

Secrets of the Secret Service

THE DEITZ CASE

Bootlegger Becomes
Peeved When
"Gypped" and Turns
in Counterfeiter

By JOHN JAY DALY

OCCASIONALLY the Secret Service gets a break—from the underworld. Harry Deitz, a notorious bootlegger in New Orleans, met a Frenchman with an invention. This was a chemical process for turning plain, ordinary nickel discs into \$5 gold pieces. They looked like the real article. They were real, since all the Frenchman did was substitute some of Uncle Sam's gold pieces for the cheaper metal.

Although the worldly wise Deitz had seen the magic performed he still was skeptical. The Frenchman wanted to sell the solution for the insignificant sum of \$500. Just a sleight-of-hand process.

Deitz figured the Secret Service should know something about this particular game. So he went to see the agent in charge of the New Orleans office, Julian T. Baber.

"What's on your mind?" Baber asked. When Deitz told him, the Secret Service man saved the bootlegger \$500. From then on the Secret Service had a friend in Deitz—and he proved his friendship later on by "turning up" one of the biggest counterfeit conspiracies in the country—a conspiracy, incidentally, that could have landed Deitz behind the bars an innocent victim. Sounds strange, but it's true.

Deitz, in the role of bootlegger, was out to get all the coin he could. So he listened one day to the pleadings of one Louis Genaro, who told a plausible tale of bringing liquor into the United States from South American countries. Louis Genaro backed up his argument by handing Harry Deitz \$5000 in Federal Reserve notes. Nice, crisp, fancy bills.

"Take these," he said, "go to Belize, British Honduras, in Central America, and bring back the booze." He gave Deitz an address—and a man to locate.

With \$500 of his own money—good currency—Harry Deitz started on his mission. It did not "pan out." There was a hitch in Belize. The trip was in vain. But while in Honduras, Deitz learned liquor could be bought cheaper in Germany. He had a sister there he not seen in a long time and he decided to make the trip without Genaro's knowledge. Deitz went first to New Orleans and then on to New York, to book passage on a Hamburg-American liner. The day the ship was to sail, Deitz stood in front of the ticket office. He had spent most of his own money on the South American trip, holding the big bills in reserve. So he whipped out two \$100 bills from the roll of \$5000 given him by Genaro and handed them over for his passage to Germany.

"I'm sorry," the ticket clerk said, "but I can't accept these bills—they're counterfeit!"

Deitz turned red in the face. He could hardly believe what the clerk told him. Counterfeit bills. A bootlegger with counterfeit money was on the spot.

Then Deitz decided to learn the truth. He took the bills over to a bank. In front of the cashier's cage he had qualms.

If the bills were truly counterfeit the banker would call the Secret Service—and Deitz, not on friendly terms with the New Yorkers, would be in a pretty fix. With his record as a recognized New Orleans bootlegger, they might



"turn on the heat." Deitz thought it over. Louis Genaro had played him a dirty trick. So when Deitz's turn came at the cashier's window, instead of throwing over a \$100 bill for inspection, he shoved a good \$20 bill—his last—across the counter.

"Give me change for that," Deitz said. With the money he got in change, Deitz walked out of the bank and bought a bus ticket to New Orleans, determined to go where he felt his story would be believed by Secret Service men.

It meant that Deitz would not have anything to eat all along the route. The fare was \$20—and the trip would take all of five days and nights. That made no difference. Deitz had vengeance in his heart.

The more he thought of it the more vengeful Deitz became. Here was this fellow Genaro, who tried to play him for a sucker.

Almost exhausted from lack of food, Deitz walked into Secret Service headquarters at New Orleans. Julian T. Baber, now attached to the Washington office, happened to be in New Orleans on another case. But Deitz wanted to see R. L. Crosby, Baber's assistant in the old days. "You don't remember me, do you?" Baber said.

"No," Deitz admitted, having no knowledge of the camera-eyes possessed by Secret Service men.

"I remember you well," Baber told him. "I was here when we saved you \$500 you were about to give to a 'con man.'"

Deitz remembered. "Now," he said, "I'm gonna tip you people off to a counterfeit racket." He tossed \$9000 in counterfeit bills on the desk.

"Look at these," he said. "Beauties," Baber exclaimed. "Where did you get 'em?"

Deitz told his story: "That double-crossing —," he said, "played me for a sucker."

Crosby, of the New Orleans office, came in and he and Baber worked out a scheme to run down Genaro and his counterfeiters.

Secret Service men went out to Deitz's home and got him to call Genaro and ask him to come over.

Secret Service agents hid themselves in the dining room of Deitz's home, while he confronted Genaro in the parlor.

"This money is bad," Deitz said. "What do you care?" Genaro asked. "It's the best counterfeit money you ever got your hands on, isn't it?"

Deitz showed the counterfeit bills to the Secret Service men. "Look at these," he said. "The double-crosser tried to make a sucker out of me"

"I don't want any part of it," Deitz declared.

"Then give it to me," Genaro said, and reached for the bundle of bills. Just as he got them in his hands the Secret Service men stepped from behind the dining-room curtains and made the arrest.

That arrest led to others. It developed that Genaro got the money from Que R. Miller, a confidant of Victor Lustig, alias "The Count."

All through the night Genaro was questioned. He told so many crazy-quilt stories the Secret Service men were about to give up. Finally, he said a man named Bob had been introduced to him by Harry E. White, an ex-convict, who had served time in Atlanta for passing \$50 and \$100 gold notes.

Genaro's description of Bob was so vivid that Secret Service men, who were in New Orleans from Dallas, Tex., identified Bob as Que R. Miller, a former Texas Sheriff who had turned confidence man.

While in office, as Sheriff of Foard County, Tex., Miller fell for one of the confidence schemes of "Count" Lustig, lost \$140,000 of his own and some county funds on the transaction. For this offense, embezzling \$41,000, he was sent to the Texas State Penitentiary.

In order to make good his losses, Miller started peddling the bogus \$100 notes that had been made for "Count" Lustig by the expert photo-engraver, William Watts.

Genaro, in Chicago, planned to use these same notes in the purchase of narcotics and liquor in Central America.

That's how Deitz got in the picture, innocently enough, and how the Secret Service got the tip that led to the capture of counterfeit currency in Louisiana and Texas.

Counterfeit notes started popping up all over these two States, once Miller got into action.

Secret Service agents first caught up with the former Sheriff in Henderson, Tex., on February 4, 1934, for passing split \$1 notes and having in his possession impressions of \$1 notes which he used in promoting a confidence game. He had a money-making machine, phony like the bills. For this offense the authorities gave Miller one year and a day in the penitentiary.

In September of that year, New Orleans Secret Service men were surprised to learn that Miller was not behind the bars, that he was not a convict in the Texas State Penitentiary—where they supposed him to be. So they went out to get him again and enforce a sentence imposed upon him in New Orleans, a sentence to run after his Texas confinement.

In January 1935, Miller gave himself up to the New Orleans agents. He was turned over to the United States Marshal and taken to Atlanta. When released Miller went to New York City and there, on August 8 1936, fell into the hands of Secret Service agents who were on his trail for passing bad \$20 Federal Reserve notes in and about Louisville, Ky.

Down Kentucky way they also wanted Miller for swindling a prominent citizen out of several thousand dollars in one of his celebrated confidence games.

While Secret Service men had Miller where they wanted him they had yet to get the plant where these spurious notes were made. That turned out to be a job for the Chicago agents. They got a line on a printer, William E. Davis, and arrested him one December night while he was attempting to deliver 6000 counterfeit \$5 notes to a man named Finkelshtein.

When Secret Service agents surrounded Davis' home they captured a plant for making \$5, \$10, \$20 and \$100 notes and counterfeit currency to the sum of \$300,000. Davis pleaded guilty and was sentenced to four years in Atlanta. He admitted he had printed all his notes from plates made by William Watts and that "Count" Victor Lustig not only financed the scheme, but made contacts for the disposition of the entire output.

Miller was the contact man in this specific work. Had Secret Service men failed to get him when they did, and also Davis' plant, the Nation would have been deluged with counterfeit money. All told, about half a million dollars in queer money was rounded up in various parts of the country—some of it found in the swamp lands of Louisiana.

Two brothers, Herbert and Arthur Magee, were the Louisiana distributors.

"Kansas City" Sam, a foreigner with an unpronounceable name, was also caught in the meshes of the law. All this from a friendly tip handed on a silver platter by a disgruntled bootlegger—but Secret Service agents claim these breaks come too seldom. As a rule they have to do their own research work.