presentments as having retired while they were being investigated by the grand juries in connection with the gambling protection inquiry, and whose retirements prevented the grand juries from taking any action against them.

The other thirty-two were the subject of charges in the presentment and last night Commissioner Valentine, remaining in his offices at Manhattan Police Headquarters, announced that he had sent a letter to Mr. Amen informing him that the thirty-two policemen had been suspended from duty without paying their trial on departmental charges.

The Commissioner's letter also noted that the presentments had named Inspector Pierene, Deputy Inspector Henry Bauer and Lieutenant Terence J. Harvey as among those who had filed their applications for retirement; but that inasmuch as the applications had not yet been acted upon by the Police Pension Board the Commissioner

considered them still members of the uniformed force and would like to be advised whether the grand juries had made any charges against the three men so that he could be guided accordingly.

Commissioner Valentine also announced that he had assigned Lieutenant Daniel P. Sweeney, in charge of the legal bureau, to draw up the charges and specifications.

Mr. Amen acknowledged receipt of the letter and pointed out that in announcing the handing up of the presentments he had declared that they were not to be construed as an attack upon the Mayor or Commissioner Valentine but as an attack upon the system that allows such graft. Mr. Amen said that the Mayor had cooperated with him and had frequently advised him.

One of the most interesting disclosures in connection with the development of the cases against the policemen had to do with the obtaining of the photographs of alleged street-corner gambling payoffs.

Two 16mm. moving-picture cameras were used, one with the telephoto lens. Three men worked with each camera, one operating the camera, one handling the film and the other stationed at the window with an old-fashioned long naval telescope with which he sighted actions that were deemed suspicious and corrupt and on which the camera was trained.

Necessary to Rent Apartment

To get the pictures it was necessary to rent an apartment in the various neighborhoods and have investigators dressed as laborers and loafers watch the alleged payoffs, while the camera ran off pictures, so that the testimony of the eye-witnesses and the camera would be corroborative.

In the presentment with the pictures, believed to be an unprecedented document of its kind, the pictures all deal with transactions at a bookmaking establishment in a store at 93 Grafton Street, Brooklyn. These were the best pictures because each day for three weeks the sun shone with favor upon the actors on the corner, giving just the proper lighting.

Of the two presentments naming police, one charged that through negligence or the acceptance of gratuities or consort with known violators of the gambling laws, improper testimony or other misconduct, they had been instrumental in enabling the gambling syndicate to operate.

The second charged that other policemen had falsely explained the possession of property of a type and value entirely out of line with their legitimate income and salaries of \$3,000 a year.

The lawyers were accused of having appeared in courts for various persons arrested in organized policy cases without ever having been retained by such persons and without seeking or obtaining any fee from them, but allegedly appearing for the defendants as representatives of the policy members of the gambling syndicate. They were Jacob Siegfried, 305 Bedford Avenue; Joseph Margolis, 220 Highland Boulevard, and Peter Spitz, 115 Logan Street, all of Brooklyn. The presentments naming them were forwarded to the Appellate Division in Brooklyn for disciplinary action.