

Big Bribe Paid for Permits to Withdraw Rum

N. Y. Druggist Testifies He Gave William A. Orr, Friend of Jess Smith, Money for Papers.

Washington, March 21.—Unfolding a new maze of startling charges having to do with illicit withdrawals of whisky in 1921, and which involved payments aggregating \$200,000, John Geroni, president of the Alps Drug company of New York, today told the Daugherty committee that the money was "split" six ways.

In brief, Geroni's story was: Fifteen dollars a case was paid for permits to withdraw the whisky. The \$15, he said, was "split" this way:

Your dollars a case to the prohibition director (in 1921).

Two dollars a case to Howard Mannington, one of Attorney General Daugherty's friends who had an office in the "little green house on K street."

One dollar to the druggist in whose name the whisky was withdrawn.

One dollar to Geroni.

Fifty cents to Assistant United States Attorney L'Esperance of New York.

Six dollars and a half to Will A. Orr and Owen Murphy.

Mannington had to split his \$2 three ways, Geroni said. Orr told him, and that some of it went to the late Jesse W. Smith, Attorney General Daugherty's bumper friend.

ANYBODY COULD GET RUM.

After the drug companies got the permits anybody could get the liquor. The \$1 fee was for the use of drug companies' names, he said to get the permits into the hands of bootleggers.

A man named Paul Lundy, the theatrical agent, told him in New York, Geroni said, that if he wanted to do business he should "see Bill Orr."

"Did Orr tell you anything?"

"He said he had influence in Washington with Mannington and Jesse Smith and I would be protected."

"Did they tell you Smith was the man who could fix things?"

"They said he could help a lot."

"Mannington," Orr said, "was getting \$2 a case from every case that went through."

Geroni testified that the prohibition director refused a withdrawal application for 500 cases of liquor and Orr had told him that the "influence and power" he and his partner, Owen B. Murphy, had with Jess Smith and Mannington would arrange for granting it.

"Who did they say Howard Mannington was?"

"They said he belonged to the crowd from Columbus."

Geroni said he came to Washington when 7,000 cases of scotch were seized.

"Whom did you see?"

"Thomas B. Felder. He told me to go home—it would be all right—he would get the liquor sooner or later."

"Did you pay money to Orr?"

"Once—\$50,000, in 50 \$1,000 bills."

"Where did you get it?"

"From John Lynn."

"What did you get the \$50,000?"

"It was a balance that Lynn owed to Orr and Murphy on liquor withdrawals."

"I was running the business for five drug companies," Geroni said, naming the Central, the S. and H. Drug company, the Alps and others.

"Was this \$50,000 paid to fix things?"

"Orr was selling permits for \$15 a case, and each of my drug companies was getting \$1 a case back from Orr."

"Did you pay any more?"

"To Murphy I paid about \$150,000."

PAID \$200,000 FOR WITHDRAWALS.

"That was for influence."

"It was for these withdrawal papers."

"When was it?"

"From May to about August, 1921."

"In those three months you paid Orr and Murphy \$200,000?"

"Yes."

"That was for liquor?"

"No, for permits."

"And you were not able to get any permits without that?"

"No."

"This \$150,000 you paid was bootleggers' money?" Senator Jones asked.

"Yes sir."

"You were paid back some money from Felder's offices?"

"Not me—Some people were—I insisted that Orr give it back to me."

"Did you meet Mannington?"

"Yes—in Murphy's office in New York."

"And they told you he was the attorney general's friend?"

"They didn't specify the attorney general. It was the 'Columbus crowd.'"

"What did they say as to Smith?"

"That he was in the attorney general's office."

"Didn't you offer to turn state's evidence?" (This referred to Geroni's trial in New York with Orr for conspiracy on liquor charges. Both were acquitted.)

Geroni said he had not.

"Did what you tell today come out then?"

"No, the district attorney and the prohibition director claimed the permits were stolen."

"Did Howard Mannington turn back some of the money? How much was paid back?"

"About \$40,000 or \$50,000—it was paid through Thomas B. Felder."

Geroni indicated that the permits were "called back and cancelled through Haynes."

"Some permits went through?"

"Yes, about 40,000 cases."

"At \$15 per case?"

"Yes."

"You had trouble with Felder?"

"Yes—I paid him \$5,000 with a promise I would not be indicted. I asked for my money back when I was indicted."

"W. J. Flynn recommended Felder to me—said he was an honest man," remarked Geroni. The committee identified Flynn as former head of the secret service. Geroni said he imported 7,100 cases of Scotch whisky from Scotland "in a legitimate way,"

but that "W. J. Fallon, the distillers' agent," wanted him to sell it to bootleggers.

"He offered me a quarter of a million dollars," Geroni said, "to sell that to bootleggers. I refused. The whisky was in the White Star warehouse, Heilbronner & Co., exporters, tried to get possession of it. They failed. After that they came to me with Felder and said they would give me \$42,000 to ship the liquor back to England."

Then Felder threw him out of his office, Geroni said, because he refused to accept the \$42,000 to relinquish his claims to the whisky.

SAME KIND SELLING AROUND N. Y.

There was litigation and "by order of the attorney general the whisky was reshipped to England," Geroni tried to stop that unsuccessfully.

"Did you have any information as to what actually became of it?"

"The same kind of whisky, in bottles and cases, was selling by the bootleggers around New York." He was not positive the bootleggers' whisky was his own, but "it was the same brand and that kind had never been there before."

"What did you lose?"

"Between \$30,000 and \$35,000—insurance and all."

The 7,100-case shipment was sent to the Alps Drug company, Geroni explained, and he had a permit to export it.

"I did not pay anything for that permit—it was a legitimate transaction," Geroni said.

"Orr came to me," Geroni went on, "I wouldn't give up the shipment. He told me to go to hell." This was in June, 1921.

"Didn't you know that the goods were never reshipped outside the port of New York?"

"I know the rumor," Geroni said. "There was a plan to steal it from the warehouse—and I got detectives to watch it. Then it was ordered removed to the concentration warehouse, where the bootleggers have everything in their power, and I couldn't stop it."

From the concentration warehouse the 7,100 cases were ordered to reshipment.

"I changed my attorney—went from Felder to Barnes," Geroni said, telling of his fruitless attempts to stop the reshipment.

His attorney told him, he said, that Gaston B. Means would go from Washington to New York, acting for the attorney general, and stop return of the whisky to Scotland. Means got there Monday, but the whisky moved out Saturday.

Geroni said he was told that the whisky fees (\$15 a case) were divided as follows: Two dollars for Mannington, \$2 to the druggist, \$1 to myself, \$4 to the prohibition director, 50 cents to a lawyer named L'Esperance, and the balance divided between Orr and Murphy.

California Wife Hunter Here in Spring to Give Eligibles Once Over

Three Hearts Already Pining for Love Nest Among Orange Blossoms.



Arthur Paul Gaffke.

"An Orange Grove in California" has been the favorite song of several Omaha, Nebraska and Iowa girls since last December who responded to an appeal of Arthur Paul Gaffke, Los Angeles, for a wife.

Three responses are on file in the office of Clyde Sunblad, sr., in the court house. Sunblad acted as the bureau for the wife-seeking Californian.

Sunblad spread his appeal broadcast, and Miss Kathryn Gottsch, Omaha; Miss Minnie Skinner, Lincoln, and Mrs. Petra Lyman, Dow City, Ia., responded at willing to entertain marriage with the Californian.

Recently Gaffke advised Sunblad by mail he will visit Omaha in May to accompany the letter was one from George Fisher, who declared he had known Gaffke all his life and gave

McAdoo Here Silent About Doheny Deal

Democratic Presidential Candidate Tells How He Longs to Be Back in California.

William Gibbs McAdoo, happy over his "victory" in Georgia, spent two hours in Omaha Friday morning. He arrived at 7:45 from Sioux Falls, S. D., and left for his home in California at 9:40 yesterday.

The oil scandal, all investigations, the Fordney-McCumber tariff bill, the revenue law of 1921, the needs of the farmer and almost every other question which has come before the public recently was mentioned by the democratic candidate for president.

Everything republican was deplored by Mr. McAdoo. He attempted to point out the benefits enjoyed by the country during his term as secretary of the treasury. But he declined to comment on the charges made against him by the senate during the Teapot Dome investigation. No remark was made as to his connection with Doheny or any other oil man.

McAdoo expressed only two desires

Death Beats Court in Fate of Slayer

Yankton, S. D., March 20.—George Cooley of Tabor, S. D., who was tried and convicted last year on a charge of murder and who was at liberty on an appeal bond while the supreme court of South Dakota was reviewing the case, has escaped prison portals by entering death's door.

The convicted man's death occurred today following amputation of an arm, which was injured while Cooley was working on a farm near Tabor.

Cooley was convicted of the murder of Mrs. John Mudloff, an aged woman of Tyndall, S. D., and given a life sentence.

Holds Goal of Probers Has Been Reached

Challenges Body's Authority to Proceed After Validity of Leases Passed on by Resolution in Congress.

By Associated Press.

Washington, March 21.—Counsel for Harry F. Sinclair waged an inconclusive two-hour legal battle with the oil committee today in an effort to have their client excused from further questioning.

Challenging the committee's authority to proceed with the inquiry after the validity of the leases had been passed on in a resolution of congress, and contending that in "fairness and justice," Sinclair should not be compelled to testify while charges of fraud are pending against him in the courts, Martin W. Littleton of the Sinclair counsel told committee members that their course was a "monstrous proposition," and an "outrage."

Sinclair Walsh did not agree with the Sinclair attorney but some committee members wanted more time to think it over and adjournment was taken without a decision. The argument will be resumed tomorrow.

While today's discussion was in progress Sinclair, whose lease of Teapot Dome was the starting point of the oil inquiry, sat at the committee table, apparently confident that he would be excused.

LEGISLATED LEASES VOID.

Littleton contended that by the resolution congress not only had brought to an end the jurisdiction of the committee, but had "defined the policy of the government that the oil shall be preserved for the government."

"You have passed upon the validity of these leases," Littleton said. "And as far as the legislative adjudication can be effective you have legislated the leases to be void and have legis-

lately imposed an injunction with regard to the property.

"You have established a policy of the government on this subject; and anything you claim would be only a detail which would not warrant the further examination of my client in this matter."

"You not only say that the leases were void, but the language you use is very broad and the policy you have established is very definite. You have declared the policy of this government is that the oil should be maintained in the ground as a great reserve supply to meet a national emergency. You have thus discharged all the duties placed in your hands."

"What is it your committee is investigating that entitles to take my client, who has been here time and again with his books and papers, and say, 'You must testify further?'"

"ALL DUTIES ARE DISCHARGED."

"Have you any jurisdiction which entitles you to do so under the standards and precedents of the American government?"

The right of congressional committees to call witnesses and papers from all over the country to aid in framing legislation, the attorney argued, never had been sustained by the courts.

"Has it even been denied?" asked Senator Walsh.

"No, but it has been questioned," was the reply.

There was a long colloquy between Littleton and senators as to the rights of congressional committees to summon witnesses. Sinclair's counsel contended that the committee was without power.

"If your ideas should prevail," said Senator Dill, democrat, Washington, "this committee might as well close its doors and quit."

"It should either quit or do its work in a constitutional fashion," replied Littleton.

"As I understand Mr. Littleton's position," said Senator Walsh, "it is that members of congress are obliged for the purpose of informing themselves concerning contemplated legislation to depend upon the press, their talks with individuals and other voluntary information which anybody may be willing to give, but they

cannot compel anybody to come before a committee and tell it the facts."

"Senator, your statement is facetious," Littleton said.

"Oh, it is not," returned Senator Walsh. "It is a statement of your argument."

ARGUMENT GROWS HEATED.

The argument grew more and more heated. Finally Senator Spencer, republican, Missouri, suggested that the power of congress to compel attendance of witnesses should be passed on as quickly as possible. Littleton agreed.

Calling attention that the government had brought civil suit in Wyoming against the Mammoth Oil company, in which fraud was charged against Sinclair, Littleton said this was another reason why his client should not be questioned further.

"He (Sinclair) is personally charged in this bill (the government bill of complaint) with a conspiracy to defraud the government," Littleton said, "adding that it was doubtful if this was another reason why his client should not be questioned further."

As a matter of "fairness and justice," he said, "Sinclair should not be compelled to testify."

The rules of evidence he said, are not observed by congressional committees. He declared he did not believe the committee had a right to go into a matter already before the courts and "prejudice the case."

Announcement of the government counsel that there is to be criminal prosecution, Littleton said, constituted another reason why the committee should not question Sinclair. He added that it was safe "to assume" from the charge against Sinclair in the bill of complaint in the civil suit that an effort would be made to have him indicted.

"What harm would be done to Mr. Sinclair if he testified, if he has a just cause?" asked Senator Walsh.

"Just the harm you would suffer if you were subjected to present your case before a mob in the street," replied Littleton. "You tell me you want to examine my client when he has been sued and may be indicted

and compel him in an ex parte proceeding to make a statement."

"If he is afraid of an indictment he has ample protection," said Senator Walsh.

"Yes," replied the attorney, "you want to bring him before you and compel him to take refuge under the plea that he might incriminate himself."

"Should we excuse him on that ground?" asked Walsh.

"You propose," Littleton returned, "to force us to the odium of pleading a privilege, of driving a man who has been driven to plead to a complaint in the courts and may be indicted—that he must come here before the country and make the statement that he is afraid of being incriminated. 'You propose to drive him to that humiliation. It is an outrage. A reversal of all traditions of the law.'"

"We do not agree with that," said Walsh.

"It is a monstrous proposition," shouted Littleton. "We will meet you in the courts where you have sent him, and fight it out. Do not drive us into a foul atmosphere and make a declaration which will throw odium on us to the ends of the earth."

SENATORS ARGUE QUESTION.

When Littleton had finished, Senator Walsh said Sinclair had been called for examination on "matters he might have testified about when he was on the stand before."

There was an argument among senators as to whether the committee should decide the question raised in public or private. Senator Spencer, republican, Missouri, suggested an adjournment to study the matter, but Senator Walsh declared it unnecessary.

Senator Bursum, republican, New Mexico, said he believed the committee "should proceed with the examination." Senators Kendrick, democrat, Wyoming, and Cameron, republican, Arizona, said they wanted time to consider it. Chairman Ladd declared he favored bringing the witness before the committee.

Sinclair Walsh said he wanted to give Sinclair every right that he would have in court, but he did not think the question of "fairness, so eloquently presented to us," carried any weight.

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