

PSF Treasury Dept.

1942-44

1
THE WHITE HOUSE
WASHINGTON

*file
journal*

January 2, 1942.

MEMORANDUM FOR
THE SECRETARY OF STATE

What would you think of this
suggestion to be used at the
present time? I am very much of
two minds on it.

F. D. R.

*Suggest you used for valuable
trading or use later —
CIT*



THE SECRETARY OF THE TREASURY
WASHINGTON

PSF Inas. Folder

December 31, 1941

Dear Mr. President:

I am transmitting herewith for such use as you care to make of it a draft of a bill to cancel the indebtedness of the Governments of Great Britain and Russia to the United States Government which arose out of the first World War.

Faithfully yours,

H. M. Witham Jr.

The President,
The White House.

FOR DEFENSE



A BILL

To cancel the indebtedness, arising out of the first world war, of Great Britain and Russia, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) all existing indebtedness, including unpaid interest, of the Government of Great Britain to the Government of the United States of America resulting from cash advances made or credits established by the Government of the United States of America under authority of the following Acts of Congress, as amended or supplemented, is hereby cancelled:

The Act of April 24, 1917 (40 Stat. 35);
The Act of September 24, 1917 (40 Stat. 288);
The Act of April 4, 1918 (40 Stat. 502);
The Act of July 9, 1918 (40 Stat. 844).

(b) All existing indebtedness, including unpaid interest, owing to the Government of the United States of America on account of cash advances made, credits established, or supplies sold on credit by the Government of the United States of America to any Government of Russia under authority of the following Acts of Congress, as amended or supplemented, is hereby cancelled:

The Act of April 24, 1917 (40 Stat. 35);
The Act of September 24, 1917 (40 Stat. 288);
The Act of April 4, 1918 (40 Stat. 502);
The Act of July 9, 1918 (40 Stat. 844);
The Act of July 9, 1918 (40 Stat. 845, 850);
The Act of February 25, 1919 (40 Stat. 1161).

Sec. 2. The Secretary of the Treasury is hereby authorized and directed (1) to deliver to the authorized representative of the Government of Great Britain all obligations now held by the Government of the United States of America evidencing the indebtedness referred to in section 1(a) of this Act, (2) to deliver to the authorized representative of the Government of the Union of Soviet Socialist Republics all obligations now held by the Government of the United States evidencing the indebtedness referred to in section 1(b) of this Act, and (3) to make such adjustments on the books and records of the Treasury Department and take such other action as may be necessary to carry out the purposes of this Act.



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personal.*

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THE SECRETARY OF THE TREASURY
WASHINGTON

JAN 9 1942

My dear Mr. President:

Attached for your information is a memorandum briefly setting forth some of the results to date of our investigation of General Aniline and Film Corporation.

When we entered the war we put a group of Treasury people into the various offices of General Aniline who have been supervising and investigating the company from the inside.

The investigation is still under way and some of the items uncovered are of such interest that I felt you would want to know about them at this time.

Sincerely,

J. M. Nathan

The President

The White House.

Attachment.

FOR DEFENSE



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

January 7, 1942

TO Secretary Morgenthau

FROM E. H. Foley, Jr.

Since our entrance into the war we have had a group of Treasury people under Joe O'Connell supervising and investigating from the inside the General Aniline and Film Corporation, which has been blocked under the freezing order. Several months ago we prevented the sale of this company to General Dyestuff because we were convinced from our study of the German dominated industrial setup in this country that General Dyestuff, like General Aniline and Film, was part of the I. G. Farbenindustrie, the huge German dye trust.

Our investigation to date has disclosed serious situations affecting the national interest.

1. The Ozalid Division. This division, headed by F. W. von Meister, who came to this country direct from an association with German Zeppelin Works and Maibach Auto Works, has succeeded by several devices in providing access for its men -- often German aliens or German-born American citizens -- to the drafting rooms of about 3500 industrial plants, including defense installations and Government experimental laboratories, and in amassing valuable industrial information; the device used was the leasing, and then the continuous servicing, of a reproduction or blue-printing machine. The corporation has also succeeded in obtaining contracts for the microprinting of United States Government archives. We already have found documentary evidence that United States Navy information so obtained has been transmitted to Germany by the corporation.

2. The Agfa-Ansco Division. It has been found that this company has succeeded in a variety of ways in obtaining access to confidential military films of the United States Government. For instance, a company laboratory, in charge of a German alien assisted by two other

German aliens, was found to be developing and processing films of experimental United States Army tanks, taken at the Aberdeen proving grounds. A related field under current investigation is the use of Agfa-Ansco for the development of military and reconnaissance film of value to the German Government. For instance, the company's laboratories were used in 1939 and in 1940 for the development of film taken in the Andean region between the Canal Zone and the Pacific Coast by a so-called "scientific" expedition sponsored by the German Government.

3. The Company as a cloak for subversive activities. The fact that the company has over 6000 employees and expends about \$60 millions annually, provides the German Government, through I. G. Farben, with unusual opportunities for the concealment of German agents and expenditures for propaganda and other subversive purposes. For example, a person, educated in Germany and a confessed Nazi Party member both in Germany and the United States was sent by the company "to the Homeland" to undergo training in various subjects with the avowed purpose of enabling him to become the "confidential assistant" to the head of the film and camera division of the company. Other instances have already been discovered where young Germans of military age were given temporary employment in the company after which they left for China and Japan for purposes not yet established.

The facts in these cases have been turned over by us to the Federal Bureau of Investigation and to Army Intelligence. We are continuing our investigation and expect to be in position, in the near future, to make specific recommendations as to personnel and other changes which should be made in the public interest.

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THE SECRETARY OF THE TREASURY
WASHINGTON

February 20, 1942.

MEMORANDUM FOR THE PRESIDENT

I refer to my memorandum submitted to you with my letter of January 5, 1942, relative to the ownership of the Westchester Apartments.

It has now been definitely established that the beneficial interest in the Westchester Apartments is held by a British family named Ofenheim, who have invested their funds in this country through a Dutch bank, the Nederlandsche Standaard Bank. We brought this matter to the attention of the British Embassy, and are now advised that the British Treasury is making arrangements, after clearing the matter with the Dutch Government in London, to have these assets taken over by the British Exchange Control.

It now appears clear that Queen Wilhelmina has no interest in the Westchester Apartments.

J. M. Muthaugh

*file
personal*

RF *Jess. Foldu*

February 26, 1942

TREASURY TAX PROGRAM

	Revenue (approximate) in millions of dollars
I. <u>Individual Income Taxes</u>	3,000
Retain present exemptions	
Eliminate earned income credit	
Increase rates heavily throughout schedule	
II. <u>Corporation Taxes</u>	2,830
Retain the present excess-profits tax credit	
Increase excess-profits tax rates by 15 percentage points to a top rate of 75%	
Retain normal tax at 24 percent	
Increase surtax (to be designated "war surtax") to 36% with relief up to 20% for corporations having reduced incomes	
Smaller rate increases for corpora- tion incomes under \$25,000	
Repeal capital stock tax and de- clared value excess-profits tax	
III. <u>Estate and Gift Taxes</u>	250
IV. <u>Excise Taxes</u>	1,200
Distilled spirits increase from \$4 to \$6 a gallon.....	284
Gasoline increase from 1 1/2¢ to 3¢ a gallon.....	245
Cigarettes increase from \$3.25 per M to \$3.50 per M on 10¢ brands and \$4 per M on 15¢ brands.....	163
Other excises.....	508
V. <u>Special Privilege and Hardship Provisions</u>	725
Tax-exempt securities: tax interest from outstanding and future State and local securities.....	200
Percentage depletion.....	80
Joint returns with special relief for earned income.....	350
Capital gains.....	35
Life insurance companies.....	30
Mutual casualty insurance companies.....	30
Other.....	-
Grand total....	8,005
Less: Allowance for inter- related effects.....	1,005
Total.....	7,000

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PSF
THE WHITE HOUSE
WASHINGTON

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*Pick up
then file*

April 9, 1942

REMINDER FOR THE PRESIDENT

TO TAKE UP THIS MORNING WITH
H.M. Jr.

G.

Memorandum given to H. M., Jr.,
on April 9, 1942.

April 3, 1942.

Memorandum for General Watson:

Enclosed is memorandum commenting on
the one sent to the President, which is returned
herewith.

Bernie

THE WHITE HOUSE
WASHINGTON

March 31, 1942.

MEMORANDUM FOR

HON. BERNARD M. BARUCH

What do you think we
should do next?

F. D. R.

Memo for the Pres. from Danny Bell,
Under Secy. of the Treas. 3/26/42 re
President's memo dated March 31 with
respect to assistance to India with gold
and silver.



OFFICE OF
CHIEF COORDINATOR

TREASURY DEPARTMENT
TREASURY ENFORCEMENT AGENCIES
WASHINGTON

April 14, 1942.

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PST
Treasury

TO: Mr. McIntyre
FROM: Elmer Ireby

The attached is a memorandum of Special Agent in Charge Madden of the Chicago office of the Intelligence Unit with respect to a case investigated in the early part of 1927 involving C. Wayland Brooks.

It is shown that Brooks was an associate of a deputy United States marshal (Leon Tashjian) and a prohibition agent (Edward B. Nelson) at a time when these two were extorting money from violators of the prohibition laws. He was present when arrangements were made for a payment of this character, although there is no direct evidence indicating that he participated or had knowledge of a payment. This case related to the Lone Tree Inn at Nilus, Illinois, owned and operated by Robert Freebus and William Peters.

Tashjian and Nelson were indicted January 25, 1927 on charges of extortion and conspiracy to extort, and were removed from their positions. The case was never brought to trial, and on September 24, 1928, United States Attorney George E. Q. Johnson recommended to the Attorney General that authority be granted for its dismissal, which was done. In the latter days of the former administration, Mr. Johnson was appointed a Federal District Judge in Chicago.

The last paragraph of the memorandum of Mr. Madden shows that the United States Attorney's first assistant, John Northrup (now deceased) stated that he was well acquainted with Brooks; that he had a high regard for him, and that he felt that the

prosecution of these two extortionists "would necessarily involve Brooks and would damage the reputation of a rising young lawyer out of all proportion to the benefit the government might derive by the conviction of either defendant."

I have learned that certain responsible persons residing in Chicago and not in the government service have recently made an investigation of this entire matter. These persons state in confidence that they have affidavits from Tashjian, Peters and the bartender, which allege that Brooks was the principal in the extortion case; that he conducted the negotiations and knew all about the attempted extortion.

A handwritten signature in black ink, appearing to be a stylized name, possibly "J.B.", located to the right of the main text block.



TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

INTELLIGENCE UNIT

CHICAGO
(Name of Division)

Chicago, Illinois,
April 13, 1942.



SI-5622-M
SI-5623-M
APM-MED

MEMORANDUM FOR MR. IREY

During the early years of the prohibition era, Terrence Druggan and Frank Lake were regarded as the largest operators of illegal breweries in Chicago and vicinity. Ultimately they were convicted on a charge of violating an injunction issued by the United States District Court in Chicago, and were sentenced to terms in the Cook County jail. They had made huge profits and were strongly entrenched politically. The judge who sentenced them was informed that, while they were presumed to be serving their sentences, they were permitted to leave the jail, almost at will, and were making substantial payments of money in return for those privileges. Peter M. Hoffman, the Sheriff of Cook County, several of his subordinates, Druggan, Lake and others were prosecuted on a charge of contempt. Hoffman, among others, was convicted and sentenced to jail. Subsequently Hoffman and several others, including Druggan and Lake, were indicted on virtually the same evidence and were charged with violation of several sections of the criminal code. The case was tried before a jury in December of 1926, and a verdict of acquittal was returned. During the course of the trial, the United States Attorney suspected that the jury had been improperly influenced and, immediately after the trial, he received information in rather concrete form indicating that there had been at least two plans formulated with that objective in view.

The United States Attorney realized that an immediate investigation was necessary. He requested the Intelligence Unit to cooperate with him in conducting it. He was reminded of the fact that work of that character normally was performed by the then Bureau of Investigation of the Department of Justice. The Agent in Charge of the Bureau of Investigation declined to conduct the investigation without specific authorization from

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his superiors in Washington. He received no reply to his request for authorization, and the United States Attorney insisted that the Intelligence Unit proceed. The Attorney General, following your outline of the case to him, stated that there would be no objection on the part of his office if the Intelligence Unit saw fit to comply with the demands of the United States Attorney.

One of the plans to influence the jury was based upon an approach to a deputy marshal named Leon Tashjian. Tashjian was requested by a Chicago attorney to arrange to place a man named Joseph Plunkett on the jury. He was told that he would be paid \$15,000 if he rendered that service. Tashjian was not himself in a position to complete the plan and he, in turn, referred the proposal to another deputy marshal named Thomas Smith, who, it appeared, might be able to place Plunkett on the jury. Within a few days sufficient concrete evidence was at hand to justify the arrest of several individuals, including Tashjian. Tashjian was arrested on January 3, 1927. He had on his person at the time two checks, one in the amount of \$150, and the other in the amount of \$250. The checks were drawn by proprietors of two roadhouses located in Niles, a suburb adjacent to the City of Chicago. With respect to the \$150 check, the following information was obtained:

On the night of December 29, 1926, Tashjian went to the Lone Tree Tavern at Niles, and had a conversation with Robert Freebus and William Peters, proprietor and manager, respectively. Tashjian informed them that he had obtained information at the Federal Building in Chicago to the effect that a purchase of liquor had been made by a prohibition agent at the Lone Tree Tavern. He suggested to Freebus that he appear at the Federal Building at noon on the following day, December 30, and that he (Tashjian) would then take him to the officer who was in charge of the impending proceedings in relation to the "buy." Freebus stated that he could not appear, but would send Peters. At the appointed time, Peters met Tashjian at the entrance to the office of the United States Marshal. Tashjian escorted Peters to another office in the Federal Building, in the suite of the United States Attorney, and there introduced him to a prohibition agent named Edward B. Nelson. A conversation ensued, in Tashjian's presence, during which Nelson informed Peters that a "buy" had been made at the Lone Tree Tavern, but that something might be done to "take care of the matter"

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since Tashjian was a friend of Freebus and Peters. Nelson suggested that it might otherwise cost Freebus \$1500 for attorney's fees and incidental expenses in the event that criminal and civil proceedings were instituted by the Government. Nelson took from his pocket papers which he exhibited and which were supposed to contain the names, addresses and other data relating to various complaints against numerous alleged violators of the prohibition law. Peters, however, was not afforded an opportunity to examine the papers and thus to determine for himself that there was actually anything in them regarding the Lone Tree Tavern. Peters informed Nelson and Tashjian that he could not agree to any "arrangements" and that the matter would have to be taken up with the proprietor of the Lone Tree Tavern, Robert Freebus.

About 6 P. M. on December 30, Nelson, Tashjian and another deputy marshal named Eric Glasser left the Federal Building in Tashjian's automobile. They stopped at the Criminal Court Building on Dearborn Street, several blocks directly north of the Federal Building, and picked up Assistant States Attorney Charles W. Brooks, now commonly known as C. Wayland Brooks. After making one other stop, of no interest here, the party proceeded to the Lone Tree Tavern. Upon their arrival at the Tavern, Tashjian, Nelson, Glasser and Brooks took seats at a table in the rear preparatory to having dinner. Immediately thereafter, Nelson and Tashjian left the table, walked to the bar room at the front of the Tavern and talked to Freebus. It was agreed that Freebus would pay \$300, and that Nelson would arrange to "take care of the complaint." Freebus stated that he was unable to pay anything at the time. Tashjian and Nelson again joined Glasser and Brooks at the table, had dinner (for which nothing was paid except gratuities to the waiter) and then departed. On their way back to Chicago, they stopped at a place known as the Niles Tavern, in Niles. They had at least one drink at that place, for which nothing was paid, and also had a conversation with the proprietor named Boyle, who, some time before, had been sentenced to 30 days in jail in a prohibition case. The party then proceeded on its way to Chicago.

On the following day, about noon, Freebus went to Tashjian's home in Chicago, and paid him \$150 in currency. That was the day before New Years, and Tashjian was on leave of absence from the Marshal's office. On Sunday, January 2, Nelson

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called Tashjian on the telephone and asked him about the money. Tashjian thereupon telephoned to Freebus and inquired of the latter regarding the remaining \$150. Freebus wrote a check for \$150 payable to cash, put the check in an envelope and turned the envelope over to Peters with instructions to give it to Tashjian if Tashjian should call for it. That night Tashjian went to the Lone Tree Tavern and Peters turned over to him the envelope containing the check.

Tashjian, following his arrest, stated that, although he was collecting the \$300 for Nelson, he had not given him any of the first \$150 which he received in currency. Tashjian apparently had had no opportunity to make a settlement up to the time that he (Tashjian) was arrested.

Testimony was taken from Tashjian, Nelson, Glasser, Brooks, Freebus and Peters. The testimony of Tashjian and Nelson, along with other evidence procured, showed beyond any doubt that they were principals in the extortion of \$300 from Freebus. There did not appear to be sufficient evidence to warrant criminal proceedings against Glasser or Brooks, although the circumstances placed them in a bad light, particularly conversations which appeared to have been held between Nelson and Tashjian in the automobile en route back to Chicago from Niles.

Perhaps attention should be invited at this point to the fact that the Intelligence Unit and the United States Attorney were investigating two separate plans to influence the Hoffman, et al., jury, both of which had innumerable ramifications. The facilities of each office were limited, and those two tasks were exceedingly difficult. The Tashjian, Nelson, et al., extortion investigation was thrust upon the other cases without warning and without opportunity to make adequate preparation. The files of the Intelligence Unit respecting some features of the extortion case are not complete, and the indications are that certain information not now available in those files was included in the files of the United States Attorney. The office of the latter reports that its files have been destroyed.

The explanation in the preceding paragraph is directed primarily at the testimony of Brooks which was taken on January 10, 1927. It is obvious from reading that testimony that it was taken in a period of tension and amidst considerable confusion. Brooks admits that he made the trip to and from the Lone Tree Tavern with Tashjian, Nelson and Glasser, and

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that a stop was made at the Niles Tavern on the return. However, much of the testimony relates to visits that he made with Tashjian to the Green Star Inn from which Tashjian received the \$250 check also found on his person at the time of his arrest. The testimony, while it is generally unsatisfactory, indicates that the agents who were conducting the examination were in possession of information tending to show that there were serious irregularities surrounding the issuance of that \$250 check. However, only one of the agents is now available, and he is unable to refresh his recollection to any great extent by reading the testimony. It is a safe assumption that a definite effort was made to ascertain the conditions under which the check was issued, although that portion of the work may have been performed largely by Mr. Hope Thompson, who was then the First Assistant to the United States Attorney, and who is now deceased. A copy of Brooks' testimony, for such value as it may now have, is attached hereto.

The evidence relating to the extortion perpetrated against Robert Freebus was presented to the grand jury in due course, and on January 25, 1927, Tashjian and Nelson were indicted on charges of extortion and conspiracy to extort. They were discharged from their positions as deputy marshal and prohibition agent, respectively.

There was delay in bringing the Tashjian-Nelson case to trial, apparently due largely to the shortage of funds available to the Department of Justice in the first half of the calendar year 1927. In the meantime, Nelson disappeared, and his bond was forfeited. He became involved in an impersonation case in the Western District of Wisconsin, and on August 18, 1928, was received at the United States penitentiary at Leavenworth, Kansas, under a sentence of a year and a day imposed at Superior, Wisconsin.

On September 24, 1928, United States Attorney George E. Q. Johnson (who was not in office at the time of the return of the Tashjian-Nelson indictment) addressed a letter to the Attorney General requesting authorization to dismiss as to Tashjian. He took the view that Tashjian was not a principal, but was acting more or less as a messenger for Nelson. The files of the Intelligence Unit, as indicated above, do not support that view. At all events, the authorization was

Ch. M. ...
Special Agent in Charge

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received from the Attorney General, and the case was dismissed on November 22, 1928.

On October 17, 1929, United States Attorney George E. Q. Johnson addressed a letter to the Attorney General requesting authorization to dismiss as to Nelson. Apparently his recommendation was based upon the fact that Nelson had already served a term in the penitentiary in the Wisconsin case, and had served considerable time in jail in the Northern District of Illinois, following his release from the penitentiary, and while he was awaiting trial in Chicago. The authorization was received and the case was dismissed on October 26, 1929.

Mr. Johnson, on April 9, 1942, stated that his recollection of the circumstances surrounding the dismissal of the cases against Tashjian and Nelson was very indistinct. He did state, however, that his recollection was that the evidence in both cases was weak and offered little assurance of conviction.

The only available agent who was engaged upon this investigation has some recollection that he talked to Mr. John Northup (now deceased) regarding the proposal to dismiss the Tashjian and Nelson cases. Mr. Northup served as first assistant to the United States Attorney under the regime of Mr. Johnson. The agent does not at all guarantee the integrity of his memory, but his recollection is that Mr. Northup told him that he (Northup) had been one of Brooks' professors when Brooks was a student in law school; that he had a high regard for Brooks, and that the prosecution of either Tashjian or Nelson would necessarily involve Brooks and would damage the reputation of a rising young lawyer out of all proportion to the benefit the Government might derive by conviction of either defendant. It is known that Mr. Johnson, himself, was on very friendly terms with Brooks, at least during a later period, but it is not known to what extent he may have had views similar to those which the agent believes were outlined to him by Mr. Northup.


W. V. Madigan
Special Agent in Charge.

C O P Y

Examination of MR. CHARLES WAYLAND BROOKS, in the office of the Intelligence Unit, 587 Federal Building, Chicago, Illinois, this 10th day of January, 1927, in the presence of Special Agents C. L. Converse and P. T. Roche.

- - - - -

MR. CONVERSE:

Q What is your full name?

A Charles Wayland Brooks.

Q Where do you reside?

A 7423 Rogers Avenue, Chicago, Illinois.

Q You are employed as an Assistant State's Attorney?

A I have been since November 15, 1926.

Q Do you remember being at a road house known as the Green Star Inn with Lee Tashjian?

A Yes sir.

Q About a mile off Milwaukee Avenue, at Niles?

A Yes.

Q Will you state for the benefit of the record what transpired there?

A The occasion of my going there - I have known Lee Tashjian for, I suppose, six months. I got acquainted with him - he belonged to Louis Nettlehorts' 50th Ward - I belonged to the 49th ward. Through our political connections, I became acquainted with him. The only time I ever knew him well was in connection with the proposed Ex-service men's organization. I am Commander of the Marine Post, in Chicago. I have had a great deal to do with ex-service men's organizations. Several of the boys - I don't know who they all are - came to me and wanted me to join the 6th Senatorial Ex-Service Men's Club, and when they told me the nature of the affair, I said I would. I paid them a dollar to join. I do a lot of political campaign speaking, especially for the Legion. I have nominated the candidate. I went up to the club three or four times. Lee and I became pretty well acquainted. On different occasions when I am going some place to make a speech, I call him and have him drive me to that occasion. On several occasions where he is going to make an arrest or serve a warrant, or something of that kind, for the Federal Building - before I was ever in the State's Attorney's office - I have only been in Chicago three or four years - I enjoy going along, where I can see how they work. I thought I was going to be in the office - I accompanied him several times. I don't believe anything was ever said as to why we were going to that Inn. When we got there he introduced me to several fellow - I don't remember any of their names - I didn't pay any attention. He held his conversation and his conferences without

my knowledge. I wasn't concerned about what he was doing. He was a rather secretive little fellow, and I never asked him. The only thing, he had a check for \$250.00 that this fellow owed him out there for some tickets to a banquet, and on two different occasions, when he was going out, he stopped there for the purpose of collecting it. I never discussed the check or knew anything about the check.

Q What dates were these visits, approximately?

A I cannot tell you.

Q After or before you were in the State's Attorney's office?

A I have been there since I have been in the State's Attorney's office - yes sir. I want to say this - that I never have at any time talked to anybody in any road house, any place, as an Assistant State's Attorney.

Q Have you talked to them as a Government officer?

A Never.

Q Were you ever used by Tashjian to impersonate a Government officer?

A Never - to my knowledge.

Q Did you at one time - were you present when Tashjian said to the proprietor of one of the road houses, "This is the man that has the papers in connection with a buy on your place".

A Never.

Q Did you take some papers from your pocket, look at them and put them back in your pocket?

A Never.

Q This is a serious matter and the Government is going to the bottom of it.

A I am perfectly willing that they go to the bottom of it.

Q As a matter of fact, there was no check passed for any banquet tickets. The Government has the truth of the transaction. Who accompanied you and Tashjian out there to this road house - who were the ladies that were in the party?

A The first time it was a young lady that I had met about a week before.

Q What was her name?

A Genevieve Wendall or Wender. I saw her once only after that.

Q Where did she reside?

A She resides up on Juneway Terrace.

Q Do you know the number?
A No, I do not.

Q Who was the other lady?
A Some little friend of Lee's. I don't know her name - never did know it. I have never seen her before or since.

Q Now on the night preceding the getting of the check, how many were in the party?
A I don't know.

Q Weren't there about two carloads of about ten in the party - six men and four women?
A No sir.

Q When did you see Tashjian last?
A I saw Lee Saturday night.

Q Did you discuss this check at that time?
A No sir.

Q When did you talk to him over the telephone last?
A I talked to him the morning that he was arrested, and then, of course, I didn't know anything about the arrest until later.

Q Did you talk to him on New Year's day?
A I don't recall, Mr. Converse.

Q As a matter of fact you had quite a number of telephone conversations with him, didn't you?
A Yes - surely.

Q And invariably you ride uptown with him from the Criminal Court Building, do you not?
A No, I have ridden with him, I suppose three or four times in my life from the Criminal Court Building, that's the most, but I don't remember but once.

Q We have been discussing the Green Star Inn - did you ever go with him to the Lone Tree Inn?
A Yes sir.

Q What happened at the Lone Tree Inn, and who was present in the party?
A Lee had come to the building in the afternoon. You understand, as I do, that there has been a split in the political faction, and you understand that his appointment and mine were political appointments. Naturally he and I discussed politics. When Mr. Nettlehorst for whose benefit this check, to my knowledge, was supposed to have been given, voted against the combination of the County Board, one

Richard Prendergast was designated as Ward Committeeman in the ward in which he lives, and Lee came up that afternoon and told me that he met Dick Prendergast and had a discussion with him about leaving Mr. Nettlehorst's organization and joining his. I said, "You ought to know better than to be arguing with that fellow. You might embarrass me because I am an appointee in the office in which he is connected. I wish that you would not place me in any embarrassing position." He said he wanted to know what time I was going home. I said, that I would not get through until 4:30 or 5:00. He said, "I will pick you up." I said, "Very well, but don't come in here to pick me up and get into any more arguments with Prendergast." He was generally around the office - "You might embarrass me - I will meet you down in front of the building," with the idea of going home. I was there at five o'clock, at 5:30, nobody had come, so I went back upstairs and asked the man there if there were any phone calls, and he said no, so I went outside and waited a few minutes more. He drove up in his car; much to my surprise there were two other men with him, one by the name of Nelson and one by the name of Glasser. Glasser, I had been told, by Lee, was his working partner. Tashjian said, "You aren't sore because I am late." I said, "As long as you kept your word, I have no reason to be sore - where are we going." He said, "I am going to take you out to dinner - it won't cost you anything." I said, "What do I care, as long as it won't cost anything." Nelson and Lee were talking together - I don't know what they were saying - I couldn't hear. I said to Glasser, "Where are we going" and he said, "I don't know". We drove out to the Lone Tree Inn - I had never been there before - never saw the place before. We sat down. We were there a minute or two when somebody came in - I don't know who - I think they called him "Bob", we were introduced. I wasn't introduced as Assistant State's Attorney. I have always - whenever I have gone with Lee - asked him not to introduce me as such for the simple reason that I didn't want to embarrass the office - and I had no occasion of any kind to embarrass it in any way. Nelson and Lee got up and walked out of the place.

- Q You mean out of the dining room where you were seated?
A Yes sir - out into another room, and I think Glasser said he had to call his mother or his home, and he left the room, but soon he came back and sat down. A few minutes later, the other two came in and we ate dinner, and after dinner was over, we all left.
- Q Before dinner was over, did the man who was Bob Friebus - didn't he come back and sit at the table for a while?
A He came in, sat down and said, "Have a drink". He said he was entertaining some sheriff from some place, but he had to take him to the train, or something of that kind, if I remember correctly. He was there about five minutes, I guess.
- Q Who paid for the meal out there that night?
A I don't know if anybody did. I didn't see anybody pay for it.

Q You saw everybody dig for a quarter to tip the waiter?

A We all left a tip for the waiter.

Q Coming back to the Green Star Inn, Mr. Brooks, I have had you identified as being the man who was present when Lee Tashjian put the shake on the proprietor for \$500.00, and later agreed to take \$250.00, for which the \$250.00 check, which you have described as being due to Tashjian for some banquet tickets, and which money was to be turned in to Louis Nettlehorst was concerned. Have you anything to say as to that?

A Never - except this. It isn't so. If there was any representation of my being a Federal officer, or any official at any time, it was without my knowledge, and contrary to anything I would do.

Q I will tell you this much, further. That you were introduced as the man who had the papers in connection with the rap or buy that had been made on the place, and while you did not say anything, you took some papers from your pocket, looked at them and then put the papers back in your pocket, and didn't disclaim that you had no papers or were not interested in the matter?

A I was never so introduced. I never had any papers of any kind pertaining to any Federal case, and never so represented.

Q How many occasions were you present at the Green Star Inn?

A I guess we were there three or four times.

Q That's correct - that's the information we have - you were there three or four times. Were you with him the night he got the check?

A No sir. At a banquet given in honor of Louis Nettlehorst, I heard Louis ask Lee "Have you got that", and Lee said, "yes, but I will give it to you later". Later on, not in the presence of Louis Nettlehorst, Lee told me, "he wants to know if I got the \$250.00 for the tickets" and that's the check for so and so - I don't remember the name he gave me.

Q Did he mention the name of Burg?

A No.

Q Did you ever see the check?

A Yes sir, I did.

Q Is that the check?

A It looks like it. The first time I ever saw it, he just showed me the \$250.00 - then he explained it.

Q Do you know Tashjian's writing?

A No, I do not.

- A About this shakedown, Mr. Converse, I would like to tell you and Mr. Roche both - I will tell you everything I know about this case - I am willing to - I have absolutely no fear so far as my being knowingly implicated in any part of it.
- Q Now, it seems strange - here are two different occasions when you were present at the time of the shakedown - you were at the Lone Tree Inn when there was \$350.00 passed, and two nights later when \$250.00 was passed, and later a \$250.00 shake on the Green Star Inn - you being there on each occasion when he called putting the shake over.
- A Did anybody say I had anything to do with it?
- Q Yes - I am telling you the Government has evidence that you stood there while Tashjian said, in your presence and your hearing, that you were the man that had the papers on the rap or buy, and as soon as he said that you put your hand in your pocket, pulled out some papers, looked at them, and put them back in your pocket.
- A I never so represented myself in my life.
- Q If the Government might want to put you before the Grand Jury tomorrow, would you be willing to come over on a telephone call?
- A Yes.
- Q Would you be willing to sign a waiver and tell your story?
- A Certainly.
- Q You might be given that opportunity.
- A YMr. Roche, do you want me to give you a history of myself?
- Q Yes.
- A I left the University of Illinois in my Freshman year and joined the Marine Corps, went overseas as a private, decorated four times, cited twice, besides that wounded and invalided home. On my return to France, I was sent out by the United States Marine Corps for publicity purposes, making speeches, and I went with the Chautauqua Service, and for two years after that I was employed by what is known as the Near East Relief Organization. I worked for them in South Dakota - I directed their organization in Colorado, and while there the Veterans' Bureau came to me and told me that because of my wounds, they had what they call the "Clean-up Squad" - they came over and said I was entitled to vocational training. I decided to study law, came back to the University of Illinois - I took my first semester work there. I came to Chicago and went to the Chicago University the first year, and I got into political campaigning, and I campaigned in the American Legion. I campaigned for Senator McCormick and Senator McKinley, and I campaigned for Attorney-General Brundage. At his suggestion I moved into the 49th ward - that is one of his wards - I have been there ever since.

MR. ROCHE:

Q Where did you live before that?

A Eberhart & 63d Street - just had a room there. Then we moved.

Q Are you married?

A Yes - I have a boy two and a half years old.

MR. CONVERSE:

Q You are known as Curley Brooks?

A Yes.

Q During these trips that you were out with Deputy Marshal Tashjian, were you ever accompanied by Archie Benson?

A No.

Q Do you know Archie Benson?

A I know him through the Marine Corps and American Legion. I am in command of that legion.

Q He is a past commander?

A No, he was one of the original instigators of the Marine Corps. When I got acquainted with him, when I got back to Chicago, I was not affiliated with any Legion, except at Wheaton, Illinois - that was my home town. One night at Senator McCormick's banquet at the LaSalle Hotel, they called me for a speech. I made a speech; that night, Mr. Benson, whom I did not know at that time, came to me and said, "I wish you would come and join our Legion." They called me and I went down, and when I got down there, they had about twelve people present. I would not belong to an organization like that - not more than twelve men. The marines had a better place than that. He said "You come and join us and we will build it up", so I did. I think I built it up to 42 members in two months time because I knew organization work. They they elected me Commander, and this is the third time I have been elected commander.

Q As I said, this is a very serious matter, and I don't know what view the Grand Jury will take when they hear all the evidence we have got?

A It certainly is serious for anybody if anybody has accused me of representing myself as a Federal Officer.

Q A man don't have to say he is a Federal Officer if he stands complacently by.

A It was never made in my presence.

Q Were there any other road houses that you might have visited with Mr. Tashjian, or saloons?

A That night, coming in from the Lone Tree Inn, they stopped at the Niles Tavern.

Q How many did you say were in the party the three nights that you were there?
A Only four, and the other time we were alone - just the two of us.

MR. ROCHE:

Q How long have you been going around with Tashjian?
A I never went with him, Mr. Roche, except I suppose the last six weeks - something like that.

Q You were in bad company.
A Do you think so - I wouldn't know I was in bad company.

Q You know now that you were?
A Certainly.

Q Were there any Prohibition Agents present on any of these visits?
A The only time was at the Lone Tree Inn. On two occasions Mrs. Tashjian and Mrs. Brooks, the four of us, had been out together. The very day before Tashjian was arrested, Mrs. Tashjian invited me to dinner and I went. I might say this further, that after he was arrested, I called her up - she is four months in the family way. I called her and she said, "Have you read the papers" and I said, "Yes" and I went over there.

Q You also called Lee Tashjian on the morning he was arrested, at his home?
A Yes, I did. I don't remember the conversation with him on New Year's Day. I was introduced one time to a druggist, by an old school chum of mine, and he told this druggist at that time that I was campaigning for Senator McKinley, and he said "fine". He called me up some time ago and said that somebody had framed him and he wanted to know if I could do anything for him. I said, "What have you got to say about it." He told me that they bought a pint of gin off of him, but that he had not. He said that it was purely a frame, that he had been sick in a hospital for a year. He said this fellow put a rap on him. He said he didn't have the money to pay a lawyer, so I came down and asked Miss Bailey and asked her the circumstances of the case and she told me. I told her what I knew about him and what he told me. She sent an investigator out. That investigator made an investigation and made a report, and then I was informed that he was going to be allowed another bond for a year. He said, "You had better sign this as an attorney". I said, "I wasn't an attorney, I haven't been admitted to the bar." I said, "I will get an attorney who is admitted," which I did. I went with this man to get this bond. I went to the landlord's attorney to get him to consent to the decree. He said, "How much do I owe you." I said, "What would a lawyer charge you." He said, "I don't know, probably around a thousand dollars." I said, "How's \$350.00, because I must pay these attorneys."

He said, "All right". As a matter of fact he kept giving me a bunch of lies. He would never pay anything. The attorneys called me about that case. They asked if I got the fee. I said that I hope I would get it. I asked Palmer Anderson when they put the sign on some place - some Marshal, I don't know who it was - when they put the closing order or the sign on the drug store - it wasn't on the front door. I said, "I would like to go out there. He came to me - I did what I could for him. I did not represent him - I would not represent anybody falsely, and I didn't represent him as an attorney, and so told the Federal authorities, but now after I have done what I can for him, as a friend and let him set his own figure, he won't pay me any money. I said, "Can't we have that sign put up where it will do him a little bother?" I know Lee Tashjian, so I said "Let Lee take it". The night before we went there Lee told him that he had better pay me the money on the legitimate case or come down to the office. Whether the man ever came to the office, I don't know, but I asked Lee. He said he didn't see him. He told him to come down this morning. I was concerned about that fee, Mr. Roche. I am concerned about it.

Q What was the name of this druggist and what was his address?
A Foster is his name, 1100 and something on Belmont Avenue. What Lee Tashjian said to him, I don't know. I was never in his presence, but he told me to come down to the office. That's the man I was talking about when I said over the telephone "He is going to be in at ten o'clock."

MR. CONVERSE:

Q All you were doing at that time was using the Marshal's office as a collection agency to collect your bill?
A I can sue the man for his bill. I would like to give him a little bother. That was for the purpose of getting your bill paid. I am willing to tell you anything I know about any case or any conversation.

Q Have any of your conversations been omitted that you overheard between Tashjian or the proprietors of either of these two road houses?
A Not to my recollection. I was under the impression that Tashjian and this fellow were personal friends.

Q Did you hear any conversation between Tashjian and the man whom you saw here in connection with the \$250.00 check?
A No sir, never.

Q Or a check for any amount?

A No sir - never. I have seen him talking to him, but I was always under the impression that that check was for tickets.
