

## INFORMATION ON THE UNITED STATES SECRET SERVICE

100th Anniversary - July 5, 1965

### THE BEGINNING (1865)

Early in the Civil War it was estimated that about one-third of all the Nation's currency in circulation was counterfeit. At that time U. S. currency was printed by various banks in hundreds of different designs. It was not until 1863 that the United States adopted a national currency and issued United States Notes, commonly called "greenbacks". Even national currency was soon counterfeited and the counterfeits circulated so extensively that the Government was compelled to take steps to protect its money; thus, the birth of the United States Secret Service. Secretary of the Treasury Hugh McCulloch, under President Andrew Johnson, created the Secret Service on July 5, 1865, within the Treasury Department, to launch war on the counterfeiters and quickly restore the public's confidence in the Nation's currency.

After the first five years of rounding up counterfeiters, the Secret Service had greatly lessened the vast amount of currency counterfeiting and the efforts of the first general Federal law enforcement agency were most important in re-establishing the integrity of our country's currency.

### THE KING OF THE COUNTERFEITERS (1850-1890)

William Brockway was one of the most colorful counterfeiters of his generation and many times the most wanted by the Secret Service. Brockway learned the printing trade as a 15 year old apprentice in a print shop in New Haven, Connecticut. It wasn't long before he had his elderly employer, whose business was declining, talked into a counterfeiting scheme. At the time, the New Haven City Bank had placed an order with the print shop for a supply of \$5 notes. As was the custom, the bank president and cashier brought to the print shop the plates and currency paper to be used. During the printing, Brockway's employer distracted the watchful bankers momentarily while young Brockway made a lead impression of the original \$5 note plate. In the nights that followed, Brockway produced a copper electrotpe from the lead plate, thus obtaining an engraved impression of the \$5 bill which was exactly

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like that on the plates so zealously guarded by the bankers. They printed and passed nearly \$100,000 of these counterfeit \$5 notes before an alert bank teller noticed a flaw.

After this venture Brockway left town and soon became involved with a counterfeiting gang in Hudson, New York. He was arrested and escaped to Philadelphia where he set up another counterfeiting plant. The "King of the Counterfeiters" was arrested again and was sent to jail for five years. After serving only a portion of his sentence, he was released. Brockway assumed the name of Colonel Spencer and for 17 years stayed clear of the Secret Service and police, although he financed a number of counterfeiting operations.

Throughout his illegal career Brockway had counterfeited hundreds of thousands in bogus notes as well as phony Government bonds. As a matter of fact, some of his Government bonds looked so good that the Treasury Department had accepted them and paid out \$85,000 to a New York investment firm. This was probably the only time in history that the Treasury Department was victimized by imitations of its own securities.

Brockway was 82 years old when he was paroled after serving his last prison sentence. He returned to a rooming house in New Haven, Connecticut, where his counterfeiting career began. The reign of the "King of the Counterfeiters" ended when Brockway died on December 1, 1920. At the time of his death he was almost 100 years old, probably the oldest counterfeiter on record.

#### LOUISIANA LOTTERY (1862-1908)

The notorious Louisiana Lottery which began operations in 1862 in New Orleans was one of the biggest legal lotteries in the world. At its peak, receipts from the lottery climbed to an average of \$2,000,000 a month and only a fraction of this amount was ever paid out in prizes. Winning numbers were being manipulated by the crooked operators, many of whom became multimillionaires. Those in opposition to the lottery found at first little support to stop its operation because of its popularity and the rich and powerful lottery interests that prevailed across the Nation. Finally, the opposition grew in number and



the lottery operators were ordered to halt their activities in the United States. The only way they could continue was to do business in a foreign country; consequently, the lottery moved to Honduras.

Within a few years they secretly worked their way back into the country and established operating and ticket distribution centers in the states. Once again hundreds of indignant citizens set out to smash this infectious racket. In 1902 the Federal Government called on the Secret Service to investigate. Because there were now Federal laws forbidding the distribution of lottery material by mail and prohibiting the interstate shipment of lottery tickets, the Secret Service was able to crack down hard and fast on violators. For six years special agents made scores of arrests and seizures which finally put an end to this most lucrative enterprise.

#### LINCOLN'S GRAVE ROBBERS (1876)

Ben Boyd, a notorious counterfeiter, was arrested in 1876 by the Secret Service. He was convicted for making counterfeit currency and sent to Joliet Penitentiary for ten years. With Boyd behind bars, the rest of the gang was faced with a limited supply of counterfeits to pass and no one to make more.

Two of the gang, Jack Hughes and Terence Mullen, struck on a bizarre plan to get Boyd out of prison. They would go to the Oak Ridge Cemetery in Springfield, Illinois, the site of President Lincoln's tomb and steal Lincoln's body. They planned later to exchange it in trade for Boyd's release from prison.

The Secret Service learned of this fantastic plot and decided to discuss the matter with Robert T. Lincoln, the former President's only surviving son, since the investigation of a conspiracy of this kind was not customarily performed by the Secret Service. It was decided that the Secret Service would need assistance in dealing with these grave robbers, so the famed Civil War detective, Allan Pinkerton, was contacted and he promptly assigned two of his best men to assist.

With the added help of some local police, the Secret Service Agent in Charge laid out a plan to catch the robbers in the act. On the night of November 7, 1876, the lawmen, at a distance, surrounded the tomb and waited in the dark. After



almost two hours the would-be grave robbers appeared and entered the tomb. With crowbars they managed to move the great stone block that covered the casket. Then, a shot rang out. Accidentally a detective's percussion cap pistol had fired. Hearing this, the other police figured the robbers were firing at them, so they returned the fire and for a moment guns were blazing at unseen targets. During the confusion, the criminals escaped in the dark of the night.

Several days later Mullen and Hughes were caught and ultimately sentenced to a year for grave robbery. As a matter of interest, this infamous crime received very little news coverage as it occurred on an election night and election news filled the newspapers.

#### JIM THE PENMAN (1882-1896)

At the age of 35, Emanuel Ninger arrived in this country from Rotterdam in 1882. He settled with his family in New Jersey and worked infrequently as a sign painter. The Ningers were known as quiet people who kept to themselves and it was apparent that Emanuel Ninger did not depend upon the small farm for a living as the family appeared reasonably prosperous. At his farm Ninger spent considerable time in one room upstairs and left the farm once a month for a trip to New York. Neighbors thought he did a little investing in the stock market. The real reason for his trips to New York was to pass counterfeit bills and pick up supplies for making more of his hand-drawn notes, a very unique method of counterfeiting.

"Jim the Penman", as he was later named for his nefarious talents, made his phony bills by sketching with a camels hair brush after first tracing the design on a dampened piece of paper. He would then place the paper on a glass and with a genuine note on the opposite side and a strong light beneath, he would make a tracing before he began to sketch.

It was estimated that Ninger turned out \$200 to \$300 per month in hand drawn counterfeits, concentrating on fifty and hundred dollar notes. As was his custom, on the last Friday of the month, he would go into New York with his month's supply of bills and on Saturday night he would return home with groceries and a few bottles of liquor. He covered a lot of territory in Manhattan in locating shops that he had not patronized before.



On Friday, March 27, 1896, he set out again for New York on a passing spree. Later in the day, with only one \$50 bill left, he went into a saloon and ordered a glass of wine. He asked the owner of the saloon if he could change a \$50 bill and the owner gave him his change and picked up the \$50 note from the counter where Ninger had placed it. Ninger picked up his change and walked out hurriedly. The owner turned the bill over and as his finger touched the part of the bill that had been laying on the wet bar, some of the ink came off and he shouted to his assistant to run and get Ninger. The assistant didn't see Ninger but started to run toward the ferry picking up a policeman along the way. Ninger was located at the ferry house and was arrested. Failing to talk his way out of the situation, he tried to run but was caught in a few blocks. After lengthy questioning, Ninger admitted his counterfeiting venture for which he later received a six-year sentence.

"Jim the Penman" operated for about 14 years and rough estimates indicate he probably distributed some \$40,000 of his hand-drawn notes, many of which became collectors' items and as the New York Times once remarked a, "Marvelous Piece of Work".

#### SPANISH SPY RING (1898)

At the outbreak of the Spanish American War the War Department called upon the Secret Service to suppress the activities of foreign agents operating in the United States. The intensive investigation revealed that Spanish spies were recruited by a member of the Spanish Embassy in Canada. Spies were operating in Washington, Key West, New York, New Orleans, San Francisco, and Seattle all under the direction of a former military attache of Spain.

The Secret Service broke up this espionage activity and arrested almost all the agents sent into the United States. Secret Service Agents were successful in obtaining evidence to convince the Canadians that certain Spanish diplomatic officials were violating Canadian neutrality. With this information, Canada deported the spies and the espionage ring was broken.



## COUNTERFEITERS DISRUPT TREASURY (1897-1902)

William M. Jacobs and William Kendig were cigar manufacturers in Lancaster, Pennsylvania. They achieved a distinction reached by no other counterfeiters by making it necessary for the Treasury to recall an entire issue of currency -- \$26,000,000 in \$100 bills.

They hired a pair of engravers, Baldwin S. Bredell and Arthur Taylor. At first they counterfeited Internal Revenue cigar tax stamps which they used in place of paying the Federal tax. The cigar manufacturers then decided to counterfeit currency. Taylor used a new procedure for this job called photoengraving and Bredell had worked out a method for bleaching \$1 notes. They made 97 \$100 counterfeit notes printed on the bleached \$1 bills and began distributing a few in Philadelphia.

In December 1897 one of the notes came under suspicion in the Sub-Treasury in Philadelphia. A few more turned up and were taken to the Treasury Building in Washington for examination. Some officials thought the bills were genuine. The Secret Service studied the notes and observed that the paper was a little too thick and placed one of the notes in hot water. In minutes the two split portions of the bleached note, held together with rice paste, separated. This discovery caused great alarm in the Treasury and the Secretary called a press conference to warn the public against the counterfeit. The Secretary also directed the Treasury to recall the entire issue of genuine notes because the counterfeits were too great in likeness to them.

With the pressure on, the counterfeiters decided that they should counterfeit various other denominations. In the meantime the Secret Service began the tedious job of checking on all engravers in Philadelphia. The list finally narrowed down to Bredell and Taylor. Their heavy spending and lack of legitimate work made them obvious suspects and a check of their shop revealed enough to convince the Secret Service that they were the makers of the counterfeit \$100 bills. Secret Service Agents followed Taylor to Lancaster, Pennsylvania, to the cigar factory of Jacobs.

A 24-hour surveillance was placed on the Jacobs' factory, and on April 18, 1899, agents arrested Taylor and Bredell and the following morning Kendig and Jacobs.



### A Sequel:

While in jail Taylor and Bredell were worried about the severity of their pending sentences and in November 1899 their lawyer came up with a most unique suggestion. He mentioned the possibility of trading hidden plates for their freedom. It was decided that they would make plates while in prison. In those days visitors were not searched and Harry Taylor, Arthur's brother, was able to smuggle into the prison the necessary materials for counterfeiting. The work was done at night while one slept and the other worked under a blanket in a corner of the cell by the light of a small alcohol lamp which had also been smuggled into the prison.

Their first step was to photograph the front and back of a genuine \$20 note. Without a camera, they improvised and made an emulsion from food and other items brought to them. They then split a \$20 bill, oiled the two halves and laid the nearly transparent pieces on the sensitized plates and produced an outline of the bill by holding the plates in the sun's rays at their window. Using ingenious methods, the pair managed to etch the plates. For paper they used 150 new \$1 bills smuggled in by Taylor's brother which had been bleached white and they used a cuff-ironer for their printing.

When the 150 \$20 notes were printed, the plates were smuggled out of the prison by Harry Taylor who buried them next to his father's grave. This was five months after the first steps were taken to print the notes. Harry Taylor then started passing the notes and passed 32 before he was questioned. He then burned the remainder of the notes. He was soon questioned by the Secret Service who then also began questioning Arthur Taylor and Baldwin Bredell in prison. They admitted making the plates and claimed they were made before entering prison. However, this was disproved when it was determined that the serial number of the note used as a pattern note had not been used on bills until after they had entered prison. They tried to bargain for leniency in return for disclosing the location of the plates and testifying against the attorney who planned their latest counterfeiting venture but to no avail. Arthur Taylor and Baldwin Bredell were each sentenced to seven years in 1902.



### ROBBING THE MINT (1889)

The Philadelphia Mint, which manufactures coins and years ago maintained gold ingots, was missing about \$130,000 in gold in 1889. When the enormous shortage was noticed, the Secret Service was notified by the Director of the Mint and an investigation was initiated to track down the lost gold. The missing gold weighed 700 pounds and consisted of 50 gold bars, a substantial amount to have disappeared without a single clue. After extensive questioning of the persons having access to the vault that stored the missing gold and investigating the vault area, the Secret Service Agent in Charge determined who was responsible for the theft.

The guilty one was determined to be the official weigher of the gold. He had used a piece of bent wire to dislodge the bars from the tope of the pile next to the heavy grilled vault door and then slipped each bar underneath the door. Interestingly enough, the investigation further disclosed that the crooked mint employee had a tailor make him a secret pocket in the front of his trousers suitable for smuggling the gold bars out of the mint. And to top it off, the thieving official wore heavy-duty suspenders to support the weight of the gold bars.

### PRESIDENTIAL PROTECTION (1901- )

After the assassination of President McKinley at Buffalo, New York, in 1901, the Secret Service was detailed to protect President Theodore Roosevelt. As a matter of interest, legislation was not passed for this protective function until 1906 when Congress officially authorized the Secret Service to protect the President of the United States (Sundry Civil Expense Act for 1907).

This responsibility was extended in 1913 to include the President-elect, in 1917 to the members of the President's immediate family, and in 1951 to the Vice President of the United States upon his request. In 1962 Congress authorized the protection of the Vice President or the other officer next in the order of succession to the office of the President and extended the law to provide protection for the Vice President-elect and a former President at his request for a reasonable period after he leaves office.



## GIANT LAND FRAUDS (1905)

Secret Service Agents were loaned to the Department of Justice at the request of President Theodore Roosevelt in 1905. Their investigations exposed widespread fraudulent homestead claims by Western cattle barons and coal and lumber companies. Subsequently millions of acres of land were recovered for the Government. In Nebraska alone the Secret Service recovered more than a million acres of stolen land. During one of these investigations tragedy struck the Secret Service when a veteran agent, Joseph A. Walker, was fatally shot in the back while investigating a land fraud case for the Government.

It was not uncommon to find that prominent and powerful politicians were involved in these fraudulent practices. As a matter of fact, two of the men indicted were members of the Congress. Congress became alarmed at the investigation and charged that the Secret Service had no right investigating matters that were not the business of the Treasury Department, and that action should be taken to prevent other departments of the Government from borrowing Secret Service Agents from the Treasury to conduct all kinds of investigations.

President Theodore Roosevelt thoroughly disagreed with this and delivered a forceful message to Congress in defense of the Secret Service and "its fearless and impartial enforcement of the law". Congress disregarded the President's appeal and by restricting the Secret Service appropriations it curtailed their activities to Treasury Department matters only. All investigations of the Western land frauds by the Secret Service were discontinued immediately.

President Roosevelt sought a new way to utilize the experienced Secret Service investigators for investigative matters that were not related to the Treasury Department. At his instigation, eight Secret Service Agents were officially transferred to the Department of Justice on July 1, 1908. With only a few exceptions since 1908 the Secret Service has worked only on Treasury matters and their protective responsibilities.

## THE ALBERT BRIEF CASE (1915)

With World War I erupting in Europe, President Woodrow Wilson in 1915 directed Secretary of the Treasury William G. McAdoo



to assign the Secret Service to investigate violations of neutrality in the United States.

Soon after receiving this assignment, the Secret Service placed surveillance on a German propagandist, George Sylvester Viereck, who was living in New York City. It wasn't long after the surveillance began when Viereck and another man were followed aboard a Sixth Avenue elevated train. The other man, later identified as Dr. Heinrich Albert, carried a brown brief case and was conspicuously concerned about not letting it out of his sight. Viereck departed the train first, and one of the two agents following the pair left the train behind Viereck. Albert remained on the train and so did the other agent. When the train arrived at Albert's stop he apparently did not realize it immediately, and excitedly before the train pulled away, he got up from his seat and rushed out of the train. In his haste he had forgotten his closely guarded brief case.

The Secret Service Agent following Dr. Albert made a quick decision. He seized the brown bag and using another exit ran off the train. The agent, although spotted by Albert, managed to lose him and delivered the bag and its contents to Treasury Secretary McAdoo.

The contents of the bag revealed numerous German plots against the United States and the Allies. These included schemes to launch strikes in munitions plants, to corner the supply of liquid chlorine used for poison gas, to acquire an established airplane company and its patents, and to cut off the supply of cotton from England and make it appear that the movement originated with the Southern cotton growers of the United States. One set of papers proved that Germany had acquired a Connecticut munitions factory which was accepting orders for shells from Britain and Russia with no intention of making delivery.

The uncovering of the contents of Albert's brief case brought to a halt espionage activity that had a damaging potential to the allied war effort.

#### COUNT VICTOR LUSTIG (1917-1935)

One of the most remarkable criminals ever sought by the Secret Service was a very clever swindler, "Count" Victor Lustig.



Lustig, originally from Europe, gave himself the title of "Count" along with many other aliases he used while working his confidence schemes.

From 1917 until 1935 Lustig stole, embezzled and operated "con" games throughout the country. At the peak of his crooked career, he was wanted by 42 different law enforcement agencies and managed to escape prosecution by **every one of them.**

One of his favorite swindles was to interest wealthy acquaintances in his so-called money making invention, a formidable black box that allegedly reproduced currency. He demonstrated his fake box using two Liberty bonds as bait. To make them appear identical, he altered the serial numbers on one of them. His eager victims saw only the one bond being placed in the machine and were tremendously impressed when the "Count" turned a crank and a duplicate bond came out. Eager to get richer, many of his wealthy customers paid heavily for Lustig's phony money machine.

Lustig's biggest mistake came when he decided that counterfeit money offered him greater rewards than his previously profitable confidence games. With the aid of a photoengraver he produced over a million dollars in counterfeit money and built up an extensive distribution system. It took the Secret Service a year to locate Lustig and his partner. They were arrested and a good portion of their counterfeits were seized at the counterfeit plant before they could be placed in circulation.

Lustig's criminal schemes implicated over 400 note passers that were traced down and prosecuted by the Secret Service. For his efforts the "Count" received a 20-year prison term.

#### TEAPOT DOME (1924)

The Secret Service in 1924 was assigned to investigate the Teapot Dome oil scandals. This highly sensitive investigation led to the conviction of Albert B. Fall, former Secretary of the Interior, and Harry F. Sinclair of the Sinclair Oil Company and other very prominent persons in the petroleum industry.



Much credit for uncovering this immense oil fraud belongs to the United States Congress as the Senate investigating committee conducted the intensive inquiry. Secret Service Agents under the direction of a special counsel interviewed scores of people and reviewed hundreds of records. Agents followed leads into many states and even into Canada where a phony company had been established for the benefit and profit of the infamous oil tycoons.

The big break in the case occurred when an agent investigating a routine lead gained access to Secretary Fall's account records in a New Mexico bank. Looking over the records, he noticed an unusual amount of Liberty bonds listed and copied their serial numbers on a piece of paper. In order to safeguard this possible important information, he mailed it to his office address. This proved to be an excellent maneuver as his room was later ransacked and his brief case stolen. As it later developed, this list of serial numbers proved to be the most valuable evidence in the giant fraud.

It took months of patient work on the part of the Secret Service Agents to trace these bonds back from Fall's account. Like pieces in a puzzle, a number of persons were tied into the conspiracy and when confronted with the Government's evidence many of the conspirators confessed to their part in the giant fraud against the Government.

The investigation turned up improper use and exploitation of Government petroleum reserves with vast sums paid to former Secretary Fall for use by commercial oil interests. In addition, numerous other illegal practices were uncovered such as bribery, soliciting gratuities for favors, and especially significant, tax evasion.

Besides the arrests that were made, several million dollars in income tax money was repaid to the Government by members of this most infamous conspiracy.

#### SECRET SERVICE HERO MURDERED (1927-1928)

On the way to Bimini in the Bahamas to consult authorities about counterfeit notes used in the liquor importation business, Secret Service Agent Robert King Webster, aboard a Coast Guard cutter, sacrificed his own life for those of his companions.



Out to sea off the coast of Florida the cutter spotted a rum-runner boat and pursued it. The rum-runner, the faster of the two boats stalled, and the Coast Guard cutter pulled alongside.

Twenty cases of contraband liquor were discovered and ordered transferred from the captured boat to the cutter. The two men aboard the rum-runner, Horace Alderman and Robert F. Weech, notorious crooks, were searched for weapons and told to board the cutter.

The Commander in charge of the cutter went to the cabin and started radioing Fort Lauderdale, Florida, for instructions. He was not sure whether he should proceed to Bimini on Secret Service business or return to land with the two bootleggers. Before a message could be sent, the Commander was shot in the back by Alderman. The prisoner had somehow gotten a pistol aboard the cutter. A Coast Guardman's gun jammed as he tried in vain to shoot the murderer and he too was shot by the rum-runner; fortunately, only wounded. Alderman intended to kill all the Federal men on board and lined them up. He gave his partner the dead Coast Guard Commander's gun and told him to set fire to the cutter. One of the Coast Guardsmen made a move, probably unintentionally, and Alderman fatally shot him in the chest. As Alderman turned for a brief moment to see if Weech had set fire to the boat, Secret Service Agent Webster in a split second move lunged at Alderman and knocked him off balance as a bullet from Alderman's gun pierced Webster's heart, killing him instantly. Seeing this brief chance for survival, the remaining Coast Guardsmen quickly overpowered Alderman. Weech, dropping his gun, tried to escape overboard and was fished out of the water.

Had it not been for the heroic action of Agent Webster all hands aboard the cutter would have perished 38 miles off the coast of Florida.

The two bootleggers were found guilty of the three murders. Alderman was sentenced to be executed and was hanged on May 11, 1928, and Weech was sent to prison for life.



## SAFEGUARDING THE PRICELESS (1941-62)

In December 1941 the Secret Service was chosen to safeguard the originals of America's priceless historical documents, including the Declaration of Independence, the Constitution of the United States, the Gutenberg Bible, Lincoln's Second Inaugural Address, and the Lincoln Cathedral copy of the Magna Carta. Under Secret Service protection these famous documents were taken from the Library of Congress in Washington to a place of safety and were returned to Washington by the Secret Service near the war's end.

The Secret Service was also in charge of protecting the United Nations Charter when it was moved in April 1945 from San Francisco to the State Department in Washington, D. C.

The most recent protective assignment of this type, by request of the President of the United States, was safeguarding the priceless painting "Mona Lisa" by Leonardo Da Vinci, during its stay in the United States from December 1962 to March 1963.

## BATTLE AT BLAIR HOUSE (1950)

"Although there was no advance warning of the attempt on Harry S. Truman's life on November 1, 1950, the protective measures taken by the Secret Service availed, and the assassins never succeeded in firing directly at the President. The assassins -- Oscar Collazo and Griselio Torresola, Puerto Rican Nationalists living in New York -- tried to force their way into Blair House, at the time the President's residence while the White House was being repaired. Blair House was guarded by White House policemen and Secret Service agents. In the ensuing gun battle, Torresola and one White House policeman (Private Leslie Coffelt) were killed, and Collazo and two White House policemen were wounded. Had the assassins succeeded in entering the front door of Blair House, they would probably have been cut down immediately by another Secret Service agent inside who kept the doorway covered with a submachine gun from his vantage point at the foot of the main stairs. In all, some 27 shots were fired in less than three minutes.

"Collazo was brought to trial in 1951 and sentenced to death, but President Truman commuted the sentence to life imprisonment



on July 24, 1952. Although there was a great deal of evidence linking Collazo and Torresola to the Nationalist Party of Puerto Rico and its leader, Pedro Albizu Campos, the Government could not establish that the attack on the President was part of a larger Nationalist conspiracy."

The foregoing is an extract from the Warren Report (1964).

#### BUREAU OF ENGRAVING THEFT (1953-1954)

Undoubtedly one of the boldest thefts in recent years occurred in Washington, D. C. on December 30, 1953, when James Landis, a currency wrapper in the Bureau of Engraving and Printing, walked out of the building with \$128,000 in freshly printed bills hidden under some clothes in a paper bag. Even that was not the full amount of his theft as he had just previously hidden \$32,000 in the Bureau building which he later planned to take out.

In preparation for this fantastic theft, Landis had removed small boards, metal and paper straps from waste material at the Bureau of Engraving and Printing, which he took to his home. He used this material, along with a large amount of paper he had previously cut to the size of currency, in preparing two dummy packages called "bricks" similar to those in which genuine paper currency is packaged for shipment at the Bureau of Engraving and Printing.

The day of the theft Landis entered the Bureau for work at 6:45 a.m., carrying two dummy "bricks" disguised in heavy paper. When he passed the guard at the entrance he pretended to carry his parcel as regulations required to the parcel checking booth. When the guard was no longer watching him, Landis abruptly changed direction and took an elevator to the third floor. In a locker room he concealed the "bricks".

After disposing of his bundle, Landis reported for work at his regular time, 7:30 a.m. Ten minutes later he removed from a skid two "bricks" of genuine currency each containing 4,000 \$20 Federal Reserve Notes. Next he took the "bricks" to a wrapping machine and wrapped them in brown paper before taking his package to the fifth floor to a storage area. At



this point Landis unwrapped the "bricks" and removed the labels which bore the package and serial numbers. He put the labels in his pocket noticing that some of the brown paper had adhered to them and then cut the steel bands from the bricks and placed the package of currency in two paper bags. One bag contained \$128,000 and the other, \$32,000. The two bags were hidden in the storage area. Landis then returned to work on the currency wrapping machine.

At 10:50 his section was given a 20-minute break. Landis went to the third floor locker room to soak the labels off the brown paper and dry them on the radiator. Then he took the labels and pasted them on the dummy "bricks" and rubber stamped the labels with a number. This number would indicate to an unsuspecting employee that the bricks had been machine stamped. Covering the two dummy bricks with heavy brown paper, Landis carried them to the first floor and placed them on the first storage skid he located on which Federal Reserve Notes were stocked.

At 3:10 p.m., Landis finished work and proceeded to the fifth floor to where he had hidden the currency. He placed a pair of trousers which he had brought from his locker in the top of the bag with the \$128,000 and left the other bag containing the \$32,000 concealed under the skid. Then he carried the bag containing the money and trousers to the first floor. As he walked out of the building past the guard, Landis held the trousers partway out of the bag for the guard to see and after passing the guard he pushed the trousers back down in the bag and continued on his way.

After leaving the building he went to his cousin's home in Brentwood, Maryland, and then with another friend placed most of the money in a metal box. The next couple of days Landis and a few friends went on a spending spree attempting to change as many of the stolen twenties as they could. They purchased everything from clothes to liquor, and even a car.

Landis returned to work January 4, 1954, and on this day the \$160,000 was discovered missing by a Bureau employee. After learning that the Secret Service was investigating the theft, Landis and his accomplices decided they had to get rid of the



money. They talked the father-in-law of Landis, who worked on an estate in nearby Virginia, into keeping it in a safe place. On the morning of January 5, 1954, the father-in-law telephoned the Virginia State Police and turned the money over to them. The State Police notified the Secret Service.

After receiving information from the father-in-law, Landis was placed under arrest at the Bureau of Engraving and Printing. He admitted to the theft and furnished full information covering his actions. He also showed Secret Service Agents where he had hidden the remaining \$32,000 in stolen currency. Landis and his five accomplices were arrested, convicted and sentenced.

#### RED FOX GANG (1959)

In May 1959 agents of the Secret Service in cooperation with Postal Inspectors broke up a large ring of check thieves and forgers known as the "Red Fox Gang" operating in Dallas, Texas. Nineteen members of this gang were arrested and convicted.

This gang, not satisfied with the amounts of checks issued for less than \$100 would alter such checks by adding the digit "1", increasing the amount by \$100. Within a period of two months they stole, forged, and altered some 80 checks realizing about \$7,500 from their operations. The gang operated by cruising in automobiles and stealing checks delivered by the mail carriers to letter boxes. They would then take the checks to the home of one of the members where they would raise the amount with a rubber stamp used for this purpose. The passer, armed with fake identification, would then bring the check to a merchant. If the merchant evidenced signs of suspicion, another member, loitering nearby, would walk into the store and greet the passer by his first name and engage him in conversation. Thus reassured as to the identity of the person presenting the check, the merchant would cash the check.

These offenders had their own code words. They referred to Government agents as "Uncle Charley" and to the checks as "1-way" or "2-way" depending on whether they were issued to a single payee or to co-payees. The checks themselves they called "Brownies" due to the brown envelopes in which they were enclosed.



## COUNTERFEIT CHECKS (1959)

Rufus Howard Harden was arrested in Gulf Shores, Alabama, on October 13, 1959, and charged with the manufacture of counterfeit U. S. Treasury checks. Harden was the ringleader of an international conspiracy to counterfeit Treasury checks. His brother, Will Max Harden, was arrested the following day in Birmingham, Alabama, as another member of this conspiracy. Along with the Hardens, 15 other persons had been taken into custody since this investigation began in May 1959. It started when four deceptive counterfeit Treasury checks were cashed in Florida. Other counterfeit checks soon appeared in Georgia, Mississippi, Louisiana, and Texas and were usually passed in supermarkets, liquor stores and clothing stores. Banks and store owners were warned to be on the lookout for these phony checks.

The first break in the case came on May 23 when one of the checks was presented at a food store in Baton Rouge. The store had been alerted and the check was refused. A description of the passer and his car was noted and given to the police who broadcasted the description on an interstate network. Two days later Arphy Justin Sonnier was arrested in Beaumont, Texas, and identified as the Baton Rouge passer.

An intensive investigation of associates of Sonnier began. An undercover agent of the Secret Service operating in Opeloussas, Louisiana, made the acquaintance of Sonnier's "girlfriend", a suspected member of the conspiracy. The undercover agent, representing himself as a big time hoodlum from the East cooling off in Louisiana, won her confidence and eventually purchased eleven of the counterfeit notes from her. The agent then negotiated for the purchase of the counterfeit checks in quantity, his objective being to reach the leaders of the gang. By this time the undercover agent had made the impression of having endless funds and major underworld contacts.

It wasn't long before contact with the principal distributors of the counterfeit checks was made. A deal was made for 1000 of the counterfeit checks to be delivered at a price of \$20,000, the delivery to be made in Washington, D. C., home



of the U. S. Secret Service. Late in the afternoon of July 8, Joseph Lovely Sonnier and Louis Emory Roger arrived at the Washington National Airport where they were met by the undercover agent, now in company with a second undercover agent who was introduced as the party who was backing the purchase of the counterfeit checks. The delivery was made and the two counterfeiters were quietly taken into custody and removed to Alexandria, Virginia, where they were arraigned. About 755 of the counterfeit checks were seized along with counterfeit military identification cards, counterfeit Social Security cards, and counterfeit Alabama drivers licenses. Early the next morning the "girlfriend" was arrested at the home of Joseph Lovely Sonnier at Duson, Louisiana.

Sonnier and Roger were known to have made trips to Durango, Mexico, so the investigation now moved across the border and Secret Service Agents worked with Mexican authorities. A systematic screening of individuals with the capabilities and facilities for printing the counterfeit checks led to two brothers who had the reputation of living high above their visible means of income. After accumulating sufficient evidence, a raid was made on their establishment and the plates for the counterfeit checks were seized. A general roundup of others associated in this conspiracy followed and altogether of the 15 individuals involved, there were nine Americans and six Mexican Nationals.

#### THE LONE COUNTERFEITER (1961-1963)

In July 1961 Ralph Brunet was released from prison after serving a sentence for burglary. From that time until February of 1963 he toured the country stealing from church poor boxes, accumulating \$4,500 to be used to set up his counterfeiting plant.

Brunet attended a school in Tennessee specializing in offset printing, but remained only one week as he was dissatisfied with the instruction.

He finally settled in Frankfort, Indiana, in April 1963 and began purchasing the equipment necessary to operate his plant.



At that time, because of certain suspicious actions on his part, he came to the attention of the Secret Service Office in Indianapolis and immediately became a subject of periodic surveillance by our agents. It soon became apparent that Brunet was not using his equipment for any normal legitimate reason and the investigation was intensified to determine his interest in the printing trade.

On July 30, 1963, Brunet returned his press to the supplier, stating he was going out of the printing business. Agents, who had followed him to the store, approached his car and found \$1,370,140 in new counterfeit \$10 Federal Reserve Notes, together with 194 counterfeit plates stored in the trunk. This was a record amount to be counterfeited by one individual. Brunet admitted manufacturing the notes and said he had finished his work "and was on his way to pass the notes" when he was arrested.

Brunet had worked 12 hours a day for three months to perfect his notes, all of which were seized before any had been passed on the public. On October 9, 1963, Brunet was sentenced to ten years in prison.

#### COUNTERFEITERS BREAK RECORD (1963)

During June 1963 nine men joined forces in San Francisco and produced more than two million dollars in counterfeit \$20 and \$50 Federal Reserve Notes, the largest amount ever known to be counterfeited at one time within the United States. The group included two tavern owners, a proprietor of a mailing service, three commercial printers, a lithographer, and electronics technician and a truck driver. Three of the men had prior felony convictions.

The photographic work was done in a small private house rented specifically for this purpose. The plates were made in the offices of the mailing service operated by one of the defendants, and the printing was done in the print shop of the Alameda State College where one of the defendants was employed. The notes were then taken to the rented house where they were treated with chemicals to give them an aged appearance, and then the group began looking for prospective customers among their underworld contacts.



One of their first customers was an individual who agreed to buy one-half million dollars in the counterfeit notes through one of the tavern owners. This customer was an undercover Secret Service Agent, and on July 3, 1963, during the transaction, several of the defendants were arrested and \$446,000 was seized. The remaining conspirators were quickly apprehended and a total of \$2,237,490 in the counterfeits was seized. Although this counterfeit was passed in 18 States after first appearing June 23, 1963, only about \$27,000 was passed on the public. The counterfeiters were prosecuted and received sentences ranging from three months to ten years.