

July 3, 1939

**3. WORKS PROGRESS ADMINISTRATION IRREGULARITIES**

The investigation of the alleged misuse of material and labor of the Works Progress Administration was started under the supervision of PAUL HANSEN, Field Agent in Charge, Division of Investigation, Works Progress Administration, at New Orleans, on June 18, 1939, after an article appeared in the Washington Merry-Go-Round column the previous day. At the present time Mr. HANSEN has seven investigators working on this case and expects that three more will be assigned to the matter on July 5, 1939. Mr. HANSEN was interviewed concerning the scope of his investigation and the evidence he has, by an agent of this office today, with the following information being obtained. A separate report showing this interview and all detailed information obtained is being submitted today to the Bureau.

Of the thirty-two WPA projects on the Louisiana State University Campus, all with the exception of five have been completed. \$1,835,962.00 of Federal funds were approved for all of the projects; of this amount \$1,457,966.00 were for labor and \$377,966.00 were for materials and miscellaneous expenses. The Louisiana State University pledged funds totaling \$2,077,053.00, of which \$402,042.00 were for labor and \$1,675,011.00 were for materials and other expenses. As of May 31, 1939 a total of \$1,353,088.81 of Federal funds had been expended, the break-down being \$1,026,938.64 for labor and \$326,150.17 for materials; that as of that date the Louisiana State University expended, according to WPA records, \$2,275,949.18, the break-down being \$1,465,701.53 for labor and \$1,810,247.65 for material and other expenses.

It appears that most of the WPA money was spent for relief labor and supervision, and that the L.S.U. money was spent mostly for materials. In this regard, the WPA purchased materials in the sum of \$326,150.17 as compared with the sum of \$1,810,245.65 spent by L.S.U. with its funds for materials. According to this ratio, for every dollar's worth of material bought by the Government with WPA funds, the Louisiana State University bought six dollars worth of material. It appears, therefore, that one of the principal problems in this investigation is to trace the source of the material used on outside private projects, since it would necessarily have to be proven that materials purchased with WPA funds, and not State funds, were used in order for a Federal violation to have occurred.

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According to Mr. HANSEN, most of the irregularities apparently were diversion of WPA materials which were alleged to have occurred from the early part of 1936 up until a very recent date; GEORGE CALDWELL, Superintendent of Construction at Louisiana State University, apparently supervised the entire construction and apparently directed the diversion of both WPA labor and material, as well as Louisiana State University labor and material.

Mr. HANSEN'S investigation apparently indicates that two tenant houses were fabricated on L.S.U. grounds during a period of from six to eight weeks by L.S.U. carpenters and ten to fifteen WPA laborers. These houses were taken to the private residence of former Governor RICHARD LECHE, being loaded on L.S.U. trucks by WPA laborers, and erected on LECHE'S property. HANSEN is now trying to trace the lumber and materials used in the construction of these houses to determine whether such material was actually WPA property or State property. HANSEN says there is no indication to date that LECHE knew that the WPA employees services were diverted or used in the construction of these houses, although unquestionably CALDWELL had knowledge thereof since he apparently supervised the construction. In addition thereto, Mr. HANSEN'S office is working presently on information that about four or five hundred flagstones, about twelve or eighteen inches in size, were made on the L.S.U. Campus with the services of WPA laborers and were taken to former Governor LECHE'S estate at Covington and placed on a walk between the house and an artificial lake.

To date, according to Mr. HANSEN, it appears that the following-named individuals have built homes with the assistance of WPA materials and/or services of WPA laborers:

D. M. ELLISON, Attorney General of the State of Louisiana;  
 JAMES MONROE SMITH, former President of Louisiana State University;  
 OWEN W. WARE, son-in-law of DR. JAMES MONROE SMITH;  
 HARRY GADEN, in Charge of Animal Husbandry, L.S.U.;  
 E. N. JACKSON, Business Manager, Louisiana State University;  
 GEORGE C. CALDWELL, Superintendent of Construction,  
 Louisiana State University;  
 EUGENE BARKSDALE, Assistant to GEORGE C. CALDWELL, L.S.U.;  
 ROY SPANN, Paymaster, Louisiana State University;  
 MRS. HUEY P. LONG, widow of the late Senator HUEY P. LONG;  
 M. L. MONJET, Project Superintendent, WPA;  
 JIMMY MARSHALL, Project Foreman, W.P.A.;  
 JIMMY HELL, Project Foreman, W.P.A.

It appears that Mr. HANSEN has a little evidence involving all of the above-named individuals; however, he is now trying to determine the value of the WPA materials and cost of WPA labor used in

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the construction of these private residences. He is also trying to determine whether the materials used were actually WPA materials or materials purchased with State funds. This appears to be rather difficult, since the materials purchased by WPA and the State were intermingled and apparently until about a year ago there was no effort made to keep track of what specific WPA materials were used on specific projects or parts thereof. This angle will apparently require a great deal of detailed and thorough investigation.

It appears that HANSEN has already presented evidence to the Federal Grand Jury implicating LECHE, CALDWELL, E. M. JACKSON and a few others; that his agents have inspected the work done on LECHE'S estate at Covington and have questioned LECHE, who furnished HANSEN with cancelled checks which LECHE claimed were payments for materials which went into the two tenant houses.

It can be seen from the above information that investigation by the Division of Investigation agents is still in the first stages of development, and so far has been apparently restricted, with the exception of the Governor, to a few of the officials connected with the Louisiana State University. To date, neither Mr. HANSEN nor any of his investigators have prepared any written reports, but HANSEN expects to submit a report regarding the developments of the entire investigation within the next several days. It does not appear that to date the WPA investigation has been completed with respect to any of the individuals mentioned by HANSEN, nor does it appear that any employees or officials of the WPA have been or are being investigated for possible malfeasance in connection with the conversion of WPA materials and labor.

It would appear the WPA Investigators are merely checking the allegations contained in the affidavits secured by JAMES A. NOE'S representatives, and which formed the basis for the Washington Merry-Go-Round column comments.

Common rumor has it that practically every State official of any importance, close to administration circles, has during the past three years received some personal and direct benefits from the WPA operations in the State of Louisiana. It would appear that the present scope of the WPA investigation merely scratches the surface of the entire matter, and its presently indicated scope is not by any means wide enough to cover the entire situation, according to rumors which are prevalent.

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4. FIVE PERCENT SALARY CONTRIBUTIONS  
BY STATE EMPLOYEES.

Five percent contributions from State employees of the State of Louisiana started on a temporary basis allegedly to defray campaign expenses during the period when the late Senator HUEY P. LONG was dominating State politics, in his own administration and during the administration of Governor O. K. ALLEN. When JAMES A. NOE was Governor in 1936 for a period of approximately four months he discontinued this practice but it was again instituted and put on a permanent basis when RICHARD W. LECHE became Governor. The five percent contribution from State employees applies to all State employees with few exceptions. The State Highway Department, the Department of Public Welfare and the Labor Department are reported to receive Federal aid, the Highway Department principally benefitting from Federal aid under the Federal Aid Highway Laws of 1916.

Federal aid funds are given to the State Highway Department to reimburse the State for certain contractual expenditures and also for engineering services on approved Federal projects. All disbursements are made out of the State fund, which is reimbursed by Federal aid funds, the Federal funds being comingled with the State funds although a detailed accounting is allegedly made. On the usual Highway aid project contractors are paid monthly by the State for the extent of the State's obligation to the contractors for that month, whereupon the Federal Government, after being furnished a voucher for the expenditures on what is known as a progress voucher, reimbursed the State to the extent of fifty percent of the eligible items approved under the Highway Act. Engineering expenses are reimbursed to the same extent only after completion of a project in the event the engineering expense does not exceed a certain percent of the total expenditure. The only State employees whose salary is thus reimbursed are engineers assigned to the project and they are reported not to be permitted to contribute five percent of their salaries to the campaign contribution. Contractors and their employees are not State employees and are reported not to make contributions. In case of grade crossing elimination projects under the Emergency Act the setup is identical except that the Federal Government reimburses the State one hundred percent for eligible items.

Reference is made to the case of CHESTER MARTIN which was submitted to the Bureau by letter dated May 26, 1938, involving a violation of Section 276B, Title 40, United States Code, Bureau file 86-1045, in which instance CHESTER MARTIN, an employee of the State Highway Department, alleged that he was discharged for failure to pay the five percent contribution. United States Attorney RENE A. VIOSCA, New Orleans, Louisiana, advised the Department had declined prosecution in the MARTIN case. It appeared that the Department had ruled that MARTIN was a State employee at the time of the alleged deductions and was being paid by the State, even though he was engaged in projects towards which the Federal Government had made financial contributions.

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Memo for Mr. Hoover.

July 3, 1939

MARTIN is the only person reported to have been discharged for failure to pay the five percent contribution.

Before a detailed investigation is conducted it is requested that this matter be referred to the Department for a ruling to determine whether or not the foregoing information might constitute a Federal violation.

5. FEDERAL SOCIAL SECURITY FUND IRREGULARITIES.

JAMES CAMERON NELSON, formerly an employee of the State Employment Bureau of Louisiana for a period of sixteen months until March 5, 1939, claimed that B. W. CASON, Commissioner of Labor of the State of Louisiana, embezzled social security funds paid out under unemployment compensation by causing duplicate pay orders to be issued to fictitious persons, this being accomplished by the State Employment Bureau communicating with the Regional Office advising that a certain pay order could not be located, which bore a given number and a social security number; that the Regional Office would issue a duplicate order, leaving out the claimant's name; that when the duplicate order reached the State Employment Bureau office it would be given a different social security number and a fictitious name would be inserted; that a check would be made payable to this person, countersigned by the State Treasurer, then returned to the Employment Bureau where the check would be cashed. It is claimed that when the check was returned to the Treasurer the duplicate order, as well as the check, would be destroyed.

This is the best information received to date on this angle and no further investigation was conducted in the absence of instructions to do so and it is, therefore, not known if the allegations are true and what Federal funds, if any, went into the fund from which unemployment compensation was paid.

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Memo for Mr. Hoover:

July 3, 1939.

6. INCOME TAX EVASION.

The Intelligence Unit of the Internal Revenue Bureau has been investigating JAMES MONROE SMITH'S income tax returns for 1936, 1937 and 1938 for a period of several months. The first and only written report submitted to the U. S. Attorney at New Orleans was submitted on the morning of July 1, 1939 to U. S. Attorney VIOSCA, who has not yet apparently had the opportunity of digesting the contents thereof. From a general discussion MR. VIOSCA has had with the representatives of the Intelligence Unit, it would appear that SMITH, in connection particularly with his stock market manipulations, had failed to pay a tax to the Government amounting to a total of approximately \$15,000, in connection with his returns for 1936, 1937 and 1938.

MR. VIOSCA is not familiar with the detailed evidence proving such evasions as yet, however, he indicated to me that apparently there is still some investigation to be conducted pertaining to the matter before all of the evidence is known.

According to MR. VIOSCA the Internal Revenue Service has also developed some evidence tending to show that LEON C. WEISS, architect who built the Louisiana State Capitol and most other public buildings, E. N. JACKSON, business manager of Louisiana State University, and GEORGE CALDWELL, Construction Superintendent of Louisiana State University, are guilty of tax evasions. The investigations relative to these individuals, however, appear not to be complete by any means, and apparently the Internal Revenue Service is still trying to obtain conclusive evidence with regard to those persons.

MR. VIOSCA indicated to me today that this constitutes all of the evidence or information he has before him at the present time in connection with any income tax evasion violations involving any individuals in the State Administration. From my conversation with MR. VIOSCA I secured the impression that he knows very little about the investigations made by the Intelligence Unit of the Bureau of Internal Revenue and that such organization did not submit any written reports to him, relative to any persons other than JAMES MONROE SMITH and his wife. It is not known, apparently, whether the Internal Revenue agents scrutinized the tax returns of all State Administration officials or just what the entire scope of their investigation is or has been.

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7. POSSIBLE FEDERAL VIOLATIONS.

After carefully considering all of the information on hand, I believe that the following constitutes all possible Federal violations which may be involved. Some of these possibilities will, of course, have to be investigated further before it can be determined whether they actually are Federal violations.

(a) Bank Robbery. (Entering bank with intent to commit a felony).

The theory of this violation is that JAMES MONROE SMITH personally negotiated three loans, totaling \$500,000.00, from three different national banks, namely, loan of \$300,000.00 from the National Bank of Commerce, New Orleans, Louisiana, on May 2, 1939; loan of \$100,000.00 from the City National Bank of Baton Rouge, Louisiana, on June 9, 1939; and loan of \$100,000.00 from the Hibernia National Bank of New Orleans on June 14, 1939. He unlawfully gave notes for these sums as President of LSU and presented Board of Supervisor resolutions authorizing such loans which he signed as Secretary of the Board. The theory of the United States Attorney is that when SMITH obtained these loans personally in these banks, he knew that he was going to use them for his brokerage account and own personal use and, therefore, he committed a felony either by, in the first place, defrauding the banks, if he did not obtain the loans legally, or, in the second place, defrauding the University by converting the funds to his own use, if he did legally obtain the loans as President of the University.

A Federal Commissioner's complaint was filed at New Orleans, Louisiana, by the United States Attorney on July 1, 1939, and warrant issued charging SMITH with having violated Section 588B, Title 12, USCA, in connection with the May 2nd loan. The fact as to this complaint has been kept secret. There is a distinct question as to whether these actions were in violation of the statute mentioned since the same is in the identical situation as cashing a forged check in a bank and concerning which there has been no decision or test case.

Before MR. VIOSCA proceeds with an indictment or further prosecution of SMITH on these charges he intends to secure the advice and authority from the Criminal Division of the Department.

(b) Misuses of WPA Labor and Materials.

The investigation presently being conducted by the Division of Investigation, Works Progress Administration, is very narrow in scope and only involves a comparatively few individuals. Some of the evidence

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has been presented to the Federal Grand Jury; however, no complete cases have as yet been worked up. There is ever evidence that Ex-Governor LECHE, Superintendent of Construction CALDWELL, of LSU, and a number of other State officials and persons closely associated with the State administration, received direct and personal benefits by having WPA labor and materials furnished them on personal and private projects. In order to go into the entire situation and actually make cases against all persons who may be guilty in any way, including conspiracy, it will be necessary that a thorough, detailed, intense investigation be instituted by a large number of men and that such investigation be conducted in such a manner that the public will have complete confidence in its investigators so that all possible information will be volunteered by WPA workers and other persons having knowledge and pertinent information.

(c) Section 276B, Title 40, USCA. (Five percent Salary Contributions by State Employees).

Up to the present time the information obtained indicates only one individual, namely, CHESTER MARTIN, who alleges he was discharged for failure to pay the five percent contribution. MARTIN has been assisting JAMES A. NOE in the latter's attempt to besmirch the State administration. There is a distinct and definite question as to whether, even in the event a thorough investigation would result in locating individuals who were coerced into contributing five percent, the Federal statutes have been violated due to the commingling of State and Federal funds and the method of paying the State Highway employees. The Department has apparently considered this matter in May of 1938 and ruled that it was not a violation.

Before any further investigation is conducted on this angle it is respectfully suggested that the Department rule as to the possibility of a Federal violation in order to save a great deal of investigative time and expense.

(d) Fraud Against the Government. (Social Security Funds).

Information relative to this matter was received at this office from one individual, as set out previously in this memorandum, and this person will presumably testify to such information before the Grand Jury. No investigation has as yet been instituted to determine whether Federal social security funds are involved and whether the Statements made by the informant are true. A thorough investigation of these angles would have to be instituted before it could be determined whether Federal violations have occurred in this regard.

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(e) Income Tax Evasions.

Evidence is being presented to the Federal Grand Jury by the Intelligence Unit agents of the Internal Revenue Bureau indicating that JAMES MONROE SMITH defrauded the Government of the sum of approximately \$15,000.00 in connection with the submission of his 1936, 1937 and 1938 returns. There is some indication that E. M. JACKSON and GEORGE CALDWELL, of the University, and possibly LEON C. WEISS, the architect, may be guilty of this offense; however, the investigations have not apparently been completed regarding them.

The full scope of the Internal Revenue Bureau's income tax evasion investigations is not known but it is apparently definite that such organization has not worked up any cases against any other individuals in the State administration or closely friendly to the State administration.

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July 3, 1939

8. CONCLUSIONS

I am submitting my personal opinions and conclusions regarding the possible Federal angles to this entire matter purely for whatever value they might be, as I see it from all of the evidence and information on hand here.

I do not believe that a general income tax investigation of all prominent persons connected with the State Administration would be productive in showing a large number of violations. It is my belief that all of these men have profited by the mistakes of Capone and others, particularly after a number of income tax evasion indictments were returned against a number of prominent Louisiana politicians and officials several years ago. I am of the belief that they have and are paying taxes on all of their income, even though some of it is illegitimate, and may be shown as "political fees."

The situation involving the five per cent contribution of salaries by State employees is, in the first place, a very questionable violation, and secondly, does not present itself to me as being the kind of situation wherein it would be possible to involve a large number of State officials and others in the State administration.

The complaint about the possibility of fraud in connection with the Social Security funds contributed to the State has not, of course, been substantiated and it is not known whether there is a violation.

To my mind the best possible angle from a Federal standpoint, according to the information we now have, is a thorough, detailed, complete investigation of the WPA irregularities in the State. From the evidence and information at hand, it appears that a large number of State officials and persons close to the administration received direct benefits, and it would also appear that diligent and thorough investigation should be able to secure proof so that a large number of cases involving numerous individuals could be made.

It does not appear to me from my viewing the situation here in New Orleans that the public generally has complete confidence in the thoroughness and impartiality of an investigation into the situation being made by the WPA Division of Investigation. I, personally, know that the New Orleans States and Times-Picayune newspapers, particularly the States, has for a number of months collected a great deal

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of specific data, including names, dates, places, etc. of WPA irregularities, but has not disclosed such information to the WPA investigators because the officials of these newspapers feel convinced that the matter will be "whitewashed." I know that this newspaper would turn all of this information over to me if I could assure them that our Bureau would make a thorough investigation of it, since the officials highly respect the integrity of the FBI and of Attorney General Murphy. I am also of the belief that if it were publicly announced that the FBI was making an investigation of WPA irregularities, the public, including WPA workers and laborers themselves, would have enough confidence in our Bureau that they would come forward and volunteer a great deal of information.

To me, in this present situation at New Orleans, the WPA irregularities angle of this entire matter presents the same possibilities for breaking up the situation generally, as did the election fraud situation in Kansas City.

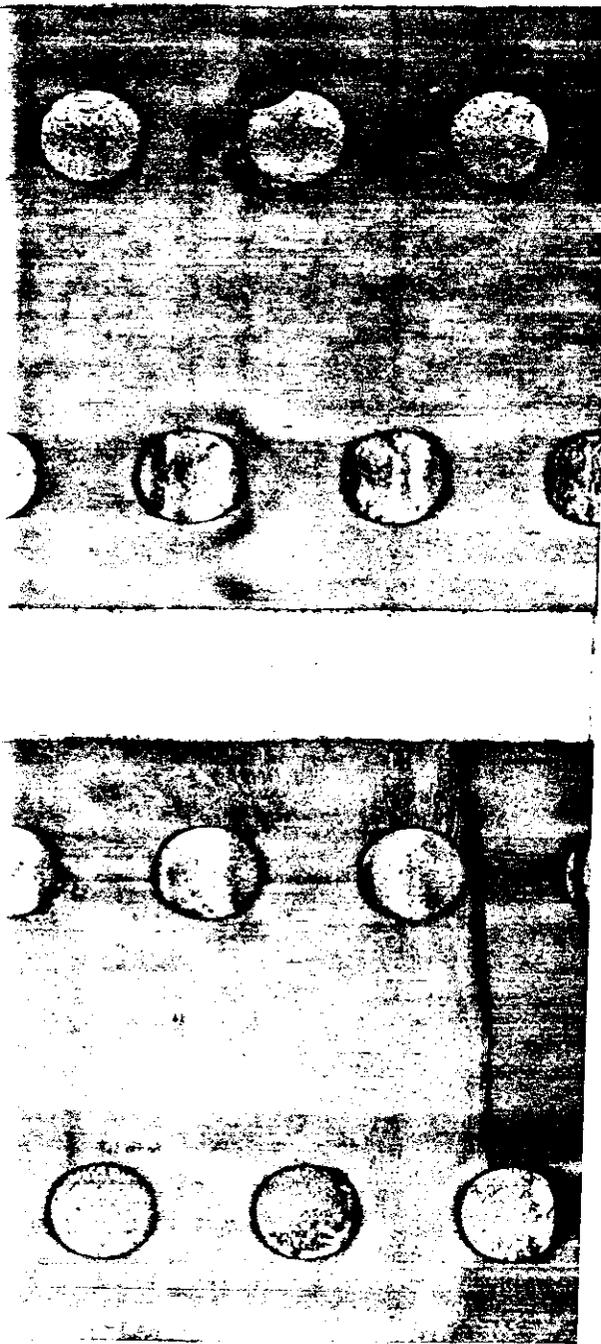
Respectfully submitted,



B. E. SACKETT  
Special Agent in Charge

BES:CWD:  
wh:pmh:als

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FROM

DO-

OFFICE OF DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

TO

OFFICIAL INDICATED BELOW BY CHECK MARK

- Mr. Tolson \_\_\_\_\_ ( )
- Mr. Nathan \_\_\_\_\_ ( )
- Mr. E. A. Tamm \_\_\_\_\_ ( )
- Mr. Clegg \_\_\_\_\_ ( )
- Mr. Coffey \_\_\_\_\_ ( )
- Mr. Crowl \_\_\_\_\_ ( )
- Mr. Egan \_\_\_\_\_ ( )
- Mr. Glavin \_\_\_\_\_ ( )
- Mr. Harbo \_\_\_\_\_ ( )
- Mr. Lawler \_\_\_\_\_ ( )
- Mr. Lester \_\_\_\_\_ ( )
- Mr. McIntire \_\_\_\_\_ ( )
- Mr. Nichols \_\_\_\_\_ ( )
- Mr. Rosen \_\_\_\_\_ ( )
- Mr. Sears \_\_\_\_\_ ( )
- Mr. Quinn Tamm \_\_\_\_\_ ( )
- Mr. Tracy \_\_\_\_\_ ( )
- Secretary \_\_\_\_\_ ( )

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- See Me \_\_\_\_\_ ( )
- Prepare Reply \_\_\_\_\_ ( )
- For Your Information \_\_\_\_\_ ( )
- Note and Return \_\_\_\_\_ ( )
- File \_\_\_\_\_ ( )

Remarks:

*[Handwritten: not on rec.]*

July 10, 1933

JTS:FB

Page 3,50 p. 2

MEMORANDUM FOR MR. TAME

Re: DR. JAMES MONROE SMITH;  
BANK ROBBERY

SAC Sackett called from New Orleans and furnished the following information in connection with the above entitled case.

Mr. Flosca, U. S. Attorney, informed Mr. Sackett that this morning he and his staff talked to Mr. J. M. Fush, who is the individual who has been collecting the 5% contributions of the State employees for a number of years. Fush said that during the lifetime of Huey Long he turned the money over to Long; that after that Governor O. K. Allen received the money and since then he has turned the money over to ex-Governor Leche and to Dr. Joseph A. O'Hara. O'Hara is president of the Louisiana Democratic Association which is the State political group. He is also president of the Board of Health and the father of Judge William J. O'Hara, who we are now investigating for the Federal Judgeship in New Orleans. Dr. Joseph A. O'Hara will be called before the Grand Jury and he will testify relative to the disposition of these funds. Dr. O'Hara claims to have kept a complete set of books and records of the funds which he has agreed to turn over to the investigators of the Intelligence Division of the Internal Revenue Department. According to Mr. Sackett what Mr. Flosca now plans to do is to trace the funds as paid out to various individuals and see whether these funds have been accounted for in the various income tax returns. Dr. O'Hara has maintained that the 5% was not collected from any persons who were paid with Federal money and only State employees paid with State funds contributed the 5%.

According to Mr. Flosca, the income tax investigations are progressing better than usual and it is his opinion that they now have a good case against Monte Hart, who is connected with the construction outfit which did most of the work at Louisiana State University.

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*Examine Condit's - documents*

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MEMORANDUM FOR THE DIRECTOR - 2 -

7-10-39

Mr. Sackett stated that according to the press dispatches in New Orleans the Petroleum Conservation Division of the Department of the Interior is conducting an investigation into the "hot" oil practice in the State of Louisiana. This concerns the bootlegging of oil and it is alleged there was much State graft in connection with the leasing and operating of State oil lands.

Mr. Viosca also advised Mr. Sackett that the W.P.A. investigation is progressing better and the investigators have been able to make both George Marshall and Eugene Bortedale, W.P.A. foremen, talk and they are apparently securing much valuable information which will greatly increase the scope of this investigation. However Mr. Viosca has still to receive a written report from the W.P.A. investigators.

Mr. Sackett stated there has been received at the New Orleans Office during the last few days numerous anonymous letters and telephone calls giving information relating to W.P.A. irregularities. Mr. Sackett inquired as to what disposition he should make of these letters. I told him he would be informed as to what disposition he should make of them.

Mr. Sackett stated a report has just been submitted relative to the investigation of a safe company regarding a safe allegedly installed in the home of ex-Governor Leche. Mr. Sackett stated all of the information in this report is negative and requested permission to furnish the U. S. Attorney with a copy of this report. I told Mr. Sackett he would be advised whether this would be satisfactory.

I informed Mr. Sackett of the information which was furnished by SAC Hulse of Pittsburgh in two teletype messages dated July 10th and July 8th relative to James Marshall Brown. This information was furnished in view of Mr. Sackett's teletype dated July 7th. Mr. Sackett stated the information which I gave him would be sufficient and requested a copy of the two teletypes mentioned above. I told him these copies would be forwarded to him.

Respectfully,

J. F. SEARS

E. T. O. H.

Time: 12:53 p.m.

July 13, 1938

MEMORANDUM FOR THE DIRECTOR

RE: DR. JAMES MONROE SMITH  
POLITICAL SITUATION IN LOUISIANA

SAC Sackett called from New Orleans and advised that Seymour Weiss is presently at the Hotel New Yorker in New York City and will not return to New Orleans until a week from tomorrow.

In view of the fact that Weiss will probably be indicted tomorrow in connection with the mail fraud case, it has occurred to Mr. Sackett that it would be advisable to interview Weiss generally in New York since after he is indicted he may not wish to talk. The Bureau has made no investigation of the mail fraud angle but Mr. Sackett thinks now would be the psychological time for him to be interviewed.

Mr. Sackett suggested that inasmuch as he is to be in Washington for the SAC Conference, that he leave a little early and conduct the interview in New York since he knows Weiss pretty well. I told Mr. Sackett I would talk to you about this and then let him know of your wishes.

Respectfully,

E. A. TAMM

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&  
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FEDERAL BUREAU OF INVESTIGATION

JUL 14 1938

SEARCHED  
SERIALIZED  
INDEXED  
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ORIGINAL FILED IN 100-1258

FEDERAL BUREAU OF INVESTIGATION

U. S. DEPARTMENT OF JUSTICE

Transmit the following Teletype message to:

FBI LOS ANGELES 7-11-39

SAC NEW ORLEANS

POLITICAL SITUATION IN LOUISIANA. RE TELEPHONE CALL. ATTORNEY NICHOLS ADVISES THAT PARTY REFERRED TO WILL BE AVAILABLE FOR INTERVIEW FRIDAY MORNING. AT LEAST FIRST INTERVIEW WILL HAVE TO BE MADE THROUGH ATTORNEY NICHOLS.

HOOD

JFH:AB  
62-1721  
CC BUREAU

62-32509.
FEDERAL BUREAU OF INVESTIGATION
JUL 17 1939
U. S. DEPARTMENT OF JUSTICE

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Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

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JOHN EDGAR HOOVER  
DIRECTOR

**Federal Bureau of Investigation**  
**United States Department of Justice**  
**Washington, D. C.**

Mr. Tolson	.....
Mr. Nathan	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Coffey	.....
Mr. Egan	.....
Mr. Glavin	.....
Mr. Crowl	.....
Mr. Harbo	.....
Mr. Lester	.....
Mr. Lawler	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Sears	.....
Mr. Quinn Tamm	.....
Mr. Tracy	.....
Miss Gandy	.....

JFS:GPK

July 7, 1939

MEMORANDUM FOR MR. E. A. TAMM

Re: POLITICAL SITUATION IN LOUISIANA

Time: 9:25 P. M.

Special Agent DiLillo telephoned from Pittsburgh at the suggestion of Special Agent McKee with reference to James Anthony ~~Murphy~~ Murphy.

He reported that Murphy was arrested in Pittsburgh, Pa., April 8, 1931, by Inspector James N. Hoey and charged with being a suspicious person. This was later changed and he was charged with passing worthless checks. There is no disposition as to what was done with him at the number 4 police station in Oakland where he was taken.

James Anthony Murphy was publishing a small weekly paper at the time of his arrest in Oakland, called the Oaklander and it was in connection with this publication that he passed some bad checks. When the publisher died, Murphy married his daughter being under the impression at the time that she had some money. This information was furnished by Alderman Wicks (phonetic) who knew Murphy very well and who identified his photograph as being that of James Anthony Murphy.

SA DiLillo stated that he had been unable to contact Inspector Hoey who also knew Murphy very well and who should be able to furnish more definite information as to his background. He said he would do this in the morning.

I advised DiLillo to be cautious in his inquiries and to keep the Bureau informed as to developments.

Respectfully,

J. F. Sears.

*J. F. Sears*

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FEDERAL BUREAU OF INVESTIGATION

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- The Director
- \_\_\_ Mr. Nathan
- \_\_\_ Mr. Tolson
- \_\_\_ Mr. Clegg
- \_\_\_ Mr. Glavin
- \_\_\_ Mr. Nichols
- \_\_\_ Mr. Crowl
- \_\_\_ Mr. Tracy

- Files Section
- Personnel Files
- Identification Division
- Technical Laboratory
- Mechanical Section
- Chief Clerk's Office
- Crime Statistics

Mr. Tolson	_____
Mr. Nathan	_____
Mr. E. A. Tamm	_____
Mr. Clegg	_____
Mr. Coffey	_____
Mr. Egan	_____
Mr. Glavin	_____
Mr. <b>SUPERVISORS</b>	_____
Mr. Harbo	_____
Mr. L. Mr. Cornelius	_____
Mr. L. Mr. Guerin	_____
Mr. N. Mr. Hayden	_____
Mr. R. Mr. Hogan	_____
Mr. S. Mr. Kimball	_____
Mr. Q. Mr. Kramer	_____
Mr. Tracy	* * *
Miss Gandy	_____

- \_\_\_ Mr. Balch
- \_\_\_ Mr. Bellino
- \_\_\_ Mr. Bickley
- \_\_\_ Mr. Brennan
- \_\_\_ Mr. Carson
- \_\_\_ Mr. Chambers

- \_\_\_ Mr. Lawler
- \_\_\_ Mr. McIntire
- \_\_\_ Mr. Pennington
- \_\_\_ Mr. Rosen
- \_\_\_ Mr. Sears
- \_\_\_ Mr. Zimmer

- \_\_\_ Miss Gandy
- \_\_\_ Mr. West
- \_\_\_ Mrs. Morton
- \_\_\_ Miss Coe
- \_\_\_ Mr. Albaugh
- \_\_\_ Mr. Halter
- \_\_\_ Miss Conlon
- \_\_\_ Mr. Gauthier
- \_\_\_ Typists - 5724
- \_\_\_ Stenographers - 5716
- \_\_\_ See Me

- \_\_\_ Bring file up to date
- \_\_\_ Send File
- \_\_\_ Correct
- \_\_\_ Call me regarding this
- \_\_\_ Note and Return
- \_\_\_ Search, serialize and route
- \_\_\_ Stenographers 5724
- \_\_\_ Stenographers 5730
- \_\_\_ Stenographers 5706
- \_\_\_ Prepare tickler for

E. A. TAMM - 5734.

118

JFB:K

July 10, 1939

MEMORANDUM FOR THE FILE

Re: JAMES MONROE SMITH -  
Louisiana State Officials -  
INFORMATION CONCERNING.

July 5  
7 P.M.

I advised SAC Sackett that he could attend the opening of the Police School at Meridian, Mississippi.

Mr. Sackett requested authority to present the various reports in the above entitled case to United States Attorney Viosca. He was advised when the authority was granted he would be informed.

July 6

Special Agent Weeks advised that he had received a request from Paul Hanson, investigator for the WPA, for records of the Independence Lumber Company, information concerning which is set out in the report of Special Agent T. F. Wilson, New Orleans, dated July 3, 1939, in the case entitled WPA irregularities. Mr. Weeks advised that pertinent records were in the possession of the New Orleans office, and that photostatic copies had been made. Mr. Weeks suggested that the original record be transmitted to Mr. Viosca for transmission to Mr. Hanson. He was advised that this procedure would be permissible.

ORIGINAL FILED IN

Mr. Weeks was advised to transmit copies of the following reports to Mr. Viosca:  
REPORT OF SPECIAL AGENT C. W. ORLEANS, DATED JULY 2, 1939, ENTITLED LOUISIANA STATE OFFICIALS, INFORMATION CONCERNING.

62-32509-134

RECORDED & INDEXED

FEDERAL BUREAU OF INVESTIGATION

LOUISIANA

JUL 11 1939

U. S. DEPARTMENT OF JUSTICE

TAMM  
TWO  
TAMM

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Coffey.....
- Mr. Egan.....
- Mr. Foxworth.....
- Mr. Glavin.....

Memo for  
the File

-2-

July 10, 1939

Report of Special Agent T. F. Wilson,  
New Orleans, dated July 3, 1939, in the  
case entitled WPA IRREGULARITIES, IN-  
FORMATION CONCERNING.

Report of SAC B. E. Sackett, New Orleans,  
dated July 3, 1939, in the case entitled  
JAMES MONROE SMITH, with aliases - FUGITIVE;  
NATIONAL BANK OF COMMERCE, New Orleans,  
Louisiana, May 2, 1939; BANK ROBBERY (Entering  
Bank with intent to commit a felony).

J. F. Sears.

- Mr. Tolson.....
- Mr. Nathan.....
- Mr. E. A. Tamm.....
- Mr. Clegg.....
- Mr. Coffey.....
- Mr. Egan.....
- Mr. Glavin.....
- Mr. Crowl.....
- Mr. Harbo.....
- Mr. Lester.....
- Mr. Fowler.....
- Mr. Quinn Tamm.....
- Mr. Rosen.....
- Mr. Nease.....
- Mr. Egan.....
- Mr. Quinn Tamm.....
- Mr. Egan.....
- Mr. Quinn Tamm.....

120

JFS:DF

62-32509 -131

July 14, 1939

RECORDED

Special Agent in Charge  
New Orleans, Louisiana

Re: Louisiana State Officials.  
Information Concerning

Dear Sir:

Reference is made to your letter of July 10, 1939, requesting authority to submit a copy of the report of Special Agent C. W. Dunker, dated at New Orleans, Louisiana, July 10, 1939, to United States Attorney Rene A. Viosca, New Orleans, Louisiana.

You were previously authorized to furnish this report to Mr. Viosca by Inspector J. F. Sears on July 11, 1939.

Very truly yours,

John Edgar Hoover  
Director

- Mr. Tolson \_\_\_\_\_
- Mr. Nathan \_\_\_\_\_
- Mr. E. A. Tamm \_\_\_\_\_
- Mr. Clegg \_\_\_\_\_
- Mr. Coffey \_\_\_\_\_
- Mr. Egan \_\_\_\_\_
- Mr. Glavin \_\_\_\_\_
- Mr. Crowl \_\_\_\_\_
- Mr. Harbo \_\_\_\_\_
- Mr. Lawler \_\_\_\_\_
- Mr. McIntire \_\_\_\_\_
- Mr. Rosen \_\_\_\_\_
- Mr. Sears \_\_\_\_\_
- Mr. Nichols \_\_\_\_\_
- Mr. Q. Tamm \_\_\_\_\_
- Mr. Tracy \_\_\_\_\_
- Miss Gandy \_\_\_\_\_

COMMUNICATIONS SECTION  
 MAILED  
 ★ JUL 14 1939 ★  
 FEDERAL BUREAU OF INVESTIGATION  
 U. S. DEPARTMENT OF JUSTICE

RECORDED COPY FILED IN 94-4-1785

Spencer  
121



# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **New Orleans, Louisiana**

REPORT MADE AT <b>NEW ORLEANS</b>	DATE WHEN MADE <b>7-10-39</b>	PERIOD FOR WHICH MADE <b>7-6, 9, 10-39</b>	REPORT MADE BY <b>G. W. DUNKER</b>
TITLE <b>LOUISIANA STATE OFFICIALS</b>		CHARACTER OF CASE <b>INFORMATION CONCERNING</b>	

**SYNOPSIS OF FACTS:**

Coats Safe & Lock Co., New Orleans, has no record of selling safe or vault to R. W. LECHE, Covington, La., but sold numerous vault doors to GEORGE CALDWELL, but it is not known where they were used.

P

DETAILS:

AT NEW ORLEANS, LOUISIANA

United States Attorney **RENE A. VIOSCA**, New Orleans, at 10:00 a.m. on July 6, 1939, advised that **R. W. LECHE** was anonymously reported to have had a vault made in his home at Covington, Louisiana, by the Coats Safe & Lock Company, 527 Carondelet Street, New Orleans. This vault was reported to have cost \$20,000 and is anonymously reported to have been equipped with tear gas. He advised this vault was supposed to have contained a lot of cash, and it was rumored that the 5% contributions from the State employees' salaries are in this vault.

Mr. **VIOSCA** requested that the Bureau determine if the Coats Safe & Lock Company did build a vault in there, so he can go ahead with the investigation to determine if the vault did contain the 5% contributions or any taxable income. Mr. **VIOSCA** was advised that this matter would be taken up with the Bureau for authorization to conduct the investigation requested.

A teletype was sent to the Bureau advising of the request of U. S. Attorney **VIOSCA**, and on July 9, 1939 Assistant Director **E. A. TAMM**

APPROVED AND FORWARDED:

*[Signature]*  
SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

1 - 32509 - 131      JUL 12 1939

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- 5 Bureau (AIR MAIL-special delivery)
- 5 New Orleans

COPIES DESTROYED

170 SEP 17 1964

123

telephonically authorized Special Agent in Charge B. E. SACKETT to have the investigation conducted as requested by Mr. VIOSCA.

The writer interviewed MRS. GEORGETTE TORRES, bookkeeper, Coats Safe & Lock Company, 527 Carondelet Street, who advised that the Coats Safe & Lock Company had been in business for three years, having assumed the business of the former Coats Safe & Lock Company, a branch of the Deibold Safe & Lock Company, Canton, Ohio. She advised that the company had not built a safe or vault for R. W. LECHÉ within the past three years. She advised, however, that the company had sold numerous vault doors to GEORGE CALDWELL. (GEORGE CALDWELL was construction superintendent at Louisiana State University, and also a member of the contracting firm of Caldwell Bros.) She advised that she did not know where these vault doors were taken; that it was common practice among contractors to get vault doors and take them away without indicating where they would be used, so that it was entirely possible that CALDWELL did get the vault door or safe for R. W. LECHÉ.

PENDING

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **New Orleans, Louisiana**

FILE NO. **62-378**

DATE: **7-10-39**

REPORT MADE AT <b>NEW ORLEANS</b>	DATE WHEN MADE <b>7-10-39</b>	PERIOD FOR WHICH MADE <b>7-6, 8, 10-39</b>	REPORT MADE BY <b>G. W. FURKER</b>
TITLE <b>LOUISIANA STATE OFFICIALS</b>		CHARACTER OF CASE <b>INFORMATION CONCERNING</b>	

**SYNOPSIS OF FACTS:**

Coats Safe & Lock Co., New Orleans, has no record of selling safe or vault to E. W. LECHE, Covington, La., but sold numerous vault doors to GEORGE CALDWELL, but it is not known where they were used.

**DETAILS:**

**AT NEW ORLEANS, LOUISIANA**

United States Attorney RENE A. VIOSCA, New Orleans, at 10:00 a.m. on July 6, 1939, advised that E. W. LECHE was anonymously reported to have had a vault made in his home at Covington, Louisiana, by the Coats Safe & Lock Company, 527 Carondelet Street, New Orleans. This vault was reported to have cost \$20,000 and is anonymously reported to have been equipped with tear gas. He advised this vault was supposed to have contained a lot of cash, and it was rumored that the 5% contributions from the State employees' salaries are in this vault.

Mr. VIOSCA requested that the Bureau determine if the Coats Safe & Lock Company did build a vault in there, so he can go ahead with the investigation to determine if the vault did contain the 5% contributions or any taxable income. Mr. VIOSCA was advised that this matter would be taken up with the Bureau for authorization to conduct the investigation requested.

A teletype was sent to the Bureau advising of the request of U. S. Attorney VIOSCA, and on July 9, 1939 Assistant Director E. A. TAMM

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT		
5 Bureau (AIR MAIL-special delivery)		
5 New Orleans		

125

SJT:DLS

P

July 5, 1939

PERSONAL AND CONFIDENTIAL

Mr. B. E. Sackett  
Federal Bureau of Investigation  
United States Department of Justice  
1308 Masonic Temple Building  
New Orleans, Louisiana

Dear Mr. Sackett:

There is transmitted herewith a copy of a memorandum dated June 15, 1939 at Washington, D. C., covering an interview with Harry Joseph Costello, a newspaper man from Louisiana, presently residing temporarily in Washington, D. C.

This memorandum is for your confidential information only in connection with recent developments in the State of Louisiana.

Sincerely yours,

John Edgar Hoover  
Director

- Mr. Tolson \_\_\_\_\_
- Mr. Nathan \_\_\_\_\_
- Mr. E. A. Tamm \_\_\_\_\_
- Mr. Clegg \_\_\_\_\_
- Mr. Coffey \_\_\_\_\_
- Mr. Crowl \_\_\_\_\_
- Mr. Egan \_\_\_\_\_
- Mr. Foxworth \_\_\_\_\_
- Mr. Glavin \_\_\_\_\_
- Mr. Harbo \_\_\_\_\_
- Mr. Lester \_\_\_\_\_
- Mr. McIntire \_\_\_\_\_
- Mr. Nichols \_\_\_\_\_
- Mr. Q. Tamm \_\_\_\_\_
- Mr. Tracy \_\_\_\_\_
- Miss Gandy \_\_\_\_\_

Enclosure

RECORDED  
&  
INDEXED

COMMUNICATIONS SECTION  
MAILED

JUL 11 1939

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE

62-32509-130X

FEDERAL BUREAU OF INVESTIGATION  
JUL 6 1939  
U. S. DEPARTMENT OF JUSTICE

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JPS:DF

~~62-54173-6~~

July 19, 1939

64-32509-120X1

Mrs. H. Sherman Baker  
Box 224  
Bilversity, Louisiana

Dear Mrs. Baker:

Your letter of July 1, 1939, addressed to Honorable Frank Murphy, Attorney General, has been referred to this Bureau for investigative attention.

Your letter will be referred to the United States Attorney at New Orleans, Louisiana, for appropriate attention.

Very truly yours,

John Edgar Hoover  
Director

cc New Orleans

- Mr. Tolson \_\_\_\_\_
- Mr. Nathan \_\_\_\_\_
- Mr. E. A. Tamm \_\_\_\_\_
- Mr. Clegg \_\_\_\_\_
- Mr. Coffey \_\_\_\_\_
- Mr. Egan \_\_\_\_\_
- Mr. Glavin \_\_\_\_\_
- Mr. Ladd \_\_\_\_\_
- Mr. Nichols \_\_\_\_\_
- Mr. Rosen \_\_\_\_\_
- Mr. Tracy \_\_\_\_\_
- Miss Gandy \_\_\_\_\_

COMMUNICATIONS SECTION  
 MAILED  
 JUL 19 1939  
 P. M.  
 FEDERAL BUREAU OF INVESTIGATION  
 U. S. DEPARTMENT OF JUSTICE

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JFS:DF

July 19, 1939

RECORDED

62-39509-130X1

Special Agent in Charge  
New Orleans, Louisiana

Re: Louisiana State Officials  
Information Concerning

Dear Sir:

I am transmitting herewith copies of a letter  
addressed to the Attorney General under date of July 1, 1939,  
from Mrs. H. Sherman Baker, Box 224, University, Louisiana,  
for reference to the United States Attorney at New Orleans,  
Louisiana.

Very truly yours,

John Edgar Hoover  
Director

- Mr. Tolson \_\_\_\_\_
- Mr. Nathan \_\_\_\_\_
- Mr. E. A. Tamm \_\_\_\_\_
- Mr. Clegg \_\_\_\_\_
- Mr. Coffey \_\_\_\_\_
- Mr. Egan \_\_\_\_\_
- Mr. Glavin \_\_\_\_\_
- Mr. Crowl \_\_\_\_\_
- Mr. Harbo \_\_\_\_\_
- Mr. Lester \_\_\_\_\_
- Mr. McIntire \_\_\_\_\_
- Mr. Rosen \_\_\_\_\_
- Mr. Sears \_\_\_\_\_
- Mr. Nichols \_\_\_\_\_
- Mr. Q. Tamm \_\_\_\_\_
- Mr. Tracy \_\_\_\_\_
- Miss Gandy \_\_\_\_\_

Inclosure

COMMUNICATIONS SECTION  
 MAILED  
 ★ JUL 19 1939 ★  
 P. M.  
 FEDERAL BUREAU OF INVESTIGATION  
 U. S. DEPARTMENT OF JUSTICE

*S. J. East*

128

Box 224  
University, La.  
July 1, 1939.

The Honorable Mr. Frank Murphy, Attorney General  
Office of the Attorney General  
Washington, D. C.

RECORDED  
&  
INDEXED

62-32509-130X  
FEDERAL BUREAU OF INVESTIGATION  
JUL 12 1939  
U. S. DEPARTMENT OF JUSTICE

My dear Mr. Murphy,

As a voter living in the state of Louisiana  
and as a citizen of the United States, I wish  
to add my plea to the others, asking that you  
make a thorough investigation into all things  
in the state of Louisiana that you feel need  
attention.

I have only resided in Kansas City, Missouri  
but I, as well as the rest of the country, are  
grateful to you for what you and your  
workers did for that city.

Thank you for your attention.

Very respectfully yours  
Frances H. Baker  
(Mrs. H. Sherman)

OFFICE OF THE  
RECEIVED  
JUL 5 1939  
ATTORNEY GEN

112

copy

Box 224  
University, La.

The Honorable Mr. Frank Murphy, Attorney General,  
Office of the Attorney General,  
Washington, D. C.

My dear Mr. Murphy,

As a voter living in the state of Louisiana, and as  
a citizen of the United States, I wish to add my plea to  
the others, asking that you make a thorough investigation  
into all things in the state of Louisiana that you feel  
need attention.

I have only visited in Kansas City, Missouri but I,  
as well as the rest of the country, are grateful to you for  
what you and your workers did for that city.

Thank you for your attention.

Very respectfully yours

/s/ Frances H. Baker  
(Mrs. H. Sherman).

2-32509-130X

MAY 1, 1939

SAT:BA

MAY 1, 1939

**MEMORANDUM FOR THE FILE**

**Re: Doctor James Monroe Smith  
Political Situation in Louisiana**

I called SAC Sackett at New Orleans and advised that in talking with the Director he had commented concerning United States Attorney Viosca's very going attitude and that he believes Viosca should insist on the submission of a report on the part of the WPA investigators of everything they have. Sackett advised he had just finished talking with Viosca and had just suggested that.

With reference to the developments in this situation SAC Sackett advised as follows:

A complaint was filed just now before the United States Commissioner charging James Monroe Smith with having violated Section 500-B of Title 18, United States Code, which is the entering of a banking premises with intent to commit a felony. The charges specifically are that on May 2, 1939 he entered the National Bank of Commerce at New Orleans with intent to commit a felony, to wit, embezzlement of \$300,000 from the Louisiana State University and the Mechanical College. The warrant has been returned not found and Sackett has three copies in his possession.

This morning one of the Internal Revenue Investigators is appearing before the Grand Jury on the income tax case against Mr. and Mrs. Smith. Sackett talked with Viosca about this and he just received a written report from the Intelligence Unit and has not had a chance to digest it as yet, but after talking with the Intelligence Unit man there appears to be a good possibility of a conspiracy case on income tax against Leon C. Weiss, the architect, in addition to the Smiths. Sackett does not know the details as yet but has arranged to obtain a copy of the Intelligence Unit report for his own information.

RECORDED & INDEXED

James M. Brown, the broker, has been released on \$15,000 bond this morning and in line with previous conversations Sackett is going to try to have him interviewed this afternoon

62-32509-130X

U. S. DEPARTMENT OF JUSTICE

RECEIVED

MAY 1 1939

131

Memorandum for the File

- 3 -

July 1, 1939

or tomorrow. Sackett advised he thought it would be a wise idea to try to get into Brown's records if this is considered advisable. I informed that he should do this.

Sackett advised he thinks it will be a good idea to investigate on the bank robbery angle by getting copies of the supporting documents in connection with the license. I advised that as this is just a continuation of what has been done he should go ahead and do this.

Sackett advised he would have a complete report in the Bureau by Wednesday morning.

E. A. Tamm

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**Federal Bureau of Investigation**  
**United States Department of Justice**  
**LOS ANGELES, CALIFORNIA**  
**JUNE 30, 1939**

Mr. Tolson	.....
Mr. Nathan	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Coffey	.....
Mr. Egan	.....
Mr. Glavin	.....
Mr. Crowl	.....
Mr. Harbo	.....
Mr. Lester	.....
Mr. Lawler	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Sears	.....
Mr. Quinn Tamm	.....
Mr. Tracy	.....
Miss Gandy	.....

Director  
 Federal Bureau of Investigation  
 Washington, D. C.

Dear Sir:

Re: <sup>0</sup> POLITICAL SITUATION IN LOUISIANA

RECORDED & INDEXED

62-32509-13

Mrs. W. A. THARPE was communicated with by telephone (Bradshaw 21667) by Special Agent J. F. HYNES on June 29, 1939, for the purpose of arranging an interview, at which time she stated that her immediate plans were indefinite, as she was staying at the home of friends, but that she would telephone on the following day to advise as to the best place at which it would be most convenient for her to hold an interview.

On June 30, 1939, Attorney CHARLES L. NICHOLS of the law firm of NICHOLS & MATTOON, 650 South Grand Avenue, Los Angeles, telephoned and informed Agent HYNES that Mr. and Mrs. THARPE had advised him of the request to interview them; that he was going out of town for the week end, but that he could arrange to hold an immediate interview in his office. As it appeared that there was no other way in which to interview Mrs. THARPE, but in the presence of her attorney the interview was made by Agent HYNES at the office of Attorney NICHOLS.

Present at the interview, in addition to the above-named Agent, were Mr. NICHOLS, Mr. MATTOON, and Mr. and Mrs. THARPE. It was explained to those present, at the outset, that it was desired that the interview be kept confidential, and those present agreed that it would be so kept.

It was suggested that Mr. and Mrs. THARPE might have some information bearing on the present situation in Louisiana, which they might care to disclose at this time; however, both Mr. and Mrs. THARPE professed to have no knowledge of anything regarding that situation. Mrs. THARPE stated that she was appointed Secretary of State by HUEY LONG in the year 1929, and that she held this position until 1932; that she was then given the position of Supervisor of Public Accounts; that in 1936, the title of this position was changed to Collector of Internal Revenue, and that she held this position until February, 1939, when she was let go by Governor LECHE. She ex-

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135

DIRECTOR

-2-

6-30-39

Re: Political Situation in Louisiana

plained that the position was appointive by the Governor, and that, of course, he could remove anyone from the position, as well as appoint them. Mr. THARPE, however, chose to state that his wife and himself had been "fired". He stated that he did not know the reason why they were fired.

He advised that he had held the position of Secretary of the Louisiana Tax Commission for approximately five and one-half years, having been appointed during the O. K. ALLEN administration; that in February of this year, F. WARREN BRAGGIO, Chairman of the Tax Commission, asked for his resignation; that he refused to resign, and that then the Commission wrote him a nice letter, telling him he was dismissed.

Both Mr. and Mrs. THARPE reiterated that they had no information of value to offer concerning anything in Louisiana. Their attorney, Mr. NICHOLS, advised that he might state their position to be that of not having anything of a voluntary nature to offer, but that if there were any specific matter upon which information was desired, they would tell what they knew about it. Mr. and Mrs. THARPE concurred in this statement.

Mr. THARPE stated, with reference to JAMES MONROE SMITH, missing President of the Louisiana State College, that SMITH'S alleged shortage was a complete surprise to him; that about five years or so ago, shortly after he married Mrs. THARPE, they had dinner at Mr. SMITH'S home, but that that occasion was the last social contact that they had with him. Mr. THARPE stated that he would never have suspected Mr. SMITH of ever doing anything wrong.

~~Wise~~ Mr. THARPE was asked if he was acquainted with SEYMOUR WISE, and he stated he was; that WISE was a suave individual who was the manager, and reputed to be the owner, of the Roosevelt Hotel in New Orleans; that he understood from newspaper accounts that the Government had been after WISE for a number of years, but that he knew nothing concerning WISE, or as to how WISE made his money. Mr. THARPE advised that the only reason he knew which would cause Governor LECHE to resign was that of ill health.

134

DIRECTOR

-3-

6-30-39

Re: Political Situation in Louisiana

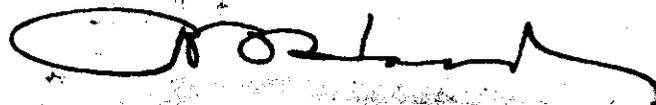
Attorney NICHOLS advised that he was at one time a Special Assistant to the Attorney General, and prosecuted several Mail Fraud cases here in Los Angeles a number of years ago, and that he would give the Bureau every cooperation; that as far as he had been able to learn from Mr. and Mrs. THARPE, they had no information of any irregularities, et cetera. He stated that if the Bureau had any specific matters to question them about, he and they would be glad to cooperate.

Attorney NICHOLS informed that he was going to spend the holidays at the Bel Air Club, which is located on Roosevelt Highway north of Santa Monica, California; that the telephone number is Santa Monica 29981; that he intends to have Mr. and Mrs. THARPE spend part of their time there, and that if it were desired to get in touch with them, if he were contacted through the above number, he would be able to reach them.

In view of the fact that Mr. and Mrs. THARPE profess not to know anything of interest concerning the situation in Louisiana, and because there is not sufficient information concerning the background of this case available, on which to question them further, no other questions were asked.

It is noted that Mr. and Mrs. THARPE have expressed their willingness to be interviewed in the future on any specific matter.

Very truly yours,



R. B. HOOD  
Special Agent in Charge

JFH:AB  
62-1721

AMASD

CC NEW ORLEANS (2)

135

62-32509

Section

?

3027

JUL 15 1934

JUL 15 1934

MEMORANDUM FOR THE ATTORNEY GENERAL

For your information, I am transmitting herewith a teletype message of July 15, 1934, from the New Orleans Field Division of the FBI, concerning the Louisiana State investigation.

Respectfully,

John Edgar Hoover  
Director

Inclosure

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DATE: 11-1-77  
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62-32579-185

JUL 21 1934

FBI NEW ORLEANS 7-15-39 4-15 PM PHT

DIRECTOR

LOUISIANA STATE OFFICIALS, INFORMATION CONCERNING THE  
ARRESTED YESTERDAY ON STATE INDICTMENTS MENTIONED  
TELETYPE LAST NIGHT MADE BOND WITH DESCRIPTION OF JAMES  
SMITH WHO WAS STILL INCARCERATED IN BAYOU ROUGE  
PRISON HALL. ASSISTANT ATTORNEY GENERAL ROGGE IS EXPECTED  
TO ARRIVE HERE EARLY TOMORROW MORNING AND TO CONFER WITH  
USA VIOSCA AT NIEN TOMORROW MORNING. I AM LEAVING HERE  
TODAY FOR WASHINGTON. HOWEVER AGENT C.W. DUNKER IS  
THOROUGHLY FAMILIAR WITH ENTIRE MATTER AND WILL FOLLOW ALL  
DEVELOPMENTS, KEEPING IN CLOSE CONTACT WITH USA VIOSCA AND  
WILL SEND YOU DAILY TELETYPE SUMMARIES OF DEVELOPMENTS.

SACKETT

FEDERAL BUREAU OF INVESTIGATION  
JUL 21 1939  
U. S. DEPARTMENT OF JUSTICE

ORIGINAL FILED IN

JEH:DLS

July 15, 1939

MEMORANDUM FOR THE ATTORNEY GENERAL

I am transmitting herewith a teletype message dated July 14, 1939, from the New Orleans Field Division of the FBI, concerning the Louisiana investigation.

Respectfully,

John Edgar Hoover

John Edgar Hoover  
Director

RECORDED 65-11467-55  
86-1045-55

*Handwritten notes:*  
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for  
checked  
returned

Inclosure

ENCLOSURE  
*Handwritten:* 82m

- Mr. Tolson \_\_\_\_\_
- Mr. Nathan \_\_\_\_\_
- Mr. E. A. Tamm \_\_\_\_\_
- Mr. Clegg \_\_\_\_\_
- Mr. Coffey \_\_\_\_\_
- Mr. Crowl \_\_\_\_\_
- Mr. Egan \_\_\_\_\_
- Mr. Foxworth \_\_\_\_\_
- Mr. Glavin \_\_\_\_\_
- Mr. Harbo \_\_\_\_\_
- Mr. Lester \_\_\_\_\_
- Mr. McIntire \_\_\_\_\_
- Mr. Nichols \_\_\_\_\_
- Mr. Q. Tamm \_\_\_\_\_
- Mr. Tracy \_\_\_\_\_
- Miss Gandy \_\_\_\_\_

COMMUNICATIONS SECTION  
MAILED  
★ JUL 15 1939 ★  
P. M.  
FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE

RECORDED

62-32509-184  
FEDERAL BUREAU OF INVESTIGATION

FBI NEW ORLEANS 7/14/39 10-45 PM ALS

DIRECTOR

RE LOUISIANA STATE OFFICIALS, INFORMATION CONCERNING MONTE E. HART  
ET AL, MAIL FRAUD. I HAVE JUST SENT YOU AMASD A SUMMARY REPORT  
PREPARED BY OUR OFFICE HERE SETTING OUT AS ACCURATELY AS POSSIBLE  
FROM THE MISCELLANEOUS AND VARIED INFORMATION WE WERE ABLE TO GET,  
THE DETAILS OF THE MAIL FRAUD SCHEME INVOLVING SEVENTY FIVE THOUSAND  
DOLLARS OBTAINED IN CONNECTION WITH PURCHASE OF BIENVILLE HOTEL.  
THE SUMMARY ALSO SHOWS WHAT WITNESSES ARE APPARENTLY AVAILABLE AND  
TO WHAT THEY CAN APPARENTLY TESTIFY. THIS IS ONLY REPORT OF ANY  
KIND SUBMITTED BY ANYONE PURPORTING TO SUMMARIZE THE VIOLATION AND  
TESTIMONY OF AVAILABLE WITNESSES. I HAVE ALSO SENT YOU ROOM DRAFT  
COPY OF ABOVE REPORT WITH ORIGINAL FOR YOUR INFORMATION. I AM SURE YOU WILL FIND THIS  
THIS CASE

SACK BT

BN

OK FBI WASH DC WV

COPY

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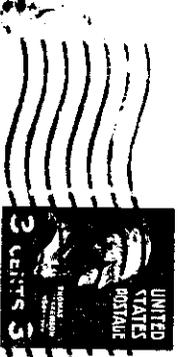
ALLEN'S DAYS SERVICE CO.

NEW YORK, N. Y.

*U. S. Attorney General Murphy  
Attys General Office  
Washington*

*J.P.*

NEW YORK, N. Y.  
JUL 22  
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Reclusians. Ca -  
July 23 - 1929

Hon Frank H. Murphy, Attorney General  
Department of Justice  
Washington - D.C.



Dear Mr. Murphy:

We the undersigned urge that you  
make a thorough fearless inves-  
tigation of political conditions in  
Louisiana as they affect Chief  
Funds & all Federal laws in-  
volved -

RECORDED & INDEXED 62-32509-183

With the present set up in the  
state it will be impossible to  
reach the ring leaders unless  
until the Federal Government  
has uncovered - enough to in-  
dicate these leaders -

8/10/29  
St. N. G.  
ALAG

A previous Attorney General made  
the mistake of dropping prose-  
cutions against certain men,  
out of which the back bone  
of this corrupt machine.

would have been broken —  
We beg that you stand by Louis  
Laig. of the entire country & see  
to doing prevent the under-  
mining of Democratic Govern-  
ment —

Respectfully yours,  
Marguerite Richardson  
Catherine P. Laig  
1736 St. Charles Ave.

Jeanne Labouisse Richardson  
1736 St. Charles Ave.

Chèle Eklman 206 St. Peter St.  
Mrs. Labouisse Richardson  
1736 St. Charles Avenue.

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FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

JUL 26 1939

TELETYPE

Mr. Tolson	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Coffey	.....
Mr. Egan	.....
Mr. Glavin	.....
Mr. Crowl	.....
Mr. Harbo	.....
Mr. Lester	.....
Mr. Lawler	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Sears	.....
Mr. Quinn Tamm	.....
Mr. Tracy	.....
Miss Gandy	.....

FBI NEW ORLEANS 7-26-39 5-05 PM WH

DIRECTOR

LOUISIANA STATE OFFICIALS INFORMATION CONCERNING. L P

ABERNATHY, FORMER CHAIRMAN LOUISIANA STATE HIGHWAY COMMISSION  
 AND A K MILPATRICK, WITH WHOM ABERNATHY IS CONNECTED IN  
 STANDARD OFFICE AND SUPPLY COMPANY, INDICTED STATE GRAND JURY  
 EATON ROUGE YESTERDAY IN CONNECTION WITH SUPPLY COMPANY SELLING  
 FICTURES TO STATE. USA VIOSCA ADVISED THAT W A RANKIN, FORMER  
 LOUISIANA CONSERVATION COMMISSIINER, ADMITTED HE GOT LARGE  
 SUMS OF MONEY FROM DR JAMES A SHAW, HEAD OF THE MINERALS DIVISION  
 OF THE CONSERVATION DEPARTMENT, AND W T BURTON, WEALTHY OIL  
 MAN, EVIDENTLY IN CONNECTION WITH HOT OIL VIOLATIONS. ADDITIONAL  
 FEDERAL INDICTMENTS EXPECTED TOMORROW, OF MINOR OFFICIALS IN  
 CONNECTION WITH WPA VIOLATIONS.

SACKETT

END

OR FBI NEW DC GNC

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62-3259-182

FEDERAL BUREAU OF INVESTIGATION

U. S. DEPARTMENT OF JUSTICE

JUL 27 1939

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*Delivered this to [unclear] 7/27/39*

NEW ORLEANS  
JUL 24  
13 PM  
1939  
L.A.

AIR MAIL  
5c

Hon. Frank P. Murphy, Attorney General,  
U.S. Attorney General 's Office  
Washington, D.C.

**IMPORTANT**  
Personal

New Orleans, La.

ANONYMOUS COMMUNICATION

OFFICE OF THE  
RECEIVED  
JUL 25 1939  
COONEY GEN

Hon. Frank P. Murphy, Attorney General,  
Washington, D.C.

*W. Lousian*

Dear Mr. Murphy:

Is there any truth to the terrible slanderous information that is gaining great impetus here in New Orleans and Louisiana. This information is supposed to have leaked out from the office of Mayor Robert Maestri of New Orleans and is getting about fast. They claim that all "Hot Oil" investigations are being killed by you and the President and that the whole crooked thing in Louisiana will be killed and obliterated. Here is the story.

It is said that Mayor Maestri, Mayor and the big shots were in a boat at night in the 17th St. oil terminal. They had been loading oil at night at Leesville La. on barges and shipping it out state. They claim William Hells, a millionaire Greek who has made a fortune in La. oils, was in partnership with Maestri. Over a disagreement they agreed to split up and Maestri asked \$7,000,000 for his share of oil lands and holdings. Hells agree, but left New Orleans to attend a convention of Greeks or Oil men in New York. They claim Elliott Roosevelt and Jim Farley both addressed this convention and after some a check was sent to Maestri for \$7,000,000 and it was signed by Elliott or maybe Farley. They claim Maestri took a photostatic copy of the check and has now held it over your heads and thus secured a squashing of the whole federal investigation here. The people of the City and State are sore as hell and some have written to John Hamilton, head of the Republican Cause and to Fish, Vandenberg and others in the Republican Party. What they are saying about President Roosevelt is plenty all over the State.

Another rumor gotten out is that the present Governor Earl Long phoned Roosevelt at his Summer White House and called him plenty.

Governor Earl Long made a speech yesterday before 5,000 people at a large National Guard Maneuver, Sunday the 23rd inst., and told them W.P.A. was crooked in every state in America and this State didn't come anywhere near being as crooked as these other States. He also stated in a speech a few months ago that he never supported Roosevelt and never would.

Please don't let the people of this graft ridden State down. They have pinned their hopes on you and Pres. Roosevelt and they will never forget the Party if they sell them short.

**HELLS IS A HEAVY CONTRIBUTOR  
TO DEM. CAMPAIGN COM**

8/10/39  
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FEDERAL BUREAU OF INVESTIGATION  
JUL 26 1939  
U. S. DEPARTMENT OF JUSTICE

*Some Consideration*

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