

The Atlantic Dope Ring

Lonely Vigil of Two U. S. Customs Agents "Breaks" Smuggling Case

By C. S. Van Dresser

JACK THOMPSON shivered as a gust of raw November rain lashed into his face out of the murky darkness that shrouded him and his fellow Federal customs inspector as from the top floor of a Hudson River pier they watched the looming hulk of the steamship Manhattan, berthed a few yards away at her New York dock.

"D'ye think they'll try to land the stuff tonight, Jack?"

"Hard to tell, Bill," Jack growled through chattering teeth. "The Super's had Schatz tailed ever since he was let out on bond a month ago. O'Keefe's positive that louse of a dope smuggler has a load on the Manhattan, and he's seldom wrong. Neither Sikes nor Davis found a thing when the ship docked this afternoon."

Bill strained his eyes toward the after deck of the nearby vessel, hardly able to discern the movement of its slight rise and fall as the Hudson River current tugged at the giant ship, pulling its hawsers taut.

"Shh! What's that?"

"Yeah! I hear somethin', too."

Footsteps echoed dully on the roof. A strange place for some one to be walking at that time of night. The customs inspectors scrambled up a ladder to the rooftop as quietly as possible. Two figures partially obscured in the darkness were running toward the street end of the pier. The obviously heavy load each carried impeded their flight.

"Stop where you are!!" commanded the leading customs agent, snapping on his powerful flashlight. One of the fleeing men turned and fired into the glare. Jack Thompson's revolver answered almost simultaneously, and the desperado dropped his load and threw up his hands in surrender. His companion continued the flight, with Jack's partner in close pursuit. Too late the agent caught up with his quarry, for as they reached the edge of the pier the fugitive hurled a heavy black suitcase out into the night, where it splashed resoundingly in the inky water below.

"That won't do you any good," said the Federal man as he marched the captive back along the roof to join his brother officer.

Customs men on the lower level of the pier summoned a Coast Guard cutter at once, which soon fished the ominous piece of luggage out of the river with grappling irons. Each suitcase carried by the two criminals caught on the pier roof contained more than fifty-two pounds of opium.

The prisoners gave their names as Olaf Olsen and Slado Stadens. They refused to admit that they knew what was in the suitcases, but were jailed and held incommunicado. There were too many things happening around the New York waterfront for the last month that needed explanation.

Until comparatively recently it had been normally quiet around the Hudson River piers. Superintendent Gregory W. O'Keefe's customs agents had been carrying out the usual routine of inspection—discovering minor cases of tourists attempting to elude tariff duty or seizing an illegal diamond or two. The dope racket had been exceptionally quiet, thanks in no small measure to the breaking up of that sinister and world-wide ring known as the "Drug Barons of Europe." That had been a masterful piece of work on the part of the Federal men working in conjunction with agents of several foreign countries. Smuggling of opium to the United States had noticeably declined since then.

But for the last month the contraband had mysteriously increased. There was the case of the German steward, Fritz Mader, aboard the steamship New York



"Stop where you are," the Customs Agent ordered, as the man dropped the suitcase. It contained opium

of the Hamburg-American Line, three weeks previous in mid-October, and the arrest of the buffet chef of the Ile de France a few days after that.

The smashing of this latest of several vicious international drug rings had its instigation because customs agents in New York were suspicious of an unsavory citizen of Brooklyn named Morris Schatz.

It started when the steamship New York docked at her pier early in October, 1936, after a trip from Germany and the steward, Fritz Mader, placed two suitcases in the "crib" where unclaimed baggage was held. Morris Schatz, watched by customs inspectors, loitered around the dock, evidently waiting for some one. After the last of the passengers of the vessel had checked through the customs the German steward approached the Hamburg-American baggage master and hinted that it would be worth while if he allowed two certain bags to go through without the usual inspection.

The baggage master refused the bribe and reported the incident to the customs inspector, who decided to leave the bags in the crib and allow the steward to return to the ship quite unsuspecting.

The boat sailed the next day for a three-day cruise to Bermuda, and upon its return Schatz was again in evidence on the pier, this time very agitated. Mader remained in hiding, but just before the boat sailed again customs men went aboard and arrested him. In the meantime Schatz was picked up on suspicion. The men were confronted with the suitcases, which were loaded with opium, and the German broke down and confessed that Schatz had hired him to deliver the stuff from Hamburg to New York.

Although bonds was set for Schatz at \$15,000, he easily made it and walked out, again a free man. Mader was less fortunate and was held in prison in de-

This is the first of a series of "inside" true stories showing how United States Customs Agents successfully battle against dope racketeers and smugglers. Other stories will follow later.

fault of bond. These arrests occurred on October 13, 1936, and constituted the first steps in smashing the huge ring which the United States Customs Service did not dream existed.

Schatz was carefully trailed after his release and two weeks later was observed hanging around the French Line pier as the Ile de France was docking. Disembarking passengers were almost X-rayed, so carefully were they scrutinized by the customs men. . . . The case was getting hot.

One young woman looked entirely too suspicious—her clothes were ill-fitting and bulky. Upon examination by the matron her clumsy attempt at smuggling was readily detected, for concealed in her clothing was more than eight pounds of crude opium in brick form. She soon weakened under questioning and implicated her coworker, the buffet chef of the ship, Pierre Juliau.

The chef admitted that he was running the opium for the same Morris Schatz, out on bond, and his partner, named Pierre Sam, later identified as Pierre de Stephano, a notorious French fugitive from justice, who had sneaked into the United States eight months previously as a stowaway from Algeria.

Schatz was rearrested and held this time without bond.

Information and tips began to come in hot and heavy. "Schatz had a shipment on the steamship Washington; he was expecting a load on the Normandie; the Europa, due in from Bremen in two weeks, would be carrying a consignment."

The next step in the drama took place on the cold, rainy night of November 2, when two customs agents captured the seaman, Olsen and Stadens, as they attempted to escape with more than 100 pounds of opium from the steamship Manhattan via the pier roof. Although the prisoners refused to talk, definite evidence connected these shipments with de Stephano and Schatz.

Each succeeding seizure forged an additional link in the chain around the necks of the two drug ringleaders. A week after the Manhattan episode the pride of the French Line, the Normandie, docked at her specially constructed pier. By this time the Federal men knew pretty well where to look (the source of this information cannot be revealed) and collared the steward of the liner, Georges Limacher, and Henri Poncet, chief pantryman, with twenty-two ounces of heroin, the most concentrated derivative of opium. Both men admitted they were carriers for de Stephano and Schatz, whose indictments were swelled to include this case.

The two ringleaders faced Judge Murray Hulbert in New York, who pronounced these words:

"De Stephano, I sentence you to forty years in the Federal Penitentiary and impose upon you a fine of \$40,000."

The guilty Frenchman all but fainted as he visualized the remainder of his life behind the grim, gray walls of prison. The voice of justice rolled on:

"Morris Schatz, I sentence you to twenty-five years in the Federal Penitentiary and impose upon you a fine of \$45,000."

All the remainder were found guilty and received varying sentences from ten years each for the two Hamburg-American Line seamen to one year and a day for Henri Poncet, chief pantryman of the Normandie. Fritz Mader was the only lucky one. He was held in the local jail until he could be deported.