

Breaking Hawaii Case

United States Customs Agent "Quits" Service to Join Gang and Nearly Loses His Life

By C. S. Van Dresser

IN SMASHING the most gigantic smuggling ring in the history of the Hawaiian Islands a little more than a year ago, the fearless men of the United States Customs Service conceived and carried to a successful conclusion the most audacious and hazardous scheme ever recorded in the annals of the Federal Government.

For some years prior to the smashing of the ring it was well known that a certain Joseph Kubey directed the manifold operations of the smugglers of Honolulu. Nothing had been proved on the dope boss in spite of the efforts of Federal men, and the stream of deadly narcotics continued to pour in from the Orient. Although several large dope smuggling rings had been wiped out in Los Angeles and San Francisco, the supply of opium coming into the United States as a result of Joseph Kubey's activities was scarcely checked. Accordingly, in early 1935, a special customs force consisting of J. P. Sheehan and D. S. Conner, veteran Federal agents, experienced in running down opium traffickers, was dispatched from Washington.

The crux of the whole daring scheme lay in the part played by Agent William Holt, who since 1933 had been customs inspector at Honolulu. It was arranged that he was to get discharged from the service and let it be known that he was indignant over the treatment and wished to retaliate against the Government. By so doing it was hoped that Holt would get into the confidence of the dope boss of Honolulu and thereby obtain the evidence to convict the well-organized gang.

It was a dangerous plan, for it was well known that Kubey would not hesitate to use a gun. How dangerous a game was proved when Holt nearly lost his life in getting his man.

And so it was that as he sat in the sun-drenched patio of his modest Hawaiian bungalow on a certain December afternoon in 1935, Holt hoped above all things that the news of his recent release from the Honolulu detail of the United States Customs Service would reach Joseph Kubey, drug king of Hawaii. The former Federal agent had let it be known publicly that he was plenty sore about being let out and was through with the service for good.

A heavy step disturbed Holt's musings as a large, solidly built man walked toward him one day. It was Kubey.

"Hello, Holt; or should I say Inspector Holt?" cryptically greeted the drug baron.

"Well, well. If it isn't little Joey Kubey in person. What brings you here? Going to hold a post-mortem and gloat over the victim?"

"Taking it rather hard, aren't you?" said the opium boss, as he seated himself without invitation.

"Hell, yes. Wouldn't you? I've served that lousy customs outfit for years, and now they give me the gate. 'Unfit for duty,' they said. Nuts!"

"Did it ever occur to you, Holt, that there might be a real job for you right here in Honolulu?"

"Now what?" challenged Holt. "First you tell me you got me fired and then you say you can get me another job. This must be my day for surprises."

"Listen a minute, Holt," said the dope smuggler suavely. "I admit I didn't have anything to do with your discharge. But I also admit it is a break for me and, if you've got any sense, it will be a break for you, too."

"All right; I'm in the mood for fairy tales. Go ahead."

"It's like this," continued Kubey. "Confidentially speaking, I got connections in Hongkong, Shanghai and Macao. I won't say exactly what those connections are, for what you don't know you can't be hung for. But friends of mine, especially women friends, often take trips from China to Honolulu. They like Hawaii, see?"



As the door opened, Customs Agent Holt faced an enraged and armed dope racketeer. His gun spoke and Holt fell badly wounded

"What of it, Kubey; where do I fit in?"

"I'm comin' to that. These friends of mine find it embarrassing sometimes to be searched by the customs men. They're sensitive—especially the women—and don't like to be pawed over. Now, you've been in the Customs Service quite some time; you know the ropes. Couldn't you arrange to let these friends of mine through the customs without too much examination of themselves and their baggage? It might be worth your while."

"Supposing I do it? What do I get out of it? There's jails for guys that pull stunts like that, you know."

"You'll never get caught, Holt. The Feds believe that I do all my business by having coolies drop the stuff overboard in Honolulu Bay for the fishing boats to pick up. I'm gonna let 'em keep on thinking it, but I'll run the show right through the customs inspection at the dock. That is, if you'll play ball."

The ex-inspector leaned back in his chair and stared speculatively at the waving palms, sharply etched against a sky of brilliant blue.

"All right, Kubey," he said after a minute. "I'll string along with you. What do I get out of it?"

"One hundred bucks every time a Dollar Line boat docks from China," promptly replied the dope racketeer.

"Make it 200," returned Holt. "and I'll see to it that anybody you don't want searched won't get searched."

"It's a deal."

It was at the same time, in late 1935, that Special Agents Sheehan and Conner were dispatched from Washington, the United States Coast Guard co-operated in the drive against Kubey by sending out three cutters, the William J. Duane, the Tiger and the Hilo. One of the most prevalent methods of running the drug was to wrap tins of it in burlap bags filled with rock salt and, as the steamship neared Honolulu, pitch it overboard. The salt would cause the bag to sink, but twenty-four hours or so later, owing to the salt's dissolving, it would rise to the

This is another of the series of "inside" true stories on how the United States Customs Agents wage a successful war on dope racketeers and smugglers.

surface to be picked up by fishing boats waiting for that purpose. Often inflated balloons were inserted in the bags to make detection easier.

The now augmented Coast Guard force struck to incoming steamships from the Orient like a ramora to a shark, and made life miserable for the members of the fishing fleet who were believed to be in Kubey's employ. However, narcotics were still coming through the port of Honolulu in alarming amounts.

In late December Holt's plan bore fruit, for the opium smuggler made the Federal man a proposition that if he would use his knowledge and influence with the customs inspectors to help get opium off the ships and into Honolulu he would be well paid for it.

Holt worked fast after that. Within a month he learned that a wealthy Chinese of Honolulu, W. S. Chee, supplied Kubey with his female runners. The Chinese trained attractive Oriental girls who were educated and spoke good English in the wiles of getting by customs inspectors with a load of opium and heroin concealed in their clothing. The principal runners were Helen Young and Mrs. Won Sai.

Holt, acting under orders from Sheehan, allowed Mrs. Won Sai to run a load of considerably more than 1000 ounces of opium through the Honolulu customs on February 6, 1936. The drug was concealed in two suitcases, 120 tins in one and eighty in the other. Later this dope was seized and used as evidence against her.

In rapid fashion the Federal man built up his case against Kubey and his ring. The Chinese procurer, Y. S. Chee,

was hopelessly entangled in a net of evidence, although he did not know it. Likewise, Helen Young, Mrs. Won Sai and another Oriental member of the gang, Lawrence Loo, were deeply enmeshed in the toils of the Federal law, but were unaware of it.

Holt planned to complete his damning case against Kubey by having the drug baron call at his house for a "business" conference that would be recorded on a dictaphone. No one will ever know how Kubey learned that Holt was on the level with Uncle Sam, but find it out he did.

On the night of the agreed meeting, in early April of 1936, Kubey phoned Holt and asked him to change the meeting place from Holt's residence to his own. Disgruntled that his plan of recording the conversation would not be carried out, but totally unsuspecting, Holt agreed. It almost cost him his life.

Kubey greeted the Federal man with drawn pistol when he appeared at the drug racketeer's home.

Holt, making a desperate bid for his life, dove at Kube. The drug boss met the charge of the lighter man with a vicious blow which left Holt reeling. Then, calmly and deliberately, he shot the officer through the neck. The Federal man slumped to the floor, blood welling from his bullet-torn throat.

Kubey looked at the inert body at his feet. "Murder!" he breathed to himself. "I'm guilty of murder! But they'll never hang me!"

The killer fled his home, got into his car, drove up to Nuana Pali, a high cliff overlooking the sea, then jumped to his doom.

They breed tough men in Uncle Sam's Customs Service, for Holt, shot through the neck, still lives to tell the tale.

All Kubey's gang were rounded up and indicted, thus smashing Hawaii's greatest drug smuggling gang since the days of the old monarchistic regime when the opium concession in the islands was sold openly to the highest bidder.