

Postoffice Sleuths Save People Vast Amount of Money



JOHN C. MABRAY
who made millions in fake prize fights.
Now in the penitentiary.



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WASHINGTON, D. C.—(Special Correspondence of the Bee.)—In one of the back rooms of the big postoffice building here in Washington sits a man who is unknown to its thousands of clerks. He lives at the capital, but he can go the length of Pennsylvania avenue without raising his hat in response to a bow. He has but few acquaintances, and almost no intimates. Nevertheless, he is one of the most important men in the United States government, and to many who have guilty consciences he represents the ghost of the penitentiary, which haunts them day and night.

This man is the chief inspector of the Postoffice Department, a man who has not only to watch the four hundred and odd millions of dollars which go in and out of that office in the course of the year, but to keep track of the errors of its 300,000 employees, and to see that every bit of its 14,000,000,000 pieces of mail is honestly carried.

This in itself is a job; but when to the crimes on the inside are added all the crimes and swindles carried on through the mails, all burglaries of postoffices, all stealing of stamps and padding returns, you will see that the wires of his influence reach every man, woman and child in the country, and that upon him the most of us depend for protection.

The Chief Inspector.

The name of the chief inspector is Robert S. Sharp, and, singularly enough, he is the son of A. G. Sharp, who held this same office when Mr. Ofenshaw was postmaster general, and who at that time put down the Louisiana lottery and wiped out all sorts of chance games through the mails. Mr. Sharp recently acted as one of the internal revenue commissioners, and it was his work among the moonshiners of the Tennessee mountains that caused Postmaster General Hitchcock to ask him to aid in putting down the mail swindlers. He took charge only about a year ago, but since that time he has already convicted and punished men who have defrauded the people of perhaps \$200,000,000. He has today a score of such millionaires under the harrow, and a half dozen or more have already been put behind the bars.

Uncle Sam's Work.

I should like to introduce you to the chief postoffice inspector, but that is impossible. He will not allow his face to be published, does not like to have his name mentioned, and I doubt whether the apartment house where he lives here in Washington knows that he is anything more than a mere government clerk. He does not like to talk, and it was only through a suggestion from the postmaster general that it might be well to let the people know what Uncle Sam is doing to protect his children from the wiles of the swindlers that he gave me an interview.

Uncle Sam's Work.

"It is my business to keep in the background. This work is done for the government and the people, and I would like to have you say that it is Uncle Sam and the Postoffice department who are convicting the rascals. This government is bigger than any one man, and we want to make these swindlers know that it is the government and not individuals who are after them. We want them to know that the government is bigger than any individual, and that no matter how rich or influential the rascal may be, he is on a level with the poorest of his kind in the eyes of this institution.

"These were the instructions which the postmaster general gave me when I took charge. He urged us to be sure that we were right, and to then go ahead without fear or favor. That is what we are doing. When we arrest a man we follow the same procedure, it makes no difference whether he is a millionaire or a pauper, whether he is at the head of the politics of a city or an individual voter. I have instructed my men to make no change in the arrest of a millionaire over that of a negro stealing a ham. The patrol wagon is backed up to the door of the palace, and we take the rich swindler handcuffed to jail. He has all of his rights at the trial, but if he does not



EDDIE FAY
who stole \$80,000 in stamps



make good he goes behind the bars just as surely as does the negro who purloins a ham. It is this publicity that the millionaire swindler objects to, and also the fact that his influence and money count nothing.

"This is the only way to treat these fellows," continued the chief inspector. "The department has tried again and again to put down swindling through the mails, but in the past every time a man of prominence and good banking connections was arrested he could command his politicians to have the department ease up on him, and the pressure was such that the work could not go on."

Professional Mail Swindlers.

"But are there many men who make a profession of swindling the public through the mails?" "There have been thousands of them," said the chief inspector, "and there are hundreds who are working in that way today. We are now engaged in prosecuting some of the richest and most powerful, with the idea that if we suppress those at the top we are bound to get the smaller rascals by and by. As a result the small men are frightened. We have located many of them, and we get reports every day or so from the postmen that their offices are closed and that there is no one to receive their mail."

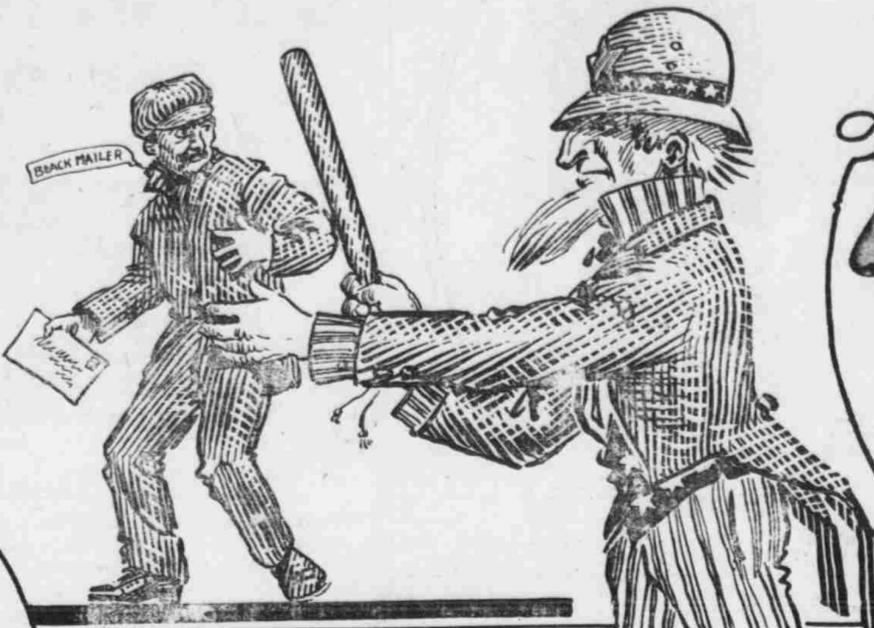
"You ask about this class of swindling as a profession. We have life records of the chief swindlers, and we can trace them from one fraudulent scheme to another. Now it is a fake rubber scheme, now a fake mining scheme and next, perhaps, a fake land jobbing scheme. Take Huston, who was once treasurer of the United States, and whom we recently convicted. In going back over his records we found tracks of his swindlings long before he came into the government service, and they were a proof of the general rule: 'Once a rascal, a rascal again.'"

"We have a rogues' gallery and a set of records of the principal swindlers. We have cross reference index cards, and we can trace them from place to place at a moment's notice. Our sources of information are such that it is almost impossible for the guilty man to escape.

"Take, for instance, the case of a millionaire lawyer, now in the penitentiary. He thought he could not be touched, but we wound the coils around him until he finally gave himself up, saying he would rather receive a thousand penitentiary sentences than suffer the wear and tear on his nerves while waiting for the axe which he knew must certainly fall. This man could not post a letter without we were aware of it. He could not pay his insurance policies, he could not make a step but it was reported. The result was he gave up.

The Sucker List.

"You would be surprised to learn how well this swindling system is organized," continued the chief inspector. "I do not know that there is any fixed combination, but there seems to be a brotherhood by which the men in the business can communicate with one another more quickly than by telegraph. They have their own code, and if a man is arrested in San



Francisco today it is pretty sure to be known to all the swindlers over the country tomorrow.

"All of these men have lists of addresses of people who may be easily victimized. These are called sucker lists, and they are classed according to the ease with which the men may be swindled. One list may be headed 'hard suckers,' another 'easy suckers' and a third 'will take any fool thing.' The big swindlers have their agents and branch offices scattered over the country to whom they send instructions and sucker lists.

Take, for instance, C. E. Mitchell of Spokane, Wash., whom we convicted last May. He was an ex-mining newspaper reporter, lecturer and theatrical manager who dealt in fake mines, taking in hundreds of thousands of dollars for stock and paying dividends out of the funds received. In writing one of his agents he said: "This includes all the people who have ever bought shares of me. I give them our best propositions and use follow-up letters. I am sending you here a letter I have just received from Mrs. Blank. She is not a heavy investor herself, but has brothers and sisters who are well heeled and it is worth while to cultivate the family." In another letter this man wrote that he had a wealthy German in Iowa who would take \$50,000 in German-American stock if we (Mitchell) could answer his questions. He continued: "Will I? I should say so! We will make 50 per cent on this deal."

Fake Mines.

"We have all sorts of fake mining swindles," continued the inspector. "They are backed by men who send an agent to Arizona or Nevada or some other state of the west well known for its copper, silver or gold. This agent is instructed to get some land near the gold mines, and he, perhaps, spends \$100 or so to buy the side of a mountain. He then has a fraudulent mining engineer make a report on the property, and he may even dig a few holes and put up a derrick or so. He takes out a claim and goes through all the operations that he would with a legitimate enterprise. There may be some photographs taken and money spent in printing. Then the stock is gotten out at \$1 per share and the advertisements are put in the paper. Some such schemes are sold for millions and then a report is made that the gold lead has played out.

"It is the same with rubber plantations in Mexico, many of which are paid for in installments until the time the trees are supposed to come into bearing. Often the title to such lands is no good and the photographs of the plantations are those of other rubber districts, perhaps not far away.

"Not infrequently the man who handles stock has his office in his carpet bag, where he carries the seal of the company and moves about from place to place. One man tried to sell me \$4,000 worth of stock in a fake mining scheme. He came here to Washington, and we afterward found that he had the seal with him and that he signed with his own hand the names of both secretary and president on the certificates. We had a draft for \$4,000 sent to him to Chicago and he went there straightway to receive it. In the meantime it was so directed that someone else opened it. You see, we never open a man's mail except by mistake. This draft was on a bank which did not exist in Chicago and we had our men there to arrest him. He is now serving a term in the penitentiary.

Side Lights on the Wireless.

"It is impossible to know how widely these fraud schemes extend," said Inspector Sharp. "They swallow up the savings of army officers, the insurance money of widows and the savings of all classes, even to the government clerks. Take the Wireless Telegraph company; it has cost the people millions. One of the first evidences I had of its extent occurred shortly after I came to Washington. We had already begun to draw our nets around it and the Washington

Get a Transfer

If you are on the Gloomy Line,
Get a transfer.
If you're inclined to fret and pine,
Get a transfer.
Get off the track of Doubt and Gloom,
Get on the Sunshine Train, there's room,
Get a transfer.
If you are on the Worry Train,
Get a transfer.
You must not stay there and complain,
Get a transfer.
The Cheerful Cars are passing through,
And there is lots of room for you,
Get a transfer.
If you are on the Grouchy Track,
Just take a Special Back,
Get a transfer.
Jump on the train and pull the rope
That lands you at the station, Hope,
Get a transfer.
—Ladies' Home Journal.



SALVATORE ARRIGO
ONE OF THE "BLACK HAND" BLACKMAILERS

Post came out with a great scare head saying that the scheme was a fraud and would be investigated. At that time I was living in a quiet boarding house here and was eating my breakfast there when the paper was delivered. An old lady sitting next to me took it and held it close to her eyes. She then dropped it and put her hands over her heart, saying: "I wish the government would stop meddling with legitimate business; they have attacked the United Wireless Telegraph company and they will hurt the stock. I have \$1,500 invested in it."

"At the same time a young girl on the opposite side of the table, a clerk in the treasury, said: 'I hope so, too. I have got \$50 in Wireless. I took it as a flyer.'"

"These people thought I was a clerk in the Postoffice department and they had no idea that I was connected with prosecution. They lost their money, of course, and that like thousands of others who invested in this stock.

Swindling by Mail.

"Can you give me some idea of the swindles carried on through the mails?" I asked.

"Their name is legion. We have farm option swindles, mail order swindles and rubber plant men; we have fraudulent employment bureaus, fake correspondence schools and fake patent agents; we have swindles run by individuals and swindles by corporations and, in short, all sorts of swindles under the sun. As it is now, we are striking at the big men, and we hope to wipe out a great part of the business. We have a score or more of schemes which are being carried on all over the country, some of which we are rapidly eliminating. We have the swindler syndicate by which the schemers try to induce the unsuspecting to buy green goods or gold bricks; we have swindlers who pretend to sell counterfeit money, and for good dollars give the would-be rascals green paper or sawdust instead; we have diamond ring swindlers who pick up diamond rings near jewelry shops and sell them for half the value, so changing the ring that the victim gets only a cheap imitation.

"We have also swindling loan agents and swindling real estate dealers; among the latter was Clarence D. Hillman of Seattle, who made about \$7,000,000 in land schemes and town lot schemes, often selling land to which he had no title at all. He laid out towns and published pictures of the improvements, including railroads and factories, which had no existence. He was considered one of the largest real estate operators on the Pacific coast, but we exposed his fraudulent methods and he is now in the penitentiary for over two years."

Fake Prize Fighters.

"How about the fake prize fighting schemes, Mr. Inspector?"

"They are among the singular frauds carried on through the mails," was the reply. "They are usually backed by men who pretend to be millionaires and their victims try to make money by swindling the swindlers. Take Mabray, who, together with his organization, made something like \$5,000,000 out of that game. His victims came from all parts of the country and each was robbed of from \$1,000 to \$20,000. In these cases the victim was approached by one of Mabray's confederates, who confidentially told the man that he was secretary of a company of millionaires who had a prize fighter with them whom they were matching at the various places in such a way that the result was a dead sure thing. The confederate claimed to have charge of the bets and he got the victim to bet some money for him and at the same time to put in a lot of his own money on the

fight. During the fight some unforeseen thing always happened and the money was lost. In some cases one of the prize fighters held a rubber bag of blood or red ink in his hand which burst as he struck his opponent, giving claim to the statement that the man had a hemorrhage and was, therefore, defeated. We convicted Mabray and nine of his associates and made them pay a fine of \$10,000, as well as to serve two years in the penitentiary."

Burglaring the Postoffices.

"Is much money stolen from the postoffices?" "Yes; we have professional burglars who seem to deal only with postoffices. They have stolen great quantities of stamps and at times considerable money as well. Not long ago a robbery occurred in the postoffice at Minneapolis, where 800,000 stamps were carried away. The thieves entered the postoffice at night and opened the safe with a diamond drill; they took their plunder to Chicago and disposed of it there through men who acted as postage stamp fences; they had still about \$4,000 worth of stamps left when they were caught and convicted.

"One of the largest postoffice robberies of recent times," continued the chief inspector, "was that which occurred at Richmond in March, 1910. In this case stamps to the value of over \$84,000 were stolen, the vault being entered by drilling a hole under the combination knob. This hole was threaded with a steel thread cutter and then by a jimmy and screw the lock was forced back; the inner doors of the vault were opened in the same manner.

"This work was done by Eddie Fay, a man who had escaped from jail in Wisconsin a short time before, while awaiting trial for the robbery of the postoffice at West Superior. Fay was known to be the leader of a gang which had robbed the postoffice in Chicago of \$74,000 in 1901. He posed as a retired business man living at Tacoma, Wash., under the name of R. J. Cummings. He owned real estate in Tacoma and was considered a respectable citizen. We got on his track by tracing his trunks, one of which was sent to the Grand Central station, New York. Inside the trunk was \$27,000 in 2-cent postage stamps. It was claimed by Fay, who was thereupon arrested and, to make a long story short, was convicted of burglary, fined \$6,000 and sentenced to serve ten years in the federal penitentiary at Atlanta, Ga."

"Hands Up."

As the chief inspector concluded this story I thanked him for the talk and rose to go. As I turned toward the wall I faced the photograph of a train robber who held a revolver which seemed to point straight at my eyes. Below it in black ink were the words, "Hands Up!" As I walked across the room the eyes of the photograph followed me and the gun seemed to move and to ever point straight at my head. I remarked upon this, when Mr. Sharp said:

"That is the picture of a postoffice inspector who helped convict a train robber out in the west. According to the testimony of a half dozen different men who were held up, the robber had pointed his gun straight at each of them, and that notwithstanding they were scattered over the car at whose door he stood. The lawyers argued that such a thing was impossible and that the witnesses must be lying, and their testimony, therefore, could not be admitted. Thereupon an artist was called in and he said that it was easy to make a picture whose eyes would look at all parts of the room at one and the same time. The artist showed our inspector how to pose in such a position, and from that pose this photograph was taken. It resulted in the train robber going to the penitentiary."

FRANK G. CARPENTER.