

## FAMOUS REPORT IS MADE PUBLIC.

Fourth Asst. P. M. Gen. Bristow's  
Investigation Into the Affairs  
Of the P. O. Department

### SOME STARTLING REVELATIONS.

Department Has Been Honeycombed  
With Corruption For Many  
Years Past.

### THE PRESIDENT'S MEMORANDUM.

Says No Crime Calls for Sterner Rep-  
robation than the Crime of Cor-  
ruption in Public Life.

Washington, Nov. 29.—Brief of Report  
of Fourth Assistant Postmaster-general  
J. L. Bristow on the Postal Investiga-  
tion.

#### SUPPLY DIVISION.

On April 17, 1937, Michael W. Louis,  
of Cincinnati, was appointed cashier in  
the Kansas City, Mo., postoffice, and  
was detailed to the department as as-  
sistant superintendent of the supply divi-  
sion. The civil service commission  
was asked to except the position from  
the classified service. This the com-  
mission declined; but in July following  
it did give a special examination, allow-  
ing Louis a rating of 50 points for  
experience acquired during the three  
months he had been in charge of the  
division. As a result of this rating  
Louis passed a successful examination  
and was appointed.

#### CONTRACT FOR CANCELING INK.

Shortly after Louis was placed in  
charge of postoffice supplies the con-  
tract for canceling ink was awarded to  
Ault & Wiborg company, of Cincin-  
nati, Ohio, at 24 cents per pound, 4 cents  
higher than other bids. Much of the  
ink furnished by the new contractors  
was of inferior quality, but instead of  
being returned to the company it was  
paid for and burned or thrown away  
on the city dump. During the fiscal  
year 1938-39 the canceling ink con-  
tract was awarded to the Ault & Wiborg  
company, costing \$13,387.52, while dur-  
ing the previous year \$6,000 pounds had  
been used at a cost of \$1,302.60.  
For the fiscal year 1938-39 no contract  
was awarded for canceling ink, and  
from March, 1939, until the beginning  
of the fiscal year 1940-41, Louis bought  
canceling ink from the Ault & Wiborg  
company at 20 cents per pound, 6 cents  
higher than the last competitive bid,  
10 cents higher than was paid before  
Louis became superintendent, and from  
4 to 9 cents higher than present cost.

#### INKING PADS.

For the fiscal year beginning July 1,  
1939, upon false statements of Louis the  
contract for inking pads was awarded  
to W. C. Long, at 15 cents each, in  
preference to 14-cent pads offered by  
Herman Baumgarten. Long was not a  
manufacturer, so he bought an inferior  
pad from Baumgarten at 12 1/2 cents  
each. Long received a net "rake off"  
of \$1,625 on the year's business.  
For the fiscal year 1940-1941, M. D.  
Heim had the contract for twine at  
20.35 per hundred pounds, for the fol-  
lowing fiscal year the price dropped to  
15.45. During the closing months of the  
year 1941 when the price of twine was  
20.85, and after the contract had been  
given from the succeeding year at \$2.45,  
Louis bought large quantities of the  
twine at \$19.35, which was carried over  
into the next fiscal year.

#### PURCHASE OF MANIPULATED BOOKS.

In September, 1931, George L. Mor-  
ton, representative of the General Mani-  
fold company of Franklin, Pa., submis-  
sion to the department to furnish man-  
ifold books made of a patented duplicating  
paper for the registry system. W. H.  
Landvoigt was then superintendent of the  
registry system. After Morton submitted  
this proposition, but before any books  
were ordered, he proposed to secure  
Landvoigt's son employment with the  
president of the General Manifold com-  
pany. The proposition was accepted by  
Landvoigt, who considered it a great  
personal favor.

It was Landvoigt's duty to pass upon  
the merits and quality of the supplies  
furnished by this company, and in ac-  
ceptance, therefore, of the favor of this  
character was considered highly im-  
proper, and his resignation was re-  
quested and accepted.

The law required the department to  
purchase manifold supplies from the  
public printer, but the public printer  
could not buy completed books. Morton  
succeeded in having the law changed so  
as to authorize the department to  
buy "completed manifold books." After  
this the use of books of the General  
Manifold company was extended so as  
to include all books used in registry  
system.

On June 1, 1932, Louis Kemper be-  
came superintendent of the registry  
system, and under his administration  
books made by the General Manifold  
company have been used in a lavish  
manner. The original proposition was  
to furnish a book containing 100 receipts  
for 25 cents each. This book, how-  
ever, was never used, but in its stead a  
book containing 1,000 receipts, which  
cost \$1.10.

Prior to Kemper's appointment as  
superintendent of the registry system,  
manifold books were not furnished to  
offices where less than 2,000 pieces of  
registered mail were handled per an-  
num. Kemper disregarded this rule  
and sent these expensive manifold  
books to third and fourth class offices.  
The books are made of material requir-  
ing careful handling, yet they have  
been sent to hundreds of offices  
throughout the country that are kept  
in small country stores and farm-  
houses where not more than 25 pieces of  
mail are registered in a year.

The result has been that the cost of  
manifold supplies for the fiscal year  
1932-3 was \$34,763.82, as against \$14,499.24  
for the fiscal year 1931, when supplied  
by the public printer, an increase of  
\$20,264.61. After the books were once  
adopted for general use the company  
advanced the prices to illustrate:

On Oct. 9, 1932, 25 books were ordered  
for Atlanta, Ga., at a cost of \$50, while  
on the 15th of November, five weeks  
later, 25 books, exactly the same, were  
ordered for Ogden, Utah, for which the  
company charged \$57.85. On Oct. 13,  
1932, 10 books were ordered for Boston,  
Mass., for which the company charged  
\$126.50, while in April, 1933, 10 of the  
same books were ordered for the same  
city, for which \$165 was charged.

During the investigation it was learned  
that Kemper had been receiving from  
Cuba numerous packages of cigars  
without paying duty as required  
by law. By an order of the president,  
Nov. 18, 1930, anyone employed in the  
United States service in Cuba was per-  
mitted to send gifts or souvenirs to

## COLD WEATHER COATS

the "Fulton" and the "Broad-  
way Box", bearing this famous  
mark

Alfred Benjamin & Co.  
MAKERS NEW YORK

BENJAMIN Overcoats repre-  
sent America's highest achieve-  
ment in ready-for-service ap-  
parel. If an overcoat doesn't  
hang right from the shoulders,  
it is neither comfortable nor  
correct. The skirts of the  
"Fulton" sweep from broad,  
concave shoulders with a dig-  
nified grace that is the marvel  
and the despair of other over-  
coat makers. The "Broadway  
Box" has shorter skirts for  
more conservative tastes.

The price is right. Your money  
back if anything goes wrong.  
They are at this store only.

GRAY BROS. & CO.,  
Main St.

members of his family free of duty.  
Kemper had partied in Cuba by cig-  
ars for him and sent to him by regis-  
tered mail marked "gift," thereby evad-  
ing the duty. Seventy-eight packages  
were received by Kemper in this way,  
many of which he sold.

He was removed Oct. 25, 1933.

#### OFFICE OF THE ASSISTANT AT- TORNEY-GENERAL.

The administrative methods of Tyner  
and Barrett are clearly illustrated in a  
number of cases which were passed up-  
on by them.

E. G. Lewis—E. G. Lewis of St.  
Louis, Mo., was conducting what is  
known as an "endless chain" scheme.  
Barrett ruled that his scheme was a  
lottery, but no fraud order was issued,  
and as an acknowledgment of Barrett's  
lenient treatment Lewis presented him  
with a gold watch.

Samuel Harris—Samuel Harris of  
New York published in the papers a  
picture of an eye, then the letters D and  
A, followed by the plea of a hoax. The  
advertisement announced that \$100 re-  
ward would be given to anyone who  
would correctly answer the name of the  
eye represented in the picture. When  
an answer was sent in the correspond-  
ent was advised that under the rules  
of the company it was necessary before  
a cash prize could be given for him to  
purchase one package of the renewed  
Caroline tablets, costing 50 cents.

After buying the package the victim was  
advised that so great a number had an-  
swered correctly that it became neces-  
sary to divide the \$100 prize among  
them equally. The amount due each  
would not exceed 2 or 3 cents.

A fraud order was issued against  
Harris, but after Barrett retired from  
office he became Harris' attorney, had  
the fraud order revoked, and Harris  
ran the same old business for months  
without interruption.

Cassius M. Upton—Cassius M. Upton,  
publisher of a cheap illustrated paper in  
Chicago, sought to extend his circulation  
by the puzzle plan. In one of his  
schemes he submitted the initials of  
nine leading railroads running out of  
Chicago, with the names of the roads  
spelled out, omitting a few of the let-  
ters. He offered \$500 reward for full  
correct answers to the list. The con-  
dition was that in order to get a prize it  
would be necessary to send \$2 for a  
year's subscription to Upton's Illustrated  
Weekly. The puzzle was so simple  
that anyone could answer it correctly.

The result was that the \$500 prize would  
have been divided up until the winners  
would receive less than 5 cents each,  
and this Upton failed to distribute. He  
was arrested for using the mails to de-  
fraud. Asst. Atty.-Gen. Tyner protest-  
ed against the action of the postoffice  
inspector in causing the arrest. And  
upon Barrett's urgent appeal, the at-  
torney-general, over the protest of the  
district attorney, directed that the case  
be dismissed.

L. M. Cushman—At the same time  
this action was pending in Chicago,  
L. M. Cushman, publisher of the Colum-  
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In the direction of depriving them of  
the use of the mails.

And the same mail that carried the  
opinion with this suggestion to the  
bond-investment concerns also carried  
the announcement that Barrett had re-  
signed and formed a law partnership  
with Nelson. The reality of the  
of the concerns immediately sought his  
services. In a letter to the secretary  
of one of them, written ten days be-  
fore he retired from office, Barrett said:

"I believe we can eliminate all the  
objectionable features in the contracts  
and put them in such form that they  
will meet with the approval of the de-  
partment. Our fee will be \$1,000 re-  
tainer and \$100 a month for twelve  
months."

A number of representatives of bond-  
investment companies were in Wash-  
ington during the holiday week of 1930,  
but they could get no satisfaction out of  
Tyner. But on the 31st of December,  
after a 1 o'clock in the afternoon, they  
met Barrett at his apartment and  
employed him at their attorney. On the  
next day he presented the matter to  
Tyner and had their certificates ap-  
proved.

Southern Mutual Company—The  
Southern Mutual case, of Lexington,  
Ky., probably more clearly illustrates  
the scheme of Barrett, Tyner, and  
Nelson than any other. Nelson was the  
attorney for the company. A fraud  
order had been issued against it by  
Asst. Atty.-Gen. Thomas on Jan. 21,  
1937, but afterwards revoked by Bar-  
rett.

On the 21st of December, 1930, Nelson  
secured the approval of Tyner of a  
plan which enabled it to operate its  
business according to the old plan.  
Barrett, however, was not satisfied  
with the plan, and on Jan. 5 follow-  
ing Nelson wrote Bowman, secretary  
of the company:

"I wish you would state to your  
board of directors just what I stated  
to you and Mr. Brinson when you  
and he agreed to pay \$1,000 for me.  
Gen. Tyner said he would  
approve the contracts submitted to him."

The issuing of this opinion of Bar-  
rett's caused a panic among bond-in-  
vestment concerns. K. G. Pulliam, of  
the American Investment company,  
had employed ex-Secy. Carlisle as at-  
torney to represent him in his efforts  
to prevent the issue of a fraud order.  
Pulliam in a statement says that Mr.  
Carlisle advised him:

"There are only two ways of accom-  
plishing this. First, by getting the  
order from the federal courts at a likely  
expense of \$25,000; the second, to em-  
ploy Messrs. Barrett & Nelson, a new-  
ly organized law firm, who stood close  
to the Tyner crowd, but if it was to  
be done this way he would have nothing  
to do with it."

Pulliam, however, was not so sensi-  
tive. He employed Barrett & Nelson  
and contracted to pay them \$1,000 as  
a retainer and further compensation  
of \$500 per annum in monthly install-  
ments.

The books of Barrett & Nelson show  
that during the first 35 days of their  
partnership they received \$5,600 from  
these bond-investment concerns.

#### PHYSICIANS' INSTITUTE.

The Physicians' Institute, of Chicago,  
advertised a magnetic belt "free." To  
anyone answering this advertisement  
a symptom blank was sent to be filled  
out and returned in every case. The  
concern claimed that the symptom  
sheet showed such a complication of  
diseases that the belt alone would re-  
nder no service, and a package of soci-  
al medicine was forwarded in connec-  
tion with the belt, by express, C. O. D.,  
\$5.00.

When an investigation was ordered  
the company engaged the services of  
Barrett, and paid him a fee of \$5,000 to  
represent them before Tyner. On Nov.  
13, 1931, Barrett prepared a letter  
and sent it to Tyner's home address,  
inclosing a note indicating the kind  
of a decision he would like. A few  
days afterwards the case was disposed  
of as suggested by Barrett in this note.

#### TURE-INVESTMENT COMPANIES.

E. J. Arnold & Co., of St. Louis,  
Mo., were conducting what is known  
as a "ture-investment" scheme. On  
Nov. 25, 1932, the inspectors, having  
investigated the company, recommended  
that a fraud order be issued against  
it. In the meantime the company had  
employed Barrett as its attorney and  
paid him a fee of \$5,000. And instead  
of issuing a fraud order Tyner gave the  
company a letter of commendation.  
Barrett, however, was not satisfied  
with the letter, and on July 1, 1939,  
Barrett received a check of \$1,000 as an  
additional fee. The company failed in  
January, 1933—assets, \$75,000; liabil-  
ities, \$120,776.

J. J. Ryan & Co., of J. J. Ryan & Co.,  
of St. Louis, was a kindred institution to  
Arnold & Co. In October, 1932, the in-  
spectors recommended a fraud order  
against this company. The company  
was given a hearing by the assistant  
attorney-general's office and another in-  
vestigation by the inspectors was re-  
quested. In the meantime J. M. Johns,  
an attorney at Rockville, Ind., made  
proposition to Ryan that for a fee of  
\$3,000 he could help him, through his  
friend D. Miller, of the assistant at-  
torney-general's office, after some ne-  
gotiations it was agreed that \$15,000  
would be paid to Johns by Ryan if he  
would give him a "clean bill" before the  
postoffice department. This Johns  
agreed to do, and Miller communi-  
cated the matter to the assistant at-  
torney-general, Ryan & Co., which  
he sent to Johns. As a result of this  
transaction Miller and Johns were in-  
dicted.

#### RIFLING OF THE SAFE.

On April 21, 1933, while the investiga-  
tion of the assistant attorney-general's  
office was in progress, Mrs. J. N. Tyner,  
in a clandestine manner, admitted Mrs.  
Barrett and Mr. Hammer, a safe expert,  
into a private room of the assistant  
attorney-general's office, where they un-  
locked the same and took out all of the  
contents, which Mrs. Tyner carried off.  
What was in the safe no one knows but  
the Tyners. Mrs. Tyner stated that she  
went into the office and secured the  
contents of the safe under the direction  
of her husband, which statement he  
confirmed. As a result of this episode  
Tyner was summarily removed from  
the office of assistant attorney-general  
and Christianity resigned.

For six years under Tyner's adminis-  
tration certain favored frauds and lot-  
teries were given free use of the mails.  
Barrett's scheme to resign and practise  
before the office, and Tyner's part in  
that scheme, as set forth in the body  
of this report, was the climax of official  
perfidy, more evil in its results and  
more brazen in its conduct, than any  
science than outright embezzlement or  
open theft.

Tyner and Barrett were indicted on  
Oct. 3 by the grand jury for the Dis-  
trict of Columbia for conspiracy to de-  
fraud.

#### MONEY-ORDER SYSTEM.

For supplying money-order forms for  
four years from Sept. 1, 1928, the bid  
Paul Herman was \$44,948 less than  
that of the Wynkoop Hallenbeck Craw-  
ford company. James T. Metcalf, su-  
perintendent of the money-order sys-  
tem, asked Herman to withdraw his  
bid so that the Hallenbeck company,  
where his son was employed, would get  
the contract. He assured Herman that  
if he did so he would have him in-  
stantly in the position he formerly held  
with that company. Metcalf knew that  
such withdrawal would cost the depart-  
ment about \$100,000. For this action of  
Metcalf's the postmaster-general sum-  
marily removed him from office.

#### MAILING OF BOOKS.

In 1899, upon Metcalf's recommenda-  
tion, the Wynkoop Hallenbeck Craw-  
ford company was given the contract  
to ship the money-order books to post-

## Honest QUALITY TEA

CHOICEST  
LADIAN TEA  
IMPORTED BY  
W. J. DRUMMOND & CO.  
SAN FRANCISCO  
HALF POUND

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DEALER

masters, for which it was to receive 3 1/2  
cents per book. Afterwards, upon Met-  
calf's recommendation, the price was in-  
creased to 4 1/2 cents.

It was further discovered by the in-  
vestigation that Metcalf's son, who is  
employed by the company, was receiv-  
ing 1 1/2 cents per book for all of the  
books shipped by the company under this  
arrangement. From December, 1928,  
to May, 1930, he was paid \$9,547.15  
in addition to his legitimate salary.

Inferior Paper Used—The investiga-  
tion shows that inferior paper was being  
used in the printing of the forms, and  
that Metcalf knew this fact, but  
made no effort to require the company  
to adhere to the specifications in respect  
to paper.

Metcalf made other unjustifiable and  
reckless changes in dealing with the  
Wynkoop Hallenbeck Crawford com-  
pany, which resulted in a combination  
of the four principal bidders